

UNITED WAY OF WILL COUNTY
FINANCIAL REPORT
YEARS ENDED JUNE 30, 2018 AND 2017

DISCUSSION DRAFT

UNITED WAY OF WILL COUNTY
Table of Contents
Years Ended June 30, 2018 and 2017

	<u>Page</u>
<u>REPORT OF INDEPENDENT AUDITOR</u>	1 - 2
<u>FINANCIAL STATEMENTS</u>	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5
Statements of Community Empowerment & Capacity Development Activities	6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 12
<u>SUPPLEMENTARY INFORMATION</u>	
Schedule of Agency Program Grants/Investments	13

REPORT OF INDEPENDENT AUDITOR

The Board of Directors
United Way of Will County

I have audited the accompanying financial statements of United Way of Will County (the Organization) which is comprised of the statements of financial position as of June 30, 2018 and 2017 and the related statements of activities, changes in net assets, functional expenses, community empowerment and capacity development activities and cash flows for the years then ended, and the accompanying notes to financial statements.

Management Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor Responsibility

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a reasonable basis for an audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United Way of Will County at June 30, 2018 and 2017, and the results of its activities and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

My audits have been made for the purpose of expressing an opinion of the basic financial statements taken as a whole. The accompanying supplemental information, as described in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as whole.

March 27, 2019

UNITED WAY OF WILL COUNTY

Statements of Financial Position

June 30, 2018 and 2017

	<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
Current assets			
Cash and cash equivalents		\$ 547,845	766,183
Short-term investments		1,009,702	1,059,083
Pledges receivable, net		1,167,103	1,297,597
Prepaid expenses and other		18,464	6,470
Restricted deposits		28,834	38,037
Total current assets		2,771,948	3,167,370
Property and equipment, net of accumulated depreciation of \$73,230 (\$72,686 in 2017)			544
		<u>\$ 2,771,948</u>	<u>3,167,914</u>
<u>LIABILITIES AND NET ASSETS</u>			
Current liabilities			
Accounts payable		\$ 21,718	23,435
Accrued compensation		33,564	26,956
Pass-through contributions payable to:			
United Way agencies		31,542	24,090
Non-affiliated charitable organizations		7,118	8,024
Deferred support			19,100
Total current liabilities		93,942	101,605
Net Assets			
Unrestricted		2,569,748	2,986,020
Temporarily restricted		108,258	80,289
Total net assets		2,678,006	3,066,309
		<u>\$ 2,771,948</u>	<u>3,167,914</u>

DISCLOSURE STATEMENT

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF WILL COUNTY
Statements of Activities and Changes in Net Assets
Years Ended June 30, 2018 and 2017

	2018			2017		
	Total	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted
<u>Public Support and Revenue</u>						
Campaign support	\$ 2,608,958	2,608,958		2,775,341	2,775,341	
Allocations from other campaigns	223,304	223,304		281,253	281,253	
In-kind donations	140,118	140,118		91,000	91,000	
Less: Designations to other agencies	(37,899)	(37,899)		(51,961)	(51,961)	
Estimated uncollectible pledges	(100,000)	(100,000)		(102,000)	(102,000)	
Prior year pledge adjustments	(42,891)	(42,891)		(23,156)	(23,156)	
Fundraising events	95,719	95,719		157,824	157,824	
Community Impact Activities	130,744		130,744	103,354		103,354
Realized investment income	8,332	8,332		4,088	4,063	25
Total public support and revenue	3,026,385	2,895,641	130,744	3,235,743	3,132,364	103,379
<u>Expenses</u>						
Agency program grants/investments	2,533,849	2,533,849		2,476,971	2,476,971	
Less: Amounts designated to other organizations	(37,899)	(37,899)		(51,961)	(51,961)	
Program services	630,341	527,566	102,775	559,297	446,652	112,645
Management and general	73,988	73,988		107,005	107,005	
United Way Worldwide dues	28,707	28,707		32,268	32,268	
Fundraising	185,702	185,702		165,557	165,557	
Total Expenses	3,414,688	3,311,913	102,775	3,289,137	3,176,492	112,645
Change in net assets	(388,303)	(416,272)	27,969	(53,394)	(44,128)	(9,266)
Net assets, beginning of year	3,066,309	2,986,020	80,289	3,119,703	3,030,148	89,555
Net assets, end of year	\$ 2,678,006	2,569,748	108,258	3,066,309	2,986,020	80,289

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF WILL COUNTY
Statements of Functional Expenses
Years Ended June 30, 2018 and 2017

	2018				2017			
	Total	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising
Agency program grants/investments	\$ 2,533,849	2,533,849			2,476,971	2,476,971		
Less : Designations to Other Organizations	(37,899)	(37,899)			(51,961)	(51,961)		
Compensation	360,701	253,427	46,230	61,044	341,775	225,381	64,016	52,378
Employee benefits	126,420	88,822	16,203	21,395	129,481	85,386	24,252	19,843
Donated labor	140,118	105,889		34,229	91,000	60,670		30,330
Professional fees and consultants	17,888	12,562	2,004	3,322	32,413	21,435	5,790	5,188
Occupancy	29,763	20,911	3,815	5,037	29,405	19,391	5,508	4,506
Consumable supplies	24,743	17,338	458	6,947	18,588	10,432	918	7,238
Insurance	5,328	3,743	683	902	8,704	5,740	1,630	1,334
Travel and meetings	18,292	11,516	2,160	4,616	9,336	6,564	1,581	1,191
National United Way dues	28,707	28,707			32,268	32,268		
Dues	2,152	1,512	276	364	2,350	1,550	440	360
Depreciation	544	382	70	92	2,241	1,478	420	343
Fundraising Events -								
Golf Outing	23,406			23,406	22,503			22,503
Little Black Dress	21,587			21,587				
80th Anniversary Dinner					18,339			18,339
Community Impact Activities	102,775	102,775			112,645	112,645		
Other	16,314	11,464	2,089	2,761	13,079	8,625	2,450	2,004
Total expenses	\$ 3,414,688	3,154,998	73,988	185,702	3,289,137	3,016,575	107,005	165,557

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF WILL COUNTY

Statements of Community Empowerment & Capacity Development Activities Years Ended June 30, 2018 and 2017

	2018			2017				
	Beginning Balance	Income	Expenses	Ending Balance	Beginning Balance	Income	Expenses	Ending Balance
Joliet Alliance for Youth	\$ 1,151	2,478	1,770	1,859	1,589	1,730	2,168	1,151
MAPP Project	33,802	53,000	54,715	32,087	52,135	48,000	66,333	33,802
Sharefest	15,915	7,662	19,363	4,214	17,166	41,431	42,682	15,915
Southwest Suburban								
Philanthropic Network	20,971	1,900	91	22,780	19,178	3,255	1,462	20,971
At Risk Kids	3,000	200	2,263	937	(488)	3,488		3,000
Obeid Family Fund		790	790					
Hurricanes Relief		660	660					
Josh Galvin Memorial Fund	450		450			450		450
Kolpacki Family Fund	5,000		5,000			5,000		5,000
Will County Sheriff -								
Substance Abuse Prevention		31,085	4,229	26,856				
Public Safety		20,978	9,354	11,624				
Elderly Services		1,000		1,000				
Youth Services		5,000	4,000	1,000				
Canine Operations and Care		1,000	90	910				
Explorer Post 911		4,991		4,991				
	\$ 80,289	130,744	102,775	108,258	89,580	103,354	112,645	80,289

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF WILL COUNTY

Statements of Cash Flows

Years Ended June 30, 2018 and 2017

(increase (decrease) in cash and cash equivalents)

<u>Cash Flows From Operating Activities</u>	<u>2018</u>	<u>2017</u>
Change in net assets	\$ (388,303)	(53,394)
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities -		
Depreciation	544	2,241
Reserve for uncollectible pledges	100,000	102,000
Changes in assets and liabilities		
Pledges receivables	30,494	(42,204)
Prepaid expenses	(11,994)	4,040
Restricted cash deposits	9,203	(18,585)
Accounts payable	(1,717)	22,880
Accrued compensation	6,608	(4,314)
Pass-through contributions payable to other entities	6,546	(6,374)
Deferred support	(19,100)	16,920
Net cash provided by (used for) operating activities	<u>(267,719)</u>	<u>23,210</u>
<u>Cash Flows From Investing Activities</u>		
Sales of investments	553,168	1,055,916
Purchases of investments	<u>(503,787)</u>	<u>(1,059,083)</u>
Net cash provided by (used for) investing activities	<u>49,381</u>	<u>(3,167)</u>
Net increase (decrease) in cash and cash equivalents	(218,338)	20,043
Cash and cash equivalents, beginning of year	<u>766,183</u>	<u>746,140</u>
Cash and cash equivalents, end of year	<u>\$ 547,845</u>	<u>766,183</u>

The accompanying notes are an integral part of these financial statements.

UNITED WAY OF WILL COUNTY

Notes to Financial Statements
Years Ended June 30, 2018 and 2017

1. Description of Organization

United Way of Will County, a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code, fights for the self-sufficiency, health, safety and education of every person in Will County. Together with their extensive network of corporate partnerships, community members and funded partners, United Way of Will County addresses the complex challenges facing the community through a comprehensive and strategic approach including community investments, engagement, programs and advocacy. These collective efforts have resulted in the direct aid to 1 in 3 community members. The mission, to unite Will County communities and resources to empower people and create positive, sustainable change, is deeply rooted in United Way of Will County's history beginning in 1936. To learn more about United Way of Will County's community impact, visit www.uwwill.org.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Organization prepares financial statements in accordance with the Financial Accounting Standards Board (FASB) standards for not-for-profit organizations (ASC 958-205 and subsections). Under these standards, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets -- Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets -- Net assets subject to donor-imposed stipulations that may or will be met, whether by actions of the Organization and/or the passage of time.

Permanently restricted net assets -- Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specified purposes.

Unconditional promises to give cash or other assets are reported as either temporarily or permanently restricted net assets if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (i.e. when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. Donor-restricted gifts are reported as temporarily restricted even if the restrictions expire during the fiscal year in which the gift was received, and then reclassified to unrestricted net assets. In the absence of donor-imposed restrictions on the use of the assets, gifts of long-lived assets are reported as unrestricted support.

UNITED WAY OF WILL COUNTY

Notes to Financial Statements

Years Ended June 30, 2017 and 2016

2. Summary of Significant Accounting Policies (continued)

Financial Instruments

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

Cash, cash equivalents, pledges receivable, and current liabilities - The carrying amounts reported in the Statement of Financial Position approximate fair values because of the short maturities of those instruments.

Short-term investments - The fair values of investments, which consist primarily of certificates of deposit, are valued at the face value of the instruments.

Cash and Cash Equivalents

Cash and cash equivalents consist of checking, savings and money market accounts and short-term investments that have an original maturity of three months or less.

Property and Equipment

Property and equipment are recorded at cost. Donated items of office equipment and furnishings are recorded at fair market value at the time of the donation. Depreciation is determined using the straight-line method over the estimated useful lives of the assets (generally 5 to 7 years). Leasehold improvements are amortized over the terms of the leases or the useful lives of the assets, whichever is shorter.

Contributions

Contributions receivable are recognized upon notification of a donor's unconditional promise to give to the Organization. Unconditional promises to give that are expected to be collected in less than one year are measured at net realizable value because that amount results in a reasonable estimate of fair value in accordance with the *Contributions Received* section of the FASB ASC. The Organization receives pledges designated to specific partner agencies. It is the policy of the Organization to honor these designations.

Donated Materials and Services

The Organization receives donated services from a variety of unpaid volunteers. During the fiscal years ended June 30, 2018 and 2017, the Organization reported \$140,118 and \$91,000, respectively, of donated services as in-kind donations income in the Statement of Activities and as donated labor in the Statement of Functional Expenses.

During the fiscal years ended June 30, 2018 and 2017, the Organization received raffle prizes and golf outing supplies valued at \$8,054 and \$6,326, respectively. These amounts were reported as fundraising event income in the Statement of Activities and as Golf Outing Expenses expense in the Statement of Functional Expenses. During the fiscal year ended June 30, 2018, the Organization received donated merchandise for the Little Black Dress fundraiser which was reported as fundraising event income in the Statement of Activities and as Little Black Dress expenses in the Statement of Functional Expenses.

UNITED WAY OF WILL COUNTY

Notes to Financial Statements

Years Ended June 30, 2017 and 2016

2. Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Community Empowerment & Capacity Development Activities

The Organization assists with the coordination for the following Community Empowerment and Capacity Development activities:

MAPP Project - In 2017 and prior years, the Organization received contributions from the Will County Community Foundation (\$50,000), various local hospitals and the Will County Health Department to fund the MAPP Project (Mobilizing for Action through Planning and Partnerships) which is a community-driven strategic planning process for improving community health. MAPP is not an agency-based assessment process; rather, it is an interactive process that can improve the efficiency, effectiveness, and ultimately the performance of local public health systems.

Will County Sheriff Programs –

Substance Abuse Prevention – Will County Sheriff Abuse and Prevention Coalition (Drug Coalition for prevention of substance abuse).

Public Safety Program – General fund for award banquet, plaques, and awards

Elderly Services – Crime prevention events for the elderly

Youth Services – Crime prevention events for the youth

Canine Operations and Care – Boarding and grooming costs associated with K9 dogs

Explorer 911 – Youth program run through the Boy Scouts of America

Other activities include Joliet Alliance for Youth, Sharefest, and Southwest Suburban Philanthropic Network.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions, primarily the reserve for uncollectible pledges that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law as a charitable organization, whereby only unrelated business income, as defined by Section 509(a)(1) of the Code is subject to federal income tax. The Organization currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded. The Organization does not believe there are any material uncertain tax positions and accordingly, it will not recognize a liability for unrecognized tax benefits. For the year ended June 30, 2018 and 2017, there were no interest or penalties recorded or included in its financial statements.

UNITED WAY OF WILL COUNTY

Notes to Financial Statements
Years Ended June 30, 2017 and 2016

3. Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at June 30, 2018:

	Amounts Reported	Bank Balance
Checking	\$ 352,179	358,704
Money Market	<u>195,666</u>	<u>195,666</u>
	\$ <u>547,845</u>	<u>554,370</u>

Cash and cash equivalents consisted of the following at June 30, 2017:

	Amounts Reported	Bank Balance
Checking	\$ 410,855	425,765
Money Market	<u>355,328</u>	<u>355,328</u>
	\$ <u>766,183</u>	<u>781,093</u>

The reconciled balance may be different from the bank balance due to the existence of deposits in transit and/or outstanding checks. At various times during the fiscal years ended June 30, 2017, the Organization had deposits at a financial institution that exceeded the insurance protection provided by the Federal Deposit Insurance Corporation.

4. Short-Term Investments

At June 30, 2018, short-term investments consisted of eighteen certificates of deposit totaling \$1,009,702. At June 30, 2017, short-term investments consisted of nineteen certificates of deposit totaling \$1,059,083. The investments have been made with local banks and bear interest at rates ranging from 0.20% to 2.25% in 2018 and 0.10% to 0.64% in 2017. It is the Organization's policy to make investments in a manner that provides the security of the \$250,000 of insurance protection provided by the Federal Deposit Insurance Corporation.

5. Pledges Receivable and Deferred Support

Pledges receivable consists of corporate, employee, and individual contribution commitments that are estimated to be realized primarily within the next fiscal period. The reserve for uncollectible pledges was \$100,000 and \$102,000 at June 30, 2018 and 2017, respectively. The reserves have been established based upon historical collection experiences with the donors during the past three campaigns, adjusted for specific changes in the donor's payment patterns in the current fiscal year. These estimates may change as pledges are collected or additional information is received by management.

Deferred support at June 30, 2017 consists of payments from corporations and individuals totaling \$19,100 which will satisfy subsequent year pledge commitments or will represent sponsorships or entry fees for the golf outing to be held in the subsequent fiscal year.

UNITED WAY OF WILL COUNTY

Notes to Financial Statements Years Ended June 30, 2017 and 2016

6. Leases

The Organization leases office space under a monthly lease. Rental payments are currently \$2,017 a month. Rent expense for the years ended June 30, 2018 and 2017 was \$24,204 in each year.

7. Retirement Plan

The Organization has established a defined contribution retirement plan for the benefit of the employees. All employees who are more than 21 years of age and have been employed by the Organization for more than one year with more than 1,000 hours of service are eligible to participate. Plan contributions are equal to 7% of covered payroll. Retirement plan contributions were \$21,734 and \$23,593 for the years ended June 30, 2018 and 2017, respectively.

8. Economic Dependence

The Organization receives a substantial number of pledges from employees of local business entities that sometimes provide for a corporate match of amounts contributed by employees. Activity with 25 of these local businesses and governmental entities accounted for approximately 74% of the pledge revenue for the 2018 fiscal year.

9. Subsequent Events

Management has performed an analysis of the activities and transactions subsequent to June 30, 2018 to determine the need for any adjustments to and/or disclosures within the audited statement of financial position and the related statements of activities, functional expenses, community impact activities and cash flows for the year ended June 30, 2018. Management has performed their analysis through March 27, 2019, which is the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

UNITED WAY OF WILL COUNTY
Schedule of Agency Program Grants/Investments
Years Ended June 30, 2018 and 2017

	2018	2017
Agape Missions	\$ 36,450	36,450
American Red Cross	80,400	86,000
Aunt Martha's Youth Services / St. Francis Health	18,800	23,300
Bags of Hope	10,000	
Big Brothers/Big Sisters	66,000	71,000
Bounce Back Social Services		3,500
Boy Scouts of America	76,500	80,000
Boys' and Girls' Club	160,000	160,000
Bridges to a New Day	7,500	
Campfire III Prairie Council	500	11,000
Cancer Support Center	6,900	6,900
CASA of Will County	24,000	24,000
Catholic Charities/RSVP/Daybreak	274,900	273,400
Center for Correctional Concerns	39,050	43,500
Center for Disability Services	83,000	83,000
Child Care Resource and Referral	10,000	10,700
Community Service Council of Northern Will County	32,600	28,200
Cooperative Extension Service (Will County 4H)	22,200	13,000
Cornerstone Services	60,000	60,000
Crisis Line of Will County	78,000	78,500
Easter Seals	75,850	75,850
Farmworker & Landscaper Advocacy	5,000	
Forest Park Community Center	9,800	10,500
Girl Scouts of Chicago & Northwest Indiana	48,000	48,000
Guardian Angel Community Services	89,700	91,000
Harvey Brooks Foundation	2,000	2,000
Hill Memorial Center	50,000	58,700
Joliet Area Community Hospice	40,000	44,700
Kankakee County Community Services	25,000	23,000
Lambs Fold Women's Center		14,000
National Alliance for Mental Illness	9,600	9,350
Northern Illinois Food Bank	30,000	30,000
Play for Rings	10,000	
Prairie State Legal Assistance	20,700	20,700
Salvation Army	21,400	33,000
Senior Service Center of Will County	89,000	89,000
Seratomia Speech & Hearing Center	8,000	7,800
Service of Will Grundy & Kankakee	21,000	21,000
Shady Oaks	7,600	
South Suburban Council on Alcoholism & Substance Abuse	32,900	25,500
South Suburban Family Shelter	8,500	
Spanish Community Center	102,800	86,900
Stepping Stones	79,500	79,500
Team Makes a Difference	5,000	
Trinity Services & Family Services	137,400	133,400
Vilaseca Day Care	38,000	40,000
Warren Sharpe Community Center	103,000	103,000
Will County Children's Advocacy Center	41,400	39,000
Will County Community Health Center	12,200	12,200
Will County Habitat for Humanity	65,000	25,500
Will/Grundy Center for Independent Living	33,000	33,000
Will/Grundy Medical Clinic	38,700	37,960
YMCA	149,100	138,000
	<u>\$ 2,495,950</u>	<u>2,425,010</u>

The accompanying notes are an integral part of these financial statements.