United Service Organizations of Illinois, Inc.

Financial Report
December 31, 2017

Contents

Independent Auditor's Report

To the Board of Directors
United Service Organizations of Illinois, Inc.

Report on the Financial Statements
We have audited the accompanying financial statements of United Service Organizations of Illinois, Inc. (the Organization) which comprise the statements of financial position as of December 31, 2017 and 2016, the related statements of activities and cash flows for the years then ended and the related notes to the financial statements.

Management's 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 fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves 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 the 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2017 and 2016, and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Chicago, Illinois
April 13, 2018

United Service Organizations of Illinois, Inc.

Statements of Financial Position
December 31, 2017 and 2016

	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	**$ 956,339**	$ 1,046,885
Investments	**2,849,061**	2,406,666
Pledges receivable	**117,350**	68,655
Interest receivable	**7,442**	7,613
Other receivables	**220,154**	37,142
Prepaid expenses	**46,661**	12,580
Total current assets	**4,197,007**	3,579,541
Property and equipment, net	**32,651**	34,817
	$ 4,229,658	$ 3,614,358
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	**$ 66,926**	$ 48,913
Accrued paid time off	**67,764**	55,269
Accrued pension cost	**-**	107,501
Total liabilities	**134,690**	211,683
Net assets:		
Unrestricted, including Board designated of $80,402 in 2017 and 2016	**3,802,881**	3,366,327
Temporarily restricted	**292,087**	36,348
Total net assets	**4,094,968**	3,402,675
	$ 4,229,658	$ 3,614,358

See notes to financial statements.

United Service Organizations of Illinois, Inc.

Statements of Activities
Years Ended December 31, 2017 and 2016

	2017	2016
Changes in unrestricted net assets:		
Revenues, gains and other support:		
Contributions:		
Donor contributions	**$ 1,391,041**	$ 1,311,262
In-kind program supplies	**2,172,785**	1,440,194
In-kind services	**297,957**	220,897
In-kind rent	**621,174**	602,182
Investment income	**41,631**	54,105
Annual ball	**1,067,968**	1,143,912
Golf outing	**99,038**	98,610
Clark After Dark	**173,565**	146,892
Net assets released from restrictions	**167,721**	247,080
Total unrestricted revenues, gains and other support	**6,032,880**	5,265,134
Expenses:		
Program services	**4,376,281**	3,403,603
Management and general expenses	**467,524**	433,727
Fundraising expenses	**363,216**	385,515
Annual ball	**289,087**	265,921
Golf outing	**44,861**	38,256
Clark After Dark	**62,854**	61,376
Capital campaign	**54,096**	-
Total expenses	**5,657,919**	4,588,398
Increase in unrestricted net assets before pension adjustments and loss on disposal of assets	**374,961**	676,736
Pension related changes other than net periodic benefit cost	**61,593**	1,469
Loss on disposal of assets	**-**	(1,259)
Increase in unrestricted net assets	**436,554**	676,946
Changes in temporarily restricted net assets:		
Contributions	**423,460**	132,428
Net assets released from restrictions	**(167,721)**	(247,080)
Increase (decrease) in temporarily restricted net assets	**255,739**	(114,652)
Increase in net assets	**692,293**	562,294
Net assets:		
Beginning of year	**3,402,675**	2,840,381
End of year	**$ 4,094,968**	$ 3,402,675

See notes to financial statements.

United Service Organizations of Illinois, Inc.

Statements of Cash Flows
Years Ended December 31, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Increase in net assets	**$ 692,293**	$ 562,294
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	**16,666**	18,910
Net loss on disposal of assets	**-**	1,259
Net unrealized gain on investments	**(4,108)**	(19,514)
Changes in assets and liabilities:		
Pledges receivable	**(48,695)**	(15,755)
Interest receivable	**171**	(2,319)
Other receivables	**(183,012)**	(3,192)
Prepaid expenses	**(34,081)**	19,700
Accounts payable and accrued expenses	**18,013**	(23,161)
Accrued paid time off	**12,495**	2,564
Accrued pension cost	**(107,501)**	(14,264)
Deferred revenues	**-**	(22,300)
Net cash provided by operating activities	**362,241**	504,222
Cash flows from investing activities:		
Purchase of investments	**(1,120,000)**	(962,354)
Maturities of investments	**681,713**	409,006
Purchase of assets	**(14,500)**	(5,506)
Net cash used in investing activities	**(452,787)**	(558,854)
Net decrease in cash and cash equivalents	**(90,546)**	(54,632)
Cash and cash equivalents:		
Beginning	**1,046,885**	1,101,517
Ending	**$ 956,339**	$ 1,046,885

See notes to financial statements.

Note 1. Nature of Activities and Significant Accounting Policies

Nature of activities: The United Service Organizations of Illinois, Inc. (the Organization) strengthens America's Military Service members by keeping them connected to family, home and country throughout their service to the nation. As the premier provider of programs and centers, the Organization is the leader and trusted resource that serves the needs of the Military community in times of peace and war, and acts as a bridge to the public.

A summary of the Organization's significant accounting policies follows:

Basis of presentation: The financial statements are presented in accordance with accounting principles generally accepted in the United States of America as applicable to nonprofit organizations and reflect the accrual basis of accounting.

Accounting standards: The Organization follows accounting standards established by the Financial Accounting Standards Board (the FASB) to ensure consistent reporting of financial condition, results of operations, and cash flows. References to generally accepted accounting principles in these footnotes are to the FASB Accounting Standards Codification, sometimes referred to as the Codification or ASC.

Accounting estimates: The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net assets: The net assets of the Organization and changes therein are classified and reported as follows:

> *Unrestricted net assets*: Net assets are not subject to donor-imposed stipulations. As of December 31, 2017 and 2016, the Organization has $80,402 of unrestricted net assets which represent funds that are Board designated for future projects, capital improvements, or other specific services determined by the Board.
>
> *Temporarily restricted net assets*: Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization or the passage of time. Temporarily restricted net assets are available for program services at December 31, 2017 and 2016.

Cash and cash equivalents: For purposes of reporting cash flows, the Organization considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents. Cash equivalents consist primarily of money market accounts. The Organization maintains its cash balances in several financial institutions located in Chicago, Illinois. These balances are currently insured by the Federal Deposit Insurance Corporation up to $250,000. The Organization maintained cash deposits with $498,033 and $583,488 in excess of federal depository insurance limits for the years ended December 31, 2017 and 2016, respectively.

Investments: Investments are reflected at fair value based on quoted market prices.

The Organization invests in various investments such as certificates of deposit and common stocks. Such investments are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Pledges receivable: Unconditional promises to give that are expected to be collected within one year are recorded at realizable value. Unconditional promises to give that are expected to be collected over periods in excess of one year are recorded at the present value of the estimated cash flows beyond one year. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Other receivables: Other receivables represent contributions received by the Organization related to the current year that were in transit at year end.

Property and equipment: Property and equipment is stated at cost or, if donated, at estimated fair value at the date of donation. The capitalization threshold is assets over $1,000. Depreciation is computed by the straight-line method over the estimated useful lives of the assets.

Accrued paid time off: It is the Organization's policy to permit employees to accumulate earned but unused paid time off. All vested pay, in the event of termination in accordance with the Organization's policy, is accrued when incurred.

Revenue recognition: Unconditional promises of others to give cash and other assets are recorded at fair value at the date the promise is made and reported as increases in temporarily restricted net assets if they are received with donor stipulations that limit the use of the contributions. All contributions are considered to be available for unrestricted purposes unless specifically restricted by the donor. Temporarily restricted assets whose restrictions expire in the same year of receipt are classified as unrestricted revenues in the statements of activities. The Organization reports gifts of cash and other assets as restricted revenue if they are received with donor stipulations that limit the use of the donated assets. When a temporary restriction expires, that is, when a stipulated time period has elapsed or the donor-stipulated purpose has been fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Deferred revenue: Amounts collected in advance for future events are recorded as deferred revenue.

Functional classification of expenses: The functional classifications used by the Organization are program services and supporting services. Expenses are based on actual costs incurred.

Program services represent the Organization's activities as described above. These activities are carried out in support of the members of the military and their families throughout the State of Illinois. Additionally, services are provided at the USO Centers in O'Hare International Airport, the Naval Station Great Lakes, Midway Airport and Rock Island Arsenal. Supporting services represent the administrative, general and fundraising costs of the Organization.

Contributed facilities, materials and services: The Organization occupies without charge its facilities at O'Hare International Airport, Midway Airport, Naval Station Great Lakes, Rock Island Arsenal and the administrative headquarters in Chicago. In addition, the Organization receives donated consumer goods and property and equipment. Both the contributions and use of facilities are recognized at their fair values as both revenue and expense in the period received and used. Accordingly, $2,793,959 and $2,042,376 for the years ended December 31, 2017 and 2016, respectively, have been included in contributions and $2,793,959 and $2,042,376 for the years ended December 31, 2017 and 2016, respectively, have been included in program services expense.

Note 1. Nature of Activities and Significant Accounting Policies (Continued)

Contributions of donated services that require specialized skills and would typically need to be purchased if not provided by donations, are recorded at their fair values in the period received. There was $297,957 and $220,897 in donated legal, accounting and management services in 2017 and 2016, respectively, which have been included in both contributions and program services expense.

The Organization supports its programs and services with an active base of volunteers. In 2017, 634 volunteers contributed approximately 51,580 hours of time to the Organization. In 2016, 643 volunteers contributed approximately 50,000 hours of time to the Organization.

Income taxes: The Organization is exempt from income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and applicable state law. The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more than likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBTI). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the reporting periods presented in the financial statements.

The Organization files form 990 in the U.S. Federal jurisdiction and the State of Illinois. With few exceptions, the Organization is no longer subject to examination by the Internal Revenue Service for years before 2014.

Recent accounting pronouncements: In August 2016, the FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Key elements of the ASU include a reduction in the number of net asset categories from three to two, conforming requirements on releases of capital restrictions, several new requirements related to expense presentation and disclosure (including investment expenses), and new required disclosures communicating information useful in assessing liquidity. The new standard is effective for the Organization in 2018, and early adoption is allowed.

In February 2016, the FASB issued ASU 2016-02*, Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840*, Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for the Organization in 2020, and early adoption is allowed.

Subsequent events: The Organization has evaluated subsequent events for potential recognition and/or disclosure through April 13, 2018, the date the financial statements were available to be issued.

Note 2. Investments

Investments consist of the following at December 31, 2017 and 2016:

	2017		2016	
	Cost	Fair Value	Cost	Fair Value
Equities	$ 90,087	$ 205,713	$ 63,120	$ 124,935
Certificates of deposit	2,653,288	2,643,348	2,277,149	2,281,731
	$ 2,743,375	$ 2,849,061	$ 2,340,269	$ 2,406,666

Note 3. Fair Value Disclosures

Fair value is the price that would be received to sell an asset and paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization utilizes valuation techniques to maximize the use of observable inputs and minimize the use of unobservable inputs. Assets and liabilities recorded at fair value are categorized based upon the level of judgment associated with the inputs used to measure their value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Inputs are broadly defined as assumptions market participants would use in pricing an asset or liability. The three levels of the fair value hierarchy are described below:

Level 1 – Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and corporate bond funds, which are traded by dealers or brokers in active markets. The Organization's certificates of deposit are also classified as Level 1. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 – Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 – Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

For the years ended December 31, 2017 and 2016, the application of valuation techniques applied to similar assets and liabilities has been consistent. The following is a description of the valuation methodologies used for instruments at fair value:

Investments
The fair value of investments is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers.

Fair value on a recurring basis
The table below presents the balances of assets and liabilities measured at fair value on a recurring basis:

Note 3. Fair Value Disclosures (Continued)

	December 31, 2017			
	Total	Level 1	Level 2	Level 3
Equities, primarily U.S. companies	$ 205,713	$ 205,713	$ -	$ -
Certificates of deposit	2,643,348	2,643,348	-	-
Total assets	$ 2,849,061	$ 2,849,061	$ -	$ -

	December 31, 2016			
	Total	Level 1	Level 2	Level 3
Equities, primarily U.S. companies	$ 124,935	$ 124,935	$ -	$ -
Certificates of deposit	2,281,731	2,281,731	-	-
Total assets	$ 2,406,666	$ 2,406,666	$ -	$ -

Gains included in investment income are as follows at December 31, 2017 and 2016:

	2017	2016
Interest and dividends	$ 37,523	$ 34,591
Unrealized gain on investments	4,108	19,514
Investment income	$ 41,631	$ 54,105

Note 4. Pledges Receivable

Total outstanding pledges for the years ended December 31, 2017 and 2016, are $117,350 and $68,655, respectively, all to be collected in the subsequent calendar year. There are no discounts for the time value of money as all pledges are due within one year. Additionally, there is no allowance for uncollectible amounts as management believes all are fully collectible.

Note 5. Defined Benefit Pension Plan

The Organization had a defined benefit pension plan (the Plan) that was frozen as of December 1, 2004, for all employees. On March 9, 2017, the Organization's Board of Directors approved termination of this Plan, effective July 15, 2017.

Notices of intent to terminate were sent to all Plan participants on May 17, 2017. On August 8, 2017, Single-Employer Plan Termination documents were submitted to the Pension Benefit Guaranty Corporation (PBGC).

Note 5. Defined Benefit Pension Plan (Continued)

Following the termination of the Plan each participant, except any individual who is receiving a monthly retirement benefit, as of the termination date, may elect to receive the actuarial value of his or her vested benefit, calculated at the date of termination of the Plan, in the form of an immediate lump sum settlement, to be paid as soon as practicable following the termination date. Any participant whose actuarial value of vested accrued benefits is less than or equal to $5,000, as of the termination date, will receive an automatic lump sum settlement, in connection with the termination of the Plan.

Of the nine participants in the Plan, five received lump sum payments or rollovers directly to an Individual Retirement Account, and the Organization purchased annuities for the remaining four participants The Association's cash contributions and liquidation of plan assets totaled $525,847 and was distributed as follows: annuity and lump sum payments and rollovers totaled $512,063, and fees to actuary firm for actuarial services totaled $13,784.

During fiscal year 2017, $73,965 of net actuarial gain and net periodic pension cost of $281,680 were recorded. The pension obligation at December 31, 2017, is $0.

Obligations and Funded Status

Obligations and funded status at December 31, 2017 and 2016, are as follows:

Change in projected benefit obligation

	2017	2016
Projected benefit obligation at beginning of year:	$ 566,916	$ 558,058
Provision for expenses	20,000	20,000
Interest cost	22,070	22,798
Expenses paid from plan assets	(12,783)	(23,876)
Actuarial gain	(73,965)	3,503
Benefits paid	(10,175)	(13,567)
Benefits paid due to settlement	(512,063)	-
Projected benefit obligation at end of year	$ -	$ 566,916

Change in plan assets

	2017	2016
Fair value of assets at beginning of year:	$ 459,415	$ 436,293
Actual return on plan assets	33,946	25,005
Employer contributions	41,660	35,560
Expenses paid from plan assets	(12,783)	(23,876)
Benefits paid	(10,175)	(13,567)
Benefits paid due to settlement	(512,063)	-
Fair value of assets at end of year	$ -	$ 459,415

	2017	2016
Funded status of plan-accrued pension cost recognized in the statement of financial position	$ -	$ (107,501)

Note 5. Defined Benefit Pension Plan (Continued)

The reconciliation of the funded status of the plan to the amounts reported in the accompanying statements of financial position is as follows at December 31, 2017 and 2016:

	2017	2016
Projected benefit obligation	$ -	$ (566,916)
Fair value of plan assets at December 31	-	459,415
Funded status - accrued pension cost	$ -	$ (107,501)

Additional Information
Weighted average assumptions used to determine benefit obligations at December 31, 2017 and 2016:

	2017	2016
Discount rate	N/A %	4.00 %
Rate of compensation increase	N/A	N/A

Components of Net Periodic Benefit Cost

	2017	2016
Interest cost	$ 22,070	$ 22,798
Provision for expenses	20,000	20,000
Expected return on assets	(31,097)	(31,223)
Amortization of unrecognized:		
Net loss	11,988	11,190
Cost recognized due to settlement	258,719	-
Net periodic pension cost	$ 281,680	$ 22,765

	2017	2016
Components of pension related changes other than net periodic benefit cost:		
Net (gain) loss experienced during year	$ (76,814)	$ 9,721
Amortization of net loss	(11,988)	(11,190)
Settlement loss	(258,719)	-
Total pension related changes	$ (347,521)	$ (1,469)
Total recognized net (loss) gain	$ (65,841)	$ 21,296

Note 5. Defined Benefit Pension Plan (Continued)

Weighted average assumptions used to determine net periodic benefit cost at December 31, 2017 and 2016:

	2017	2016
Discount rate	4.00 %	4.20 %
Expected long-term return on plan assets	7.00	7.00
Rate of compensation increase	N/A	N/A

Plan Assets

Prior to the termination of the Plan, The Organization participated in a pooled pension plan sponsored by the United Way of Metropolitan Chicago. All plan assets were previously held in a Master Trust, which held the assets of all retirement plans sponsored by the various organizations. The Organization's percentage interest in the assets of the Master Trust were approximately 2 percent as of December 31, 2016.

The pension plan weighted-average asset allocations at December 31, 2017 and 2016, by asset category are as follows:

	2017	2016
Equities:		
Domestic	- %	42.0 %
International	-	4.2
Fixed income (including cash and equivalents)	-	53.8
Global balanced	-	-
Real estate	-	-
	- %	100.0 %

The fair value of investments is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument. The fair values of the Organization's pension plan assets by asset category were as follows at December 31, 2016:

	December 31, 2016			
	Total	Level 1	Level 2	Level 3
Equities:				
U.S. equities	$ 192,891	$ 192,891	$ -	$ -
International equities	19,389	19,389	-	-
Fixed income	247,135	247,135	-	-
Total assets	$ 459,415	$ 459,415	$ -	$ -

Note 5. Defined Benefit Pension Plan (Continued)

The investment policy for plan assets incorporated a blended approach (target allocations in parenthesis), utilizing domestic (42 percent) and international (4 percent) equities and fixed income and cash (54 percent), in 2016. The objective within each class was to be fully diversified, benchmarking performance to broadly diversified indices such as the Wilshire 5000, the MSCI All Country World ex-US Index, and the Lehman Brothers Aggregate Bond Index. Asset allocations were rebalanced whenever total equity or total fixed income fell outside of their target allocations by more than 2.5 percent. Cash and equivalents were held at minimal levels, with typically less than three months of expected benefit payments maintained.

The expected long-term rate of return on asset assumption was based on a building block approach. The expected long-term rate of inflation and risk premiums for the various asset categories were based on the current investment environment. General historical market returns and inflation rates were used in the development of the long-term expected inflation rates and risk premiums. The target allocation of assets was used to develop a composite rate of return assumption.

Contributions
The Organization made contributions of $41,660 and $35,560 to its defined benefit pension plan during the years ended December 31, 2017 and 2016, respectively.

Note 6. Property and Equipment

Major classes of property and equipment consist of the following at December 31, 2017 and 2016:

	2017	2016
Furniture and equipment	$ 217,754	$ 239,439
Leasehold improvements	169,503	166,462
	387,257	405,901
Less accumulated depreciation	354,606	371,084
Net property and equipment	$ 32,651	$ 34,817

Note 7. Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes at December 31, 2017 and 2016:

	2017	2016
Military youth and family programs	$ 10,000	$ 10,589
Military community connection programs	5,500	1,401
Center programs	19,592	13,238
Center support designations	1,100	11,120
Capital campaign fund	245,895	-
Time restricted funds	10,000	-
	$ 292,087	$ 36,348

Note 8. Net Assets Released From Restrictions

The following net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors at December 31, 2017 and 2016:

	2017	2016
Military youth and family programs	$ 112,589	$ 90,539
Military community connection programs	31,901	41,673
Center programs	4,336	4,463
Center support designations	18,895	3,560
Time restricted funds	-	106,845
	$ 167,721	$ 247,080

Supplementary Information

United Service Organizations of Illinois, Inc.

Schedule of Functional Expenses
Year Ended December 31, 2017

	Programs - Ongoing	Management and General	Fundraising	Ball Fundraiser	Golf Outing	Clark After Dark	Capital Campaign	Total
Salaries, wages and benefits	$ 974,398	$ 106,903	$ 315,201	$ -	$ -	$ -	$ -	$ 1,396,502
Bus and special programs	266,273	-	1	-	-	-	50,955	317,229
Food, beverage and supplies	2,341,830	-	-	131,825	-	-	-	2,473,655
Rent	621,174	-	-	-	-	-	-	621,174
Professional services	39,497	313,807	3,629	61,501	490	597	99	419,620
Printing	1,313	1,563	8,372	16,945	-	89	14	28,296
Telephone	27,837	2,996	2,484	-	-	-	-	33,317
Travel	17,147	3,936	8,938	-	-	-	1,277	31,298
Postage and shipping	331	198	2,791	4,802	-	-	-	8,122
Awards and gifts	1,430	355	1,892	604	-	-	-	4,281
Equipment rental and maintenance	20,633	5,446	3,446	-	-	-	-	29,525
Conferences and meetings	9,703	16,352	8,120	-	-	-	-	34,175
Office supplies	575	228	2,672	-	-	-	-	3,475
Dues and subscriptions	1,272	389	1,879	-	-	-	-	3,540
Advertising	12,950	-	2,610	2,301	2,158	3,435	1,751	25,205
Insurance	13,327	2,920	1,098	-	-	-	-	17,345
Repairs, maintenance and janitorial	8,088	2,087	-	-	-	-	-	10,175
Decorations and entertainment	-	-	-	38,385	39,285	27,125	-	104,795
Pension	-	10,029	-	-	-	-	-	10,029
Miscellaneous	2,152	-	83	32,724	2,928	31,608	-	69,495
	4,359,930	467,209	363,216	289,087	44,861	62,854	54,096	5,641,253
Depreciation and amortization	16,351	315	-	-	-	-	-	16,666
	$ 4,376,281	$ 467,524	$ 363,216	$ 289,087	$ 44,861	$ 62,854	$ 54,096	$ 5,657,919

United Service Organizations of Illinois, Inc.

Schedule of Functional Expenses
Year Ended December 31, 2016

	Program Services	Management and General	Fundraising	Annual Ball	Golf Outing	Clark After Dark	Total
Salaries, wages and benefits	$ 728,922	$ 147,233	$ 341,794	$ -	$ -	$ -	$ 1,217,949
Bus and special programs	305,720	-	-	-	-	-	305,720
Food, beverage and supplies	1,603,242	-	-	107,200	-	-	1,710,442
Rent	602,182	-	-	-	-	-	602,182
Professional services	33,157	253,315	2,686	77,170	894	164	367,386
Printing	2,043	455	7,965	18,535	42	327	29,367
Telephone	25,174	1,576	2,701	-	-	-	29,451
Travel	11,669	4,160	6,854	-	-	-	22,683
Postage and shipping	496	121	7,265	2,883	-	-	10,765
Awards and gifts	1,598	664	1,482	928	-	-	4,672
Equipment rental and maintenance	26,350	5,235	5,213	-	-	-	36,798
Conferences and meetings	7,675	3,691	5,426	-	-	-	16,792
Office supplies	404	378	1,882	-	-	-	2,664
Dues and subscriptions	1,237	154	50	-	-	-	1,441
Advertising	9,458	-	17	3,907	28	3,088	16,498
Insurance	15,998	1,251	570	-	-	-	17,819
Repairs, maintenance and janitorial	7,668	-	-	-	-	-	7,668
Decorations and entertainment	-	-	-	39,798	31,974	25,400	97,172
Pension	-	14,343	-	-	-	-	14,343
Miscellaneous	2,329	522	1,610	15,500	5,318	32,397	57,676
	3,385,322	433,098	385,515	265,921	38,256	61,376	4,569,488
Depreciation and amortization	18,281	629	-	-	-	-	18,910
	$ 3,403,603	$ 433,727	$ 385,515	$ 265,921	$ 38,256	$ 61,376	$ 4,588,398