BATAVIA UNITED WAY

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

Years Ended September 30, 2021 and 2020

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Wieland Wallace Inc.
Certified Public Accountants

232 S. Batavia Avenue, Batavia, Illinois 60510
Phone: 630-406-4490 • Fax: 630-406-4491
www.wielandcpas.net

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Batavia United Way
Batavia, Illinois

We have audited the accompanying financial statements of Batavia United Way (a nonprofit organization), which comprise the statements of assets, liabilities and net assets – modified cash basis as of September 30, 2021 and 2020, and the related statements of activities – modified cash basis and functional expenses – modified cash basis 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 the cash basis of accounting as described in Note B; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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. Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 qualified audit opinion.

INDEPENDENT AUDITOR'S REPORT – CONTINUED

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of Batavia United Way as of September 30, 2021 and 2020, and the changes in its net assets for the years then ended, on the basis of accounting described in Note B.

Basis of Accounting

We draw attention to Note B of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Wieland Wallace Inc.

Batavia, Illinois
February 11, 2022

BATAVIA UNITED WAY

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS – MODIFIED CASH BASIS

September 30, 2021 and 2020

	2021	2020
ASSETS		
ASSETS		
Cash	$ 193,335	$ 240,976
TOTAL ASSETS	$ 193,335	$ 240,976
LIABILITIES AND NET ASSETS		
LIABILITIES		
None	$ -	$ -
NET ASSETS		
Without donor restrictions	156,318	151,225
With donor restrictions	37,017	89,751
TOTAL NET ASSETS	193,335	240,976
TOTAL LIABILITIES AND NET ASSETS	$ 193,335	$ 240,976

See accompanying notes to financial statements.

BATAVIA UNITED WAY

STATEMENTS OF ACTIVITIES – MODIFIED CASH BASIS

Years Ended September 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	2021 Total	Without Donor Restrictions	With Donor Restrictions	2020 Total
SUPPORT AND REVENUES						
Contributions	$ 150,927	$ 87,075	$ 238,002	$ 123,765	$ 99,232	$ 222,997
Special event revenue	58,664	-	58,664	23,728	-	23,728
Interest income	69	-	69	126	-	126
Net assets released from restrictions Satisfaction of Program Restriction Expenditures	139,809	(139,809)	-	129,634	(129,634)	-
TOTAL SUPPORT AND REVENUES	349,469	(52,734)	296,735	277,253	(30,402)	246,851
EXPENSES						
Program expenses						
Allocations to agencies	117,056	-	117,056	115,881	-	115,881
Cost of direct benefit of special events	18,428	-	18,428	6,595	-	6,595
Community awareness	36,223	-	36,223	27,940	-	27,940
Other program services	153,673	-	153,673	131,199	-	131,199
Total program expenses	325,380	-	325,380	281,615	-	281,615
Supporting services	18,996	-	18,996	16,507	-	16,507
TOTAL EXPENSES	344,376	-	344,376	298,122	-	298,122
CHANGE IN NET ASSETS	5,093	(52,734)	(47,641)	(20,870)	(30,402)	(51,271)
NET ASSETS AT BEGINNING OF YEAR	151,225	89,751	240,976	172,094	120,153	292,247
NET ASSETS AT END OF YEAR	$ 156,318	$ 37,017	$ 193,335	$ 151,225	$ 89,751	$ 240,976

See accompanying notes to financial statements.

BATAVIA UNITED WAY

STATEMENTS OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

Years Ended September 30, 2021 and 2020

	2021					2020				
	Cost of Direct Benefit of Special Events	Program Services	Community Awareness	Supporting Services	2021 Total	Cost of Direct Benefit of Special Events	Program Services	Community Awareness	Supporting Services	2020 Total
Accounting	$ -	$ -	$ -	$ 1,565	1,565	$ -	$ -	$ -	$ 1,405	1,405
Advertising and promotion	-	-	711	-	711	-	-	775	-	775
Bank charges	-	-	-	136	136	-	-	-	37	37
Dues and memberships	-	-	6,057	-	6,057	-	-	2,461	-	2,461
Liability insurance	-	-	-	1,257	1,257	-	-	-	1,924	1,924
Office expenses	-	-	2,023	997	3,020	-	-	1,077	530	1,607
Personnel costs										
Salary	-	-	22,512	11,088	33,600	-	-	19,698	9,702	29,400
Payroll taxes	-	-	3,314	1,633	4,947	-	-	1,758	866	2,624
Postage	-	-	1,606	-	1,606	-	-	1,271	-	1,271
Program services	-	153,673	-	-	153,673	-	131,199	-	-	131,199
Printing	-	-	-	-	-	-	-	900	100	1,000
Special events										
Barn party	10,646	-	-	-	10,646	-	-	-	-	-
5K expenses	3,502	-	-	-	3,502	5,748	-	-	-	5,748
Soup tasting event	3,652	-	-	-	3,652	397	-	-	-	397
Miscellaneous	628	-	-	-	628	450	-	-	-	450
Website	-	-	-	2,320	2,320	-	-	-	1,943	1,943
	$ 18,428	$ 153,673	$ 36,223	$ 18,996	227,320	$ 6,595	$ 131,199	$ 27,940	$ 16,507	182,241

See accompanying notes to financial statements.

NOTE A - NATURE OF ACTIVITIES

Batavia United Way (formerly Batavia Community Chest) (the Organization) was organized for the following purposes:

1. Support benevolent, charitable, educational, character-building, and health and public welfare organizations and agencies that meet standards determined by the United Way.
2. Unite charitable campaigns of qualified organizations into one annual cooperative fundraising appeal.
3. Distribute the net funds obtained to qualified organizations based on the needs of the community for such organizations' services in the manner and amounts directed by the Board of Directors or as directed by the contributor.
4. Plan with other public and private bodies for the rational development of public and voluntary resources.
5. Promote volunteerism in community services.
6. Enhance cooperation between the public and voluntary sectors of the delivery of efficient and effective services to meet human needs.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Modified Cash Basis of Accounting

The Organization's financial statements are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally recognized in the United States of America. Under the modified cash basis, revenues are recognized when received rather than when earned and expenditures are recognized when paid rather than when the obligation is incurred. In-kind contributions and donated materials and services are also not recorded. Net assets are classified as net assets with donor restrictions or net assets without donor restrictions according to the existence or absence of donor-imposed restrictions.

Income Taxes

The Organization is tax-exempt under Section 501(c)(3) of the Internal Revenue Code and is classified as a public charity. Accordingly, income taxes are not provided for in the financial statements.

The financial statement effects of a tax position taken or expected to be taken are recognized when it is more likely than not, based on technical merits, that the position will be sustained upon examination. As of September 30, 2021, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Estimates

The preparation of financial statements in accordance with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations

The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Functional Classification of Expenses

Operating expenses are allocated to specific functions based on management estimates of time and resources devoted to those functions. The following functional expense classifications are included in the foregoing financial statements:

Community Awareness

Includes activities for cultivating awareness in the community of the needs of the various agencies supported by the Organization, including the annual campaign and cultivating new resources and opportunities to fund health and human services. Allocations to agencies are directed to meeting the most critical needs in the local community.

Other Program Services

Includes costs directly related to the programs Adopt-a-Family, Success by Six, COVID-19 Relief, and Path 211.

Supporting Services

Includes costs of activities related to the overall direction of the Organization and to supporting the conduct of its activities. Specific activities include organization oversight, business management, human resources, finance, information technology and other administrative activities.

Management Review

Management evaluates subsequent events through the date the financial statements are available for issue, which is the date of the Independent Auditors' Report.

NOTE C – IN-KIND DONATIONS

Administrative Office

The Organization conducts its activities from an office located in The Holmstad in Batavia which is provided at no charge by Covenant Retirement Communities. The value of the donation is not recorded in the financial statements.

Other

The Organization receives donated materials for fundraising activities and services from numerous unpaid volunteers assisting with fundraising and administrative functions. No amounts have been recognized in the financial statements for the value of such donations.

NOTE D – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions include contributions subject to donor-imposed restrictions that may be met by actions of the Organization or by the passage of time. Net assets with donor restrictions are available for the following purposes:

	2021	2020
Cash on hand restricted for Specified program purposes:		
Adopt-a-Family	$ 5,299	$ 4,974
COVID-19 Relief	-	23,437
Success by 6 Program	31,718	28,460
PATH 211	-	32,880
Total net assets with donor restrictions	$ 37,017	$ 89,751

NOTE E – ALLOCATIONS TO AGENCIES

Allocations paid to community nonprofit organizations were as follows during the years ended September 30, 2021 and 2020:

	2021	2020
Association for Individual Development	$ 9,400	$ 9,300
Mercy Housing (Batavia Apts.)	256	2,156
Batavia Public School District	7,800	7,750
Batavia R.S.V.P.	14,200	14,000
Day One Network	-	875
Elderday Center	5,300	5,000
Fox Valley Habitat for Humanity	8,000	-
Fox Valley Hands of Hope	5,500	6,000
Kane Senior Services Council	5,700	5,400
Lazarus House	8,100	11,150
Literacy Volunteers of America	2,300	3,000
Mutual Ground	6,100	5,500
Salvation Army – Emergency Services	4,500	4,250
Senior Services Association	5,300	5,000
Suicide Prevention Services	9,200	8,000
Tri-City Family Services	7,100	3,500
Tri-City Health Partnership	6,700	10,500
Tri-City Unemployment Group	2,800	2,500
Valley Sheltered Workshop	7,500	9,000
Water Street Studios	1,300	3,000
	$ 117,056	$ 115,881

NOTE F – LIQUIDITY OF ASSETS

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization maintains financial assets on hand to meet a minimum of one year of normal operating expenses. Financial assets at year-end of $193,335 consist of cash.

The following reflects the Organization's financial assets as of September 30, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the date of the financial statements:

Financial assets at year-end	$ 240,976
Less those unavailable for general expenditures within one year due to donor restrictions for specific purposes	37,017
Financial assets available to meet cash needs for general expenditure within one year	$ 203,959

NOTE G - NEW ACCOUNTING STANDARDS

Leases

In February 2016, the FASB issued ASU No. 2016-02, Leases, which is intended to improve financial reporting about leasing transactions. ASU No. 2016-02 requires that leased assets be recognized as assets on the statement of financial position and the liabilities for the obligations under the lease also be recognized on the statement of financial position. ASU No. 2016-02 requires disclosures to help investors and other financial statement users better understand the amount, timing and uncertainty of cash flows arising from leases. The required disclosures include qualitative and quantitative requirements. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2020 and interim periods within those fiscal years. Early adoption is permitted. ASU No. 2016-02 must be adopted using a modified retrospective transition and provides for certain practical expedients. Transition will require application of the new guidance at the beginning of the earliest comparative period presented. The Organization is currently evaluating the methods of adoption allowed by ASU No. 2016-02 and the effect that ASU No. 2016-02 is expected to have on its financial position, results of operations, cash flows and related disclosures.

NOTE H – COVID-19 CONTINGENCY

The Organization has taken a number of measures to monitor and mitigate the effects of Covid-19. At this stage the impact on the Organization's operations has not been significant. Significant uncertainty remains around the breadth and duration of the effects of Covid-19 and, as such, the Organization is unable to determine if it will have a material impact to its operations in future years.