BATAVIA UNITED WAY

FINANCIAL STATEMENTS

SEPTEMBER 30, 2022 AND 2021

(With Independent Auditor's Report)

Wieland Wallace Inc.
Certified Public Accountants

BATAVIA UNITED WAY

FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2022 AND 2021

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Independent Auditor's Report

To the Board of Directors
Batavia United Way

Report on the Financial Statements

We have audited the accompanying financial statements of Batavia United Way, which comprise the statements of assets, liabilities and net assets – modified cash basis as of September 30, 2022 and 2021, and the related statements of changes in net assets – modified cash basis for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, and the changes in its net assets for the years then ended, in accordance with the modified cash basis of accounting as described in Note 2.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Batavia United Way. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Basis of Accounting

We draw attention to Note 2 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 2; this includes determining that the modified 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Batavia United Way's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial

likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Batavia United Way's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Batavia United Way's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Wieland Wallace Inc.

Batavia, Illinois

February 11, 2023

BATAVIA UNITED WAY

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS – MODIFIED CASH BASIS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	2022	2021
ASSETS		
Cash	**$ 207,823**	$ 193,335
TOTAL ASSETS	**$ 207,823**	$ 193,335
LIABILITIES AND NET ASSETS		
LIABILITIES		
None	**$ -**	$ -
NET ASSETS		
Without donor restrictions	**171,874**	153,549
With donor restrictions	**35,949**	39,786
TOTAL NET ASSETS	**207,823**	193,335
TOTAL LIABILITIES AND NET ASSETS	**$ 207,823**	$ 193,335

BATAVIA UNITED WAY

STATEMENTS OF ACTIVITIES – MODIFIED CASH BASIS
YEARS ENDED SEPTEMBER 30, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	**With Donor Restrictions**	**2022 Total**	Without Donor Restrictions	With Donor Restrictions	2021 Total
SUPPORT AND REVENUES						
Contributions	**$ 180,401**	**$ 21,812**	**$ 202,213**	$ 150,927	$ 87,075	$ 238,002
Special event revenue	**33,370**	**-**	**33,370**	58,664	-	58,664
Interest income	**18**	**-**	**18**	69	-	69
Net assets released from restrictions Satisfaction of Program Restriction Expenditures	**25,649**	**(25,649)**	**-**	137,040	(137,040)	-
TOTAL SUPPORT AND REVENUES	**239,438**	**(3,837)**	**235,601**	346,700	(49,965)	296,735
EXPENSES						
Program expenses						
Allocations to agencies	**124,032**	**-**	**124,032**	117,056	-	117,056
Cost of direct benefit of special events	**7,819**	**-**	**7,819**	18,428	-	18,428
Community awareness	**37,816**	**-**	**37,816**	36,223	-	36,223
Other program services	**33,149**	**-**	**33,149**	153,673	-	153,673
Total program expenses	**202,816**	**-**	**202,816**	325,380	-	325,380
Supporting services	**18,297**	**-**	**18,297**	18,996	-	18,996
TOTAL EXPENSES	**221,113**	**-**	**221,113**	344,376	-	344,376
CHANGE IN NET ASSETS	**18,325**	**(3,837)**	**14,488**	2,324	(49,965)	(47,641)
NET ASSETS AT BEGINNING OF YEAR	**153,549**	**39,786**	**193,335**	151,225	89,751	240,976
NET ASSETS AT END OF YEAR	**$ 171,874**	**$ 35,949**	**$ 207,823**	$ 153,549	$ 39,786	$ 193,335

BATAVIA UNITED WAY

STATEMENTS OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

	Year Ended September 30, 2022					Year Ended September 30, 2021				
	Cost of Direct Benefit of Special Events	**Program Services**	**Community Awareness**	**Supporting Services**	**2022 Total**	Cost of Direct Benefit of Special Events	Program Services	Community Awareness	Supporting Services	2021 Total
Accounting	**$ -**	**$ -**	**$ -**	**$ 895**	**895**	$ -	$ -	$ -	$ 1,565	1,565
Advertising and promotion	**-**	**-**	**908**	**-**	**908**	-	-	711	-	711
Bank charges	**-**	**-**	**-**	**74**	**74**	-	-	-	136	136
Dues and memberships	**-**	**-**	**5,411**	**-**	**5,411**	-	-	6,057	-	6,057
Liability insurance	**-**	**-**	**-**	**2,839**	**2,839**	-	-	-	1,257	1,257
Office expenses	**-**	**-**	**2,007**	**989**	**2,996**	-	-	2,023	997	3,020
Personnel costs										
Salary	**-**	**-**	**24,385**	**12,011**	**36,396**	-	-	22,512	11,088	33,600
Payroll taxes	**-**	**-**	**2,493**	**1,228**	**3,721**	-	-	3,314	1,633	4,947
Postage	**-**	**-**	**1,350**	**-**	**1,350**	-	-	1,606	-	1,606
Program services	**-**	**33,149**	**-**	**-**	**33,149**	-	153,673	-	-	153,673
Printing	**-**	**-**	**1,262**	**-**	**1,262.00**	-	-	-	-	-
Special events										
Barn party	-	-	-	-	-	10,646	-	-	-	10,646
5K expenses	**7,701**	**-**	**-**	**-**	**7,701**	3,502	-	-	-	3,502
Soup tasting event	**-**	**-**	**-**	**-**	**-**	3,652	-	-	-	3,652
Miscellaneous	**118**	**-**	**-**	**-**	**118**	628	-	-	-	628
Website	**-**	**-**	**-**	**261**	**261**	-	-	-	2,320	2,320
	$ 7,819	**$ 33,149**	**$ 37,816**	**$ 18,297**	**97,081**	$ 18,428	$ 153,673	$ 36,223	$ 18,996	227,320

NOTE 1 - 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 2 - 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, 2022, 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.

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 3 – 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 4 – 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:

	2022	2021
Cash on hand restricted for		
Specified program purposes:		
Adopt-a-Family	$ 5,057	$ 5,299
COVID-19 Relief	-	2,769
Success by 6 Program	30,892	31,718
Total net assets with donor restrictions	$ 35,949	$ 39,786

NOTE 5 – ALLOCATIONS TO AGENCIES

Allocations paid to community nonprofit organizations were as follows during the years ended September 30, 2022 and 2021:

	2022	2021
Association for Individual Development	$ 7,220	$ 9,400
Mercy Housing (Batavia Apts.)	4,032	256
Batavia Public School District	5,760	7,800
Batavia R.S.V.P.	13,560	14,200
Elderday Center	5,940	5,300
Fox Valley Food for Health	9,280	
Fox Valley Habitat for Humanity	6,960	8,000
Fox Valley Hands of Hope	4,260	5,500
Kane Senior Services Council	8,640	5,700
Lazarus House	9,840	8,100
Literacy Volunteers of America	1,860	2,300
Mutual Ground	5,860	6,100
Salvation Army TriCorp	7,420	4,500
Senior Services Association	4,440	5,300
Suicide Prevention Services	8,640	9,200
Tri-City Family Services	5,920	7,100
Tri-City Health Partnership	6,020	6,700
Tri-City Unemployment Group	2,080	2,800
Valley Sheltered Workshop	6,300	7,500
Water Street Studios	-	1,300
	$ 124,032	$ 117,056

NOTE 6 – 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 $207,823 consist of cash.

The following reflects the Organization's financial assets as of September 30, 2022, 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	$ 193,335
Less those unavailable for general expenditures within one year due to donor restrictions for specific purposes	35,949
Financial assets available to meet cash needs for general expenditure within one year	$ 157,386

NOTE 7 - 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.