

FRIENDS OF THE BARRINGTON'S WHITE HOUSE, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2022

145 West Main Street
Barrington, IL 60010
Phone: 224.512.4284
Fax: 224.512.4298
www.friendsofbwh.org

FRIENDS OF THE BARRINGTON'S WHITE HOUSE, ILLINOIS

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Foundation's independent auditing firm.



INDEPENDENT AUDITORS' REPORT

June 19, 2023

Members of the Board of Directors
Friends of Barrington's White House
Barrington, Illinois

Opinion

We have audited the accompanying financial statements of the Friends of Barrington's White House (a Foundation) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, cash flows, and functional expenses for the year 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 financial position of the Friends of Barrington's White House, as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Foundation 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.

Responsibilities of Management 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, and 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 Foundation'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.

Auditor's Responsibilities for the Audit of the Financial Statements - Continued

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 the Foundation'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 the Foundation'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Friends of Barrington's White House's basic financial statements. The supplemental schedule is presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, supplemental schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

FINANCIAL STATEMENTS

FRIENDS OF THE BARRINGTON'S WHITE HOUSE, ILLINOIS

Statement of Financial Position

December 31, 2022

ASSETS	
Current Assets	
Cash and Investments	\$ 2,062,798
Promises to Give	65,500
Total Current Assets	<u>2,128,298</u>
Noncurrent Assets	
Promises to Give	<u>88,114</u>
Total Assets	<u><u>2,216,412</u></u>
LIABILITIES	
Accounts Payable	442
Due to Other Government	254,333
Deferred Revenue	16,800
Total Liabilities	<u><u>271,575</u></u>
NET ASSETS	
With Donor Restrictions	1,924,629
Without Donor Restrictions	20,208
Total Net Assets	<u><u>1,944,837</u></u>
Total Liabilities and Net Assets	<u><u>2,216,412</u></u>

The notes to the financial statements are an integral part of this statement.

FRIENDS OF THE BARRINGTON'S WHITE HOUSE, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues and Other Support			
Contributions	\$ 82,220	456,625	538,845
Contributed Nonfinancial Assets	16,047	—	16,047
Grants - Restricted	—	38,499	38,499
Cultural Event Sponsorships	—	177,731	177,731
Fundraising	—	218,190	218,190
Investment (Loss)	—	(232,449)	(232,449)
Miscellaneous	25,000	—	25,000
Net Assets Released from Restrictions	582,397	(582,397)	—
Total Revenues and Other Support	705,664	76,199	781,863
Expenses			
Programs Services	456,961	—	456,961
Supporting Services			
Management and General	30,105	—	30,105
Fundraising	260,396	—	260,396
Total Expenses	747,462	—	747,462
Change in Net Assets	(41,798)	76,199	34,401
Net Assets - Beginning	62,006	1,848,430	1,910,436
Net Assets - Ending	20,208	1,924,629	1,944,837

The notes to the financial statements are an integral part of this statement.

FRIENDS OF THE BARRINGTON'S WHITE HOUSE, ILLINOIS

Statement of Cash Flows

For the Fiscal Year Ended December 31, 2022

Cash Flows from Operating Activities	
Increase (Decrease) in Net Assets	<u>\$ 34,401</u>
Adjustments to Reconcile Changes in Unrestricted Net Assets to	
Net Cash Provided by Operating Activities:	
(Increase) Decrease in Current Assets	35,386
Increase (Decrease) in Current Liabilities	<u>223,574</u>
	<u>258,960</u>
Net Cash Provided by Operating Activities	293,361
Cash and Cash Equivalents - Beginning	<u>1,769,437</u>
Cash and Cash Equivalents - Ending	<u><u>2,062,798</u></u>
Noncash Capital and Related Financing Activities	
Contributed Nonfinancial Assets - Services	16,047
Contributed Nonfinancial Assets - Expenses	<u>(16,047)</u>
	<u><u>—</u></u>

The notes to the financial statements are an integral part of this statement.

FRIENDS OF THE BARRINGTON'S WHITE HOUSE, ILLINOIS

Statement of Functional Expenses

For the Fiscal Year Ended December 31, 2022

	Program Services	Management and General	Fundraising	Totals
Accounting and Bookkeeping	\$ —	23,686	—	23,686
Contractual Services	6,000	—	250,614	256,614
Cultural Services	450,961	—	154	451,115
Contributed Nonfinancial Assets - Services	—	6,419	9,628	16,047
	456,961	30,105	260,396	747,462

The notes to the financial statements are an integral part of this statement.

FRIENDS OF THE BARRINGTON'S WHITE HOUSE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 1 - NATURE OF ORGANIZATION

The Friends of Barrington's White House's (the Foundation) is a not-for-profit organization organized under the laws of the State of Illinois to develop philanthropic support for Barrington's White House (the White House), which is owned and operated by the Village of Barrington. The Foundation is considered a component unit of the Village of Barrington under the accounting standards followed by the Village; however, the Foundation is a separate legal entity. The Foundation's only program relates to the support of the operational and capital needs of the White House which lacks adequate funding through the White House's available resources. The Foundation's major sources of revenue and support are contributions from donors and investment income.

The Village of Barrington appointed a three-member Board of Directors comprised of three community members in December of 2017. The Board of Directors organized as a 501(c)(3) nonprofit on April 18, 2018 when the Internal Revenue Service recognized the Foundation as exempt from Federal Income Tax.

The Foundation is reported as a discretely presented component unit of the Village of Barrington, Illinois. This report represents the financial activity of the Foundation for the fiscal year ended December 31, 2022.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting in which revenue is recognized when earned and expenses are recognized when incurred.

Net Assets

The Foundation's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. Net assets of the Foundation and changes therein are classified and reported as follows:

Net assets without Donor Restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Foundation's management and the Board of Directors.

Net assets with Donor Restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statement of Activities.

FRIENDS OF THE BARRINGTON'S WHITE HOUSE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash and Investments

For the purpose of the Statement of Financial Position and Statement of Cash Flows, the Foundation's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of purchase.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Foundation categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investment Income

The Foundation records investment income earned on net assets with donor restrictions and without donor restrictions as without donor restrictions revenue.

Promises to Give

Promises to give consist of unconditional promises to give to the Foundation. The carrying amount of promises to give may be recorded by a valuation allowance based on management's assessment of the collectability of specific promise to give balances.

Income Taxes

The Foundation is exempt from income tax under IRC section 501(c)(3), and similarly, is exempt from State of Illinois taxes under the Illinois Tax Act Section 205(a), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Foundation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. There was no unrelated business income for the year ended December 31, 2022.

The Foundation's Forms 990, *Return of Organization Exempt from Income Tax*, are subject to examination by the IRS, generally, for three years after they were filed. Annual filings with the State of Illinois are, similarly, subject to examination.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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 reported period. Actual results could differ from those estimates.

FRIENDS OF THE BARRINGTON'S WHITE HOUSE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributed Revenue

Contributions that are restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are satisfied or expire in the reporting period in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

Contributions due in the next year are reflected as current promises to give and are recorded at their net realized value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts.

At December 31, 2022, contributions of \$16,800 have not been recognized in the Statement of Activities because the conditions on which they depend have not yet been met. All of these conditions relate to timing of when the programs, grants, and contributions are set to occur.

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 functional expenses. Functional expenses which are not directly attributable to one function are allocated between program, management and general, and fundraising services based on the number of employees involved, the amount of time spent, the percentage of their salary associated with the time and on estimated made by the Foundation's management.

Budgetary Information

The budget is prepared on the same basis and uses the same accounting principles as are used to prepare the financial statements. The budget is authorized by the board of directors which is reviewed quarterly against actual revenue and expenses by the Foundation's Board. The Foundation's Board discussed with staff the provisions for generating revenue, assuring long-term solvency, and maintaining services. Staff recommendations are presented to the board of directors for discussion and decision making. One supplemental amendment was made during the fiscal year.

Over Budget

The Foundation had an excess of actual expenses of \$143,441 over budget of as of the date of this report.

NOTE 3 - CASH AND INVESTMENTS

At year-end the carrying amount of the Foundation's cash deposits totaled \$290,656 and the bank balances totaled \$290,656. The entire balance of deposits was fully insured by federal deposit insurance. In addition, the Foundation has \$1,772,142 invested in mutual funds, which is a level 1 investment valued at quoted prices in active markets for identical assets and have an average maturity of less than one year.

FRIENDS OF THE BARRINGTON'S WHITE HOUSE, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - AVAILABILITY AND LIQUIDITY

The following represents Foundation's financial assets at December 31, 2022:

Financial Assets at Year End	
Cash and Cash Equivalents	\$ 2,062,798
Promises to Give	<u>153,614</u>
	2,216,412
Less Amounts not Available to be used within one year	
Net Assets with Donor Restrictions	<u>1,924,629</u>
Financial Assets Available to Meet General Expenditures over the Next Twelve Months	<u><u>291,783</u></u>

The Foundation's goal is generally to maintain financial assets to meet 90 days of operating expenses. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit.

NOTE 5 - NET ASSETS

Without Donor Restrictions

Net Assets without donor restrictions as of December 31, 2022 was comprised of the following:

Operating Reserve	\$ 10,000
Unrestricted	<u>10,208</u>
Total	<u><u>20,208</u></u>

With Donor Restrictions

Net Assets with donor restrictions as of December 31, 2022 was comprised of the following:

Cultural Activities	\$ 876
Facility Improvements	<u>1,923,753</u>
Total	<u><u>1,924,629</u></u>

FRIENDS OF THE BARRINGTON'S WHITE HOUSE, ILLINOIS

Notes to the Financial Statements December 31, 2022

NOTE 6 - PROMISES TO GIVE

Promises to give consist of the following at December 31, 2022:

Current Portion	\$ 65,500
Non-Current Portion (Receivable from 1 to 3 Years)	<u>88,114</u>
Total	<u><u>153,614</u></u>

All promises to give are considered collectible, thus no allowance for uncollectible promises to give has been recorded. The Foundation has not discounted the non-current promises to give as the estimated discount amount is immaterial.

NOTE 7 - CONTRIBUTED NONFINANCIAL ASSETS

For the year ended December 31, 2022, contributed nonfinancial assets recognized with the Statement of Activities included:

Services: \$16,047

The Foundation recognized contributed nonfinancial assets within revenue, including services. All the contributed nonfinancial assets did not have any donor-imposed restrictions. Contributed services recognized comprise professional services from the Village of Barrington employees, which includes accounting and financial management services, event fund-raising services, and development coordination. Contributed services are valued and are reported at the estimated fair value in the financial statements based on current rates for similar services.

NOTE 8 - RELATED PARTY TRANSACTIONS

The Foundation provided \$450,961 of monetary support to the Village of Barrington for materials and programs. This amount is included in program services expenses.

SUPPLEMENTAL SCHEDULE

FRIENDS OF THE BARRINGTON'S WHITE HOUSE, ILLINOIS

Schedule of Activities - Budget and Actual For the Fiscal Year Ended December 31, 2022

	Budget		Actual
	Original	Final	
Revenues and Other Support			
Contributions			
Capital Reserve Pledges/Gifts	\$ 500,000	500,000	428,565
Unrestricted Gifts/Grants	66,000	66,000	82,222
Cultural Gifts/Donations	45,000	45,000	28,058
Contributed Nonfinancial Assets	9,500	9,500	16,047
Grants - Restricted	—	38,499	38,499
Cultural Event Sponsorships	100,000	100,000	177,731
Fundraising	—	218,190	218,190
Investment Income (Loss)	17,000	17,000	(232,449)
Miscellaneous	25,000	25,000	25,000
Total Revenues and Other Support	762,500	1,019,189	781,863
Expenses			
Program Services	271,000	309,499	456,961
Supporting Services			
Management and General	30,105	30,105	30,105
Fundraising	36,245	264,417	260,396
Total Expenses	337,350	604,021	747,462
Changes in Net Assets	425,150	415,168	34,401
Net Assets - Beginning			1,910,436
Net Assets - Ending			1,944,837