

**BARRINGTON AREA COMMUNITY FOUNDATION
FINANCIAL STATEMENTS**

Year Ended December 31, 2023

BARRINGTON AREA COMMUNITY FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Barrington Area Community Foundation
Barrington, Illinois

Opinion

We have audited the accompanying financial statements of Barrington Area Community Foundation (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2023, the related statements of activities and changes in net assets, functional expenses, and cash flows 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 Barrington Area Community Foundation as of December 31, 2023, 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 (GAAS). 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 Barrington Area Community 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 the 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 Barrington Area Community 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 are considered material if there is a substantial likelihood that,

INDEPENDENT AUDITOR'S REPORT (continued)

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 Barrington Area Community 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 Barrington Area Community 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.

Randall Gross & Co Ltd

Barrington, Illinois
July 5, 2024

BARRINGTON AREA COMMUNITY FOUNDATION
STATEMENT OF FINANCIAL POSITION
For the Year Ended December 31, 2023

ASSETS

Cash and cash equivalents	\$ 339,843
Dividends receivable	233
Accrued interest	13,672
Investments – (Note 3)	<u>8,853,019</u>
Total assets	<u>\$ 9,206,767</u>

LIABILITIES AND NET ASSETS

Accounts payable	\$ 1,379
Deferred revenue	<u>1,000</u>
Total liabilities	<u>\$ 2,379</u>

NET ASSETS

Without donor restrictions	<u>\$ 9,204,388</u>
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Total liabilities and net assets	<u>\$ 9,206,767</u>
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The accompanying notes are an integral part of the financial statements

BARRINGTON AREA COMMUNITY FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
Contributions and grants	\$ 295,881	\$ -	\$ 295,881
In-kind contributions	38,830	-	38,830
Fundraising Event Revenue	57,225	-	57,225
Less: Expenses related to benefits	(102,149)	-	(102,149)
Investment income (loss)	<u>1,127,189</u>	<u>-</u>	<u>1,127,189</u>
Total support and revenue	<u>\$ 1,416,976</u>	<u>\$ -</u>	<u>\$ 1,416,976</u>
Expenses			
Program expense	(385,000)	-	(385,000)
Support services			
Management and general	(39,283)	-	(39,283)
Fundraising	<u>(595)</u>	<u>-</u>	<u>(595)</u>
Total expenses	<u>\$ (424,878)</u>	<u>\$ -</u>	<u>\$ (424,878)</u>
Change in net assets	<u>\$ 992,098</u>	<u>\$ -</u>	<u>\$ 992,098</u>
Net assets – beginning of year	<u>8,212,290</u>	<u>-</u>	<u>8,212,290</u>
Net assets – end of year	<u><u>\$ 9,204,388</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,204,388</u></u>

The accompanying notes are an integral part of the financial statements

BARRINGTON AREA COMMUNITY FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2023

	Program	Management and General	Fundraising	Total
Grants paid to others	\$ 385,000	\$ -	\$ -	\$ 385,000
Office expense	-	6,965	42	7,007
Committee expense	-	16,124	-	16,124
Conventions and meetings	-	7,531	-	7,531
Printing and postage	-	613	500	1,113
Marketing	-	-	53	53
Professional fees	<u>-</u>	<u>8,050</u>	<u>-</u>	<u>8,050</u>
	<u>\$ 385,000</u>	<u>\$ 39,283</u>	<u>\$ 595</u>	<u>\$ 424,878</u>

The accompanying notes are an integral part of the financial statements

BARRINGTON AREA COMMUNITY FOUNDATION
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

Cash flows from operating activities	
Change in net assets	\$ 992,098
Adjustments	
Change in unrealized gain on investments	(959,847)
Net (gain) loss on sale of securities	15,803
Amortization of premium on securities	8,301
Change in operating assets and liabilities	
Decrease in accounts receivable	7,352
Increase in accrued interest	(2,384)
Decrease in accounts payable	(158)
Increase in deferred revenue	<u>1,000</u>
Net cash provided by operating activities	<u>\$ 62,165</u>
Cash flows from investing activities	
Proceeds from sales and maturities of investments	\$ 645,864
Purchases of investments	<u>(1,144,521)</u>
Net cash used by investing activities	<u>\$ (498,657)</u>
Net decrease in cash and cash equivalents	\$ (436,492)
Cash and cash equivalents, beginning of year	<u>776,335</u>
Cash and cash equivalents, end of year	<u>\$ 339,843</u>

The accompanying notes are an integral part of the financial statements

BARRINGTON AREA COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended December 31, 2023

NOTE 1. Purpose of Foundation and Summary of Significant Accounting Policies

Purpose

Barrington Area Community Foundation was formed in August 1998 by community leaders to serve as a charitable vehicle to support the quality of life in the Barrington, Illinois area, which includes communities served by Community Consolidated School District 220 and the Barrington Area Council of Governments. The Foundation is committed to promoting the well being of mankind and to serving the general charitable, educational and scientific needs of the residents of the Barrington Area through charitable grants made at the discretion of the Board of Directors.

Basis of Accounting

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

Basis of Presentation

The financial statements of Barrington Area Community Foundation have been prepared in accordance with U.S. generally accepted accounting principles (US GAAP), which require Barrington Area Community Foundation to report information regarding its financial position and activities according to the following net asset classifications:

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 Barrington Area Community 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 Barrington Area Community 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.

Cash and Cash Equivalents

Cash equivalents consist of highly liquid investments with an initial maturity of three months or less. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

BARRINGTON AREA COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended December 31, 2023

NOTE 1. Purpose of Foundation and Summary of Significant Accounting Policies (continued)

Concentrations of Credit Risk

Financial instruments that potentially subject Barrington Area Community Foundation to concentrations of credit risk consist principally of cash and cash equivalents and investments. Barrington Area Community Foundation maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. Barrington Area Community Foundation's cash and cash equivalent accounts have been placed with high credit quality financial institutions. Barrington Area Community Foundation has not experienced, nor does it anticipate, any losses with respect to such accounts.

Investments

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at fair value based upon quoted market prices. Net realized and unrealized gains or losses on sales of securities are based on specific identification of investments. Net realized and unrealized gains and losses are presented as components of investment income in the statement of activities.

Investment income and gains restricted by donors are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the income and gains are recognized.

Financial Instruments

The Foundation has no financial instruments for which the carrying value materially differs from fair value.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (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 statements of activities as net assets released from restrictions.

BARRINGTON AREA COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended December 31, 2023

NOTE 1. Purpose of Foundation and Summary of Significant Accounting Policies (continued)

Contributions of noncash assets or in-kind contributions are recorded at their fair values in the period received.

Contributed Services

Contributed services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Promises to Give

Unconditional promises to give are recognized as revenue in the period received and as assets, decreases of liabilities or expenses, depending on the form of the benefits received. Promises to give are recorded at net realizable value if they are expected to be collected in one year and at fair value if they are expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Grants

Grants are recorded as expenses at time of payment.

Functional Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Fair Value Measurements

The Organization follows fair value reporting guidelines outlined in FASB ASC 820-10 which provides the following single definition of fair value:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

BARRINGTON AREA COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended December 31, 2023

NOTE 1. Purpose of Foundation and Summary of Significant Accounting Policies (continued)

An important implication of the FASB definition is that fair value may not consider synergies and attributes of a specific buyer and a specific seller, but may consider synergies available to market participants. Also, fair value should represent an exit price to a market seller.

GAAP for fair value provides a hierarchy in the development of fair value measurements as follows:

- Level 1: Quoted market prices in active markets for identical assets or liabilities
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

The Organization did not have any non-financial assets recorded at fair value on a recurring basis at December 31, 2023.

NOTE 2 Availability and Liquidity

The following represents Barrington Area Community Foundation’s financial assets at December 31, 2023:

Financial assets at year end:	2023
Cash and cash equivalents	\$ 339,843
Accrued interest	13,672
Dividends receivable	233
Investments	8,853,019
Total financial assets	\$ 9,206,767

Barrington Area Community Foundation monitors its liquidity so that it is able to meet its operating needs. The table above reflects Barrington Area Community Foundation’s financial assets as of December 31, 2023, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when not liquid or not convertible into cash within one

BARRINGTON AREA COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended December 31, 2023

NOTE 2 **Availability and Liquidity (continued)**

year, assets held for others, perpetual endowments and accumulated earnings net of appropriations within one year, or because the board of directors has designated funds for specific reserves or long-term investments such as board-designated quasi-endowments. Board restricted amounts could be used within one year if approved by the Board of Directors.

NOTE 3. **Investments**

Investment income consists of the following

Interest and dividends	\$ 183,144
Realized and unrealized gain (loss)	<u>944,045</u>
	<u><u>\$ 1,127,189</u></u>

Fair value measurements recorded on a recurring basis at December 31, 2023 were as follows:

Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>\$ 8,853,019</u>	<u>\$ 0</u>	<u>\$ 0</u>

NOTE 4. **In-Kind Donations**

During the year ending December 31, 2023, the following in-kind donations were received by the organization:

Auction Items	\$ <u>36,830</u>
Total in-kind donations	<u>\$ 36,830</u>

NOTE 5. **Contributed Services**

A substantial number of unpaid volunteers have made significant contributions of their time to develop the Organization's programs, principally in administration and fund-raising activities. The value of this contributed time is not reflected in these statements as it did not meet the criteria for recognition.

BARRINGTON AREA COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended December 31, 2023

NOTE 6. Income Taxes

Pursuant to an Internal Revenue Service determination letter issued in January, 2000 the Organization is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code, except for any unrelated business income. The Organization had no unrelated business income during the year ended December 31, 2023. The Organization is also exempt from state income taxes under similar provisions of state tax regulations.

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 that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more 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 (UBIT). 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% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended December 31, 2023.

The Organization files its form 990, *Return of Organization Exempt from Income Tax* in the U.S. federal jurisdiction and the attorney general for the State of Illinois. At present there are no ongoing income tax audits or unresolved disputes with various tax authorities with whom the Organization currently files or has filed. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2019.

NOTE 7. Net Assets

Net assets without donor restrictions were as follows for the year ended December 31, 2023:

Undesignated	<u>\$ 9,204,388</u>
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There were no net assets with donor restrictions for the year ended December 31, 2023.

BARRINGTON AREA COMMUNITY FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the Year ended December 31, 2023

NOTE 8. Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at the date of the balance sheet but arose after that date (that is, non recognized subsequent events).

The Organization has evaluated subsequent events through July 5, 2024 which was the date that these financial statements were available for issuance, and determined that there were no significant subsequent events through that date.