



**TRITON COLLEGE FOUNDATION
(A NONPROFIT FOUNDATION)**

*Financial Statements
June 30, 2009 and 2008*

KUTCHINS, ROBBINS & DIAMOND, LTD.

TRITON COLLEGE FOUNDATION
(A NONPROFIT FOUNDATION)
FINANCIAL STATEMENTS
JUNE 30, 2009 AND 2008

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Triton College Foundation
River Grove, Illinois

We have audited the accompanying statements of financial position of the Triton College Foundation (a nonprofit Foundation) as of June 30, 2009 and 2008, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Triton College Foundation as of June 30, 2009 and 2008 and the results of its activities and changes in its net assets, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2009, on our consideration of Triton College Foundation's internal control over financial reporting and compliance and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and on compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

October 6, 2009

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STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2009 AND 2008

See notes to financial statements.

	<u>2009</u>	<u>2008</u>
<i>ASSETS</i>		
ASSETS		
Cash and cash equivalents	\$ 286,433	\$ 293,338
Investments	588,970	656,166
Accounts receivable	7,290	3,875
	<u>\$ 882,693</u>	<u>\$ 953,379</u>
<i>LIABILITIES AND NET ASSETS</i>		
LIABILITIES		
Accounts payable	\$ 37,992	\$ 50,345
NET ASSETS		
Unrestricted	560,178	602,258
Temporarily restricted	244,818	261,071
Permanently restricted	39,705	39,705
	<u>844,701</u>	<u>903,034</u>
Total net assets	<u>\$ 882,693</u>	<u>\$ 953,379</u>

**TRITON COLLEGE FOUNDATION
(A NONPROFIT FOUNDATION)**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2009 AND 2008**

See notes to financial statements.

	2009			2008				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE								
Contributions	\$ 7,504	\$ 181,934	\$ -	\$ 189,438	\$ 7,888	\$ 184,573	\$ -	\$ 192,461
Special events	96,388	-	-	96,388	94,466	-	-	94,466
Investment loss	(69,674)	-	-	(69,674)	(25,057)	-	-	(25,057)
Donated services	65,713	-	-	65,713	63,096	-	-	63,096
Net assets released from restrictions	198,187	(198,187)	-	-	197,946	(197,946)	-	-
Total support and revenue	298,118	(16,253)	-	281,865	338,339	(13,373)	-	324,966
EXPENDITURES								
Program services								
Scholarships	45,023	-	-	45,023	27,952	-	-	27,952
Grants	153,164	-	-	153,164	169,994	-	-	169,994
Fundraising	34,986	-	-	34,986	36,230	-	-	36,230
General and administrative	107,025	-	-	107,025	85,286	-	-	85,286
Total expenditures	340,198	-	-	340,198	319,462	-	-	319,462
CHANGE IN NET ASSETS	(42,080)	(16,253)	-	(58,333)	18,877	(13,373)	-	5,504
NET ASSETS AT BEGINNING OF YEAR	602,258	251,071	39,705	903,034	583,381	274,444	39,705	897,530
NET ASSETS AT END OF YEAR	\$ 560,178	\$ 244,818	\$ 39,705	\$ 844,701	\$ 602,258	\$ 261,071	\$ 39,705	\$ 903,034

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STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2009 AND 2008

See notes to financial statements.

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributions	\$ 188,238	\$ 199,189
Cash received from special events	94,173	96,366
Cash received from investment income	2,256	5,316
Cash paid for scholarships	(45,023)	(27,952)
Cash paid for other grants and transfers	(169,362)	(155,913)
Cash paid for fundraising expenses	(35,915)	(34,859)
Cash paid for general administrative	(36,536)	(23,152)
	<u>(2,169)</u>	<u>58,995</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(4,736)	(305,251)
Proceeds from sale of investments	-	277,266
	<u>(4,736)</u>	<u>(27,985)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,905)	31,010
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>293,338</u>	<u>262,328</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 286,433</u>	<u>\$ 293,338</u>
RECONCILIATION OF CHANGES IN NET ASSETS TO		
NET CASH PROVIDED (USED BY) OPERATING ACTIVITIES		
Change in net assets	\$ (58,333)	\$ 5,504
Unrealized loss on investments	90,508	72,790
Investment income reinvested	(18,576)	(42,418)
Changes in assets and liabilities		
Accounts receivable	(3,415)	8,628
Accounts payable	(12,353)	14,491
	<u>(2,169)</u>	<u>58,995</u>
SUPPLEMENTARY DISCLOSURE OF NON-CASH TRANSACTION		
Donated services	<u>\$ 65,713</u>	<u>\$ 63,096</u>

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NATURE OF ACTIVITIES

Nature of Activities: Triton College Foundation (the Foundation) is a nonprofit organization whose purpose is to assist in the furtherance of education activities and objectives at Triton College, Community College District No. 504 (the College). The Foundation receives, administers, and distributes funds to the College for various grants and scholarships.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Standards for *Financial Statements of Not-for-Profit Organizations*. Under the standard, the Society is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets include resources that are not subject to donor-imposed restrictions plus those resources for which donor-imposed restrictions have been satisfied. Contributions are reported as increases in the appropriate category of net assets. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law.

Temporarily restricted net assets are subject to donor-imposed restrictions related to specific purposes. Satisfaction of temporarily restricted net assets (i.e., when the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) is reported as a reclassification from temporarily restricted net assets to unrestricted net assets. The Society reports contributions with a donor-imposed restriction whose restrictions are met in the same reporting period as unrestricted support in the statement of activities.

Permanently restricted net assets are subject to donor-imposed restrictions that will never lapse, thus requiring that the funds be retained permanently.

Cash and Cash Equivalents: The Foundation considers highly liquid investments with maturities of less than three months to be cash equivalents.

Investments: Investments are reported at fair value. Fair value is the price that would be received to sell assets or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounts Receivable: Accounts receivable are stated at the amount management expects to collect from outstanding balances.

Concentrations of Credit Risk: The Foundation maintains cash balances in several financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2009, the uninsured balance did not exceed the FDIC limit.

Tax Status: The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting for Uncertain Tax Positions: In June 2006, the FASB issued Interpretation on its Standard, *Accounting for Uncertainty in Income Taxes*. The standard provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements in accordance with *Accounting for Income Taxes*. The standard requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained upon examination. On December 30, 2008, the FASB issued a FASB Staff Position which deferred the effective implementation date of the standard to the Foundation's annual financial statements ending on June 30, 2010. The Society does not expect that the adoption of the standard will have a material effect on its financial position, results of activities and changes in net assets or cash flows.

Estimates: The preparation of financial statements in conformity 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 liability and disclosures 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.

Subsequent Events: The Foundation has evaluated subsequent events for potential recognition and/or disclosure through October 6, 2009, the date the financial statements were issued.

DONATED SERVICES

Except for those services requiring special expertise, the estimated value of such donated services has not been recorded in the financial statements. *In-kind donations and services requiring specific expertise have been reflected in the financial statements at their fair value.* The Foundation receives a percentage of personnel services from the College without charge. For the years ended June 30, 2009 and 2008, donated services revenue and related expense were \$65,713 and \$63,096, respectively.

ENDOWMENT

The Foundation's endowment consists of four funds established for educational purposes, all of which are donor-restricted funds.

Interpretation of Relevant Law: The Foundation follows the Uniform Management of Institutional Funds Act of 1972 (UMIFA) and its own governing documents. UMIFA requires the historical dollar amount of a donor restricted endowment fund to be preserved. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable under UMIFA. The Foundation's donors have placed restrictions on the use of the investment income or net appreciation resulting from the donor-restricted endowment funds and, accordingly, investment income and net appreciation is classified as temporarily restricted until the assets are appropriated for expenditure.

Endowment Net Asset Composition by Type of Fund as of June 30, 2009:

	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ 39,705	\$ 39,705

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ENDOWMENT (CONTINUED)

	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 39,705	\$ 39,705
Endowment net assets, end of year	\$ 39,705	\$ 39,705

Endowment Net Asset Composition by Type of Fund as of June 30, 2008:

	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ 39,705	\$ 39,705

	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 39,705	\$ 39,705
Endowment net assets, end of year	\$ 39,705	\$ 39,705

INVESTMENTS

Effective July 1, 2008, the Foundation adopted Statement of Financial Accounting Standards for *Fair Value Measurements*. The standard establishes a new framework for measuring fair value and expands related disclosures. Broadly, the standard framework requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. The standard establishes market or observable inputs as the preferred source of values, followed by assumptions based on hypothetical transactions in the absence of market inputs.

The valuation techniques required by the standard are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Foundation's market assumptions. These two types of inputs create the following hierarchy:

- Level 1 – quoted prices in active markets for identical securities
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the Foundation's own assumptions in determining the fair value of the investment)

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INVESTMENTS (CONTINUED)

Below is a description of the valuation methodologies used for assets measured at fair value. The methodologies used at June 30, 2009 and 2008 are the same.

- Mutual Funds - Valued at the net asset value (NAV) of shares held by the Foundation at year end.
- Certificate of Deposit – Value accreting from purchase price at date to face value at maturity.

Fair value of assets measured on a recurring basis at June 30, 2009 and 2008 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>
June 30, 2009			
Mutual funds	\$ 515,508	\$ 515,508	\$ -
Certificate of deposit	<u>73,462</u>	<u>-</u>	<u>73,462</u>
Total investments	\$ <u>588,970</u>	\$ <u>515,508</u>	\$ <u>73,462</u>
June 30, 2008			
Mutual funds	\$ 584,545	\$ 584,545	\$ -
Certificate of deposit	<u>71,621</u>	<u>-</u>	<u>71,621</u>
Total investments	\$ <u>656,166</u>	\$ <u>584,545</u>	\$ <u>71,621</u>

The following tabulation summarizes the net yields of investment assets:

	<u>2009</u>	<u>2008</u>
Dividends and interest	\$ 20,834	\$ 47,733
Realized and unrealized loss	<u>(90,508)</u>	<u>(72,790)</u>
	\$ <u>(69,674)</u>	\$ <u>(25,057)</u>

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SEGREGATION OF NET ASSETS

Temporarily Restricted: Temporarily restricted net assets represent contributions that have been designated by donors to fund specific scholarships and grant activities.

The Foundation has temporarily restricted net assets to support the following programs:

	<u>2009</u>		<u>2008</u>
Scholarships and grants	\$ 244,818	\$	261,071
	<u>\$ 244,818</u>	<u>\$</u>	<u>261,071</u>

During the year ended June 30, 2009 and 2008 temporarily restricted net assets were released from restrictions as the Foundation incurred expenses, satisfying the restricted purpose designated by the donor. Temporarily restricted net assets were released from restrictions to support the following programs:

	<u>2009</u>		<u>2008</u>
Scholarships and grants	\$ 198,187	\$	197,946
Total net assets released from restrictions	<u>\$ 198,187</u>	<u>\$</u>	<u>197,946</u>

Permanently Restricted: Permanently restricted net assets consist of donor-restricted endowments. Investment income earned on these net assets may be used for the Foundation's operating activities.

The following is a summary of programs to be supported with earnings on permanently restricted net assets as designated by the donors:

	<u>2009</u>		<u>2008</u>
Fine Arts/Music, Speech and Art-20 th Century Women's Club	\$ 16,763	\$	16,763
Milton Kwake Scholarship	3,733		3,733
University Club Scholarship	9,959		9,959
William Barr Memorial	<u>9,250</u>		<u>9,250</u>
	<u>\$ 39,705</u>	<u>\$</u>	<u>39,705</u>