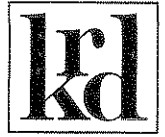


TRITON COLLEGE FOUNDATION

Financial Statements
June 30, 2010 and 2009

TABLE OF CONTENTS

	<u>PAGE(S)</u>
Independent Auditors' Report	3
Statements of Financial Position	4
Statements of Activities and Changes in Net Assets	5
Statements of Cash Flows	6
Notes to Financial Statements	7 - 11
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	12 - 13



KUTCHINS
ROBBINS &
DIAMOND,
LTD.

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) (the "Foundation") as of June 30, 2010 and 2009, 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, 2010 and 2009 and the results of its activities and changes in its net assets, and its 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 September 7, 2010, on our consideration of Triton College Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Kutichins, Robbins & Diamond, Ltd.

September 7, 2010

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

- 4 -

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009**

See notes to financial statements.

	<u>2010</u>	<u>2009</u>
<i>ASSETS</i>		
ASSETS		
Cash and cash equivalents	\$ 306,411	\$ 359,895
Investments	600,628	515,508
Accounts receivable	8,289	7,290
	<u>\$ 915,328</u>	<u>\$ 882,693</u>
<i>LIABILITIES AND NET ASSETS</i>		
LIABILITIES		
Accounts payable	\$ 3,530	\$ 37,992
NET ASSETS		
Unrestricted		
Undesignated	553,473	560,178
Board designated	65,472	-
Temporarily restricted	253,148	244,818
Permanently restricted	39,705	39,705
	<u>911,798</u>	<u>844,701</u>
Total net assets	<u>\$ 915,328</u>	<u>\$ 882,693</u>

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

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2010 AND 2009**

See notes to financial statements.

	2010			2009				
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE								
Contributions	\$ 7,913	\$ 192,443	\$ -	\$ 200,356	\$ 7,504	\$ 181,934	\$ -	\$ 189,438
Special events	74,185	-	-	74,185	96,388	-	-	96,388
Investment income (loss)	62,618	-	-	62,618	(69,674)	-	-	(69,674)
Donated services	-	-	-	-	65,713	-	-	65,713
Net assets released from restrictions	184,113	(184,113)	-	-	198,187	(198,187)	-	-
Total support and revenue	328,829	8,330	-	337,159	298,118	(16,253)	-	281,865
EXPENDITURES								
Program services								
Scholarships	102,295	-	-	102,295	82,616	-	-	82,616
Grants	108,960	-	-	108,960	115,571	-	-	115,571
Fundraising	19,905	-	-	19,905	34,986	-	-	34,986
General and administrative	38,902	-	-	38,902	107,025	-	-	107,025
Total expenditures	270,062	-	-	270,062	340,198	-	-	340,198
CHANGE IN NET ASSETS	58,767	8,330	-	67,097	(42,080)	(16,253)	-	(58,333)
NET ASSETS AT BEGINNING OF YEAR	560,178	244,818	39,705	844,701	602,258	261,071	39,705	903,034
NET ASSETS AT END OF YEAR	\$ 618,945	\$ 253,148	\$ 39,705	\$ 911,798	\$ 560,178	\$ 244,818	\$ 39,705	\$ 844,701

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

**STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2010 AND 2009**

See notes to financial statements.

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributions	\$ 201,556	\$ 188,238
Cash received from special events	71,986	94,173
Cash received from investment income	1,276	2,256
Cash paid for scholarships	(102,295)	(82,616)
Cash paid for other grants and transfers	(110,163)	(131,769)
Cash paid for fundraising expenses	(38,258)	(35,915)
Cash paid for general administrative	(53,809)	(36,536)
	<u>(29,707)</u>	<u>(2,169)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(181,143)	(2,895)
Proceeds from sale of investments	157,366	-
	<u>(23,777)</u>	<u>(2,895)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(53,484)	(5,064)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>359,895</u>	<u>364,959</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 306,411</u>	<u>\$ 359,895</u>
RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH USED IN OPERATING ACTIVITIES		
Change in net assets	\$ 67,097	\$ (58,333)
Unrealized gains (losses) on investments	(45,493)	90,508
Investment income reinvested	(15,850)	(18,576)
Changes in assets and liabilities		
Accounts receivable	(999)	(3,415)
Accounts payable	(34,462)	(12,353)
	<u>(29,707)</u>	<u>(2,169)</u>
SUPPLEMENTARY DISCLOSURE OF NON-CASH TRANSACTION		
Donated services	<u>\$ -</u>	<u>\$ 65,713</u>

TRITON COLLEGE FOUNDATION
(A NONPROFIT FOUNDATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

- 7 -

NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

Basis of Presentation: Financial statement presentation follows the recommendations of the Financial Statements of Not for Profit Organizations Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification. Under the standard, the Foundation 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.

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

Use of 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 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 reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: The Foundation considers highly liquid debt instruments purchased with maturity of three months or less and used to support daily operations to be cash equivalents.

Investments: Investments are reported at 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.

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 which from time to time are in excess of the insurance protection provided by the Federal Deposit Insurance Corporation ("FDIC"). Management does not believe the Foundation is exposed to any significant risk.

Tax Status: The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, any income from certain activities not related to the Foundation's tax exempt purpose would be subject to taxation as unrelated business income.

TRITON COLLEGE FOUNDATION
(A NONPROFIT FOUNDATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

- 8 -

NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications: Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Accounting for Uncertain Tax Positions: Accounting standards provide guidance for how uncertain tax positions should be recognized, measured, disclosed and presented in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Foundation's information returns to determine whether the tax positions are "more-likely-than-not" of being sustained "when challenged" or "when examined" by the applicable tax authority. Tax positions not deemed to meet the more-likely-than-not-threshold would be recorded as a tax benefit and asset or expense and liability in the current year. The Foundation files information returns in the U.S. federal jurisdiction and Illinois state jurisdiction. The Foundation is no longer subject to U.S. federal and state examinations by tax authorities for years before 2006. As of and for the years ended June 30, 2010 and 2009, management has determined that there are no uncertain tax positions.

Subsequent Events: The Foundation has evaluated subsequent events through September 7, 2010, the date the financial statements were available to be issued.

DONATED SERVICES

Except for those services requiring special expertise, the estimated value of 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, 2010 and 2009, donated services revenue and related expense were \$0 and \$65,713, 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 Prudent Management of Institutional Funds Act ("UPMIFA") and its own governing documents. UPMIFA, which replaces the Uniform Management of Institutional Funds Act ("UMIFA") of 1972, eliminates the requirement of preservation of historical dollar amount of the donor-restricted endowment fund, in favor of considering the factors for prudent appropriation of spending of the endowment and would apply in the absence of donor restrictions on the donor endowment (not Board designated endowments). 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.

TRITON COLLEGE FOUNDATION
(A NONPROFIT FOUNDATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

ENDOWMENT (CONTINUED)

Endowment Net Asset Composition by Type of Fund as of June 30, 2010:

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

Changes in Endowment Net Assets for the Year Ended June 30, 2010:

	<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, 2009:

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

Changes in Endowment Net Assets for the Year Ended June 30, 2009:

	<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

FAIR VALUE MEASUREMENTS

The Foundation adopted Fair Value Measurements ("FVM") Topic of the FASB Accounting Codification which establishes a new framework for measuring fair value and expands related disclosures. Broadly, the FVM 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. FVM establishes market or observable inputs as the preferred source of values, followed by assumptions based on hypothetical transactions in the absence of market inputs.

TRITON COLLEGE FOUNDATION
(A NONPROFIT FOUNDATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

FAIR VALUE MEASUREMENTS (CONTINUED)

The valuation techniques required by FVM 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)

Below is a description of the valuation methodologies used for assets measured at fair value.

- Mutual Funds are valued at the net asset value of shares held by the Foundation at year end.

Fair value of assets measured on a recurring basis at June 30, 2010 and 2009 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>
June 30, 2010		
Mutual funds- equity	\$ 194,903	\$ 194,903
Mutual funds – fixed income	405,725	405,725
	<u>\$ 600,628</u>	<u>\$ 600,628</u>
June 30, 2009		
Mutual funds- equity	\$ 216,230	\$ 216,230
Mutual funds – fixed income	299,278	299,278
	<u>\$ 515,508</u>	<u>\$ 515,508</u>

The following tabulation summarizes the net yields of investment assets:

	<u>2010</u>	<u>2009</u>
Dividends and interest	\$ 17,125	\$ 20,834
Unrealized gains (losses)	45,493	(90,508)
	<u>\$ 62,618</u>	<u>\$ (69,674)</u>

TRITON COLLEGE FOUNDATION
(A NONPROFIT FOUNDATION)
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010 AND 2009

SEGREGATION OF NET ASSETS

Unrestricted – Board Designated: The Board of Directors has designated net assets of \$65,472 to support the expansion of the Hospitality Industry Administration (“HIA”) program, including the construction of a new culinary education kitchen and mixology lab.

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>2010</u>		<u>2009</u>
Scholarships and grants	\$ 253,148	\$	244,818
	<u>\$ 253,148</u>	<u>\$</u>	<u>244,818</u>

During the year ended June 30, 2010 and 2009 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>2010</u>		<u>2009</u>
Scholarships and grants	\$ 184,113	\$	198,187
Total net assets released from restrictions	<u>\$ 184,113</u>	<u>\$</u>	<u>198,187</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>2010</u>		<u>2009</u>
20 th Century Women’s Club Scholarship	\$ 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>



KUTCHINS
ROBBINS &
DIAMOND,
LTD.

CERTIFIED PUBLIC ACCOUNTANTS

1101 PERIMETER DRIVE, SUITE 760 ■ SCHAUMBURG, IL 60173 ■ TEL 847.240.1040 ■ FAX 847.240.1055 ■ www.krdcpas.com

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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

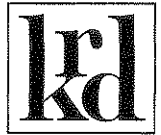
We have audited the financial statements of Triton College Foundation (a nonprofit corporation) (the "Foundation") as of and for the year ended June 30, 2010, and have issued our report thereon dated September 7, 2010. We conducted our audit in accordance with auditing standards generally accepted in 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the Foundation in a separate letter dated September 7, 2010.

This report is intended solely for the information and use of management and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

Kitchins, Robbins & Diamond, Ltd.

September 7, 2010