



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

*Financial Statements
June 30, 2020 and 2019*

TRITON COLLEGE FOUNDATION
(A NONPROFIT CORPORATION)
FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of Triton College Foundation (an Illinois nonprofit corporation) (the "Foundation"), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to financial statements.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Triton College Foundation as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Kutchins, Robbins & Diamond, Ltd.

Schaumburg, Illinois
August 31, 2020

"Helping Our Clients Achieve Financial Success Through Sound Advice"

TRITON COLLEGE FOUNDATION
(A NONPROFIT CORPORATION)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019
See notes to financial statements.

	<u>2020</u>	<u>2019</u>
<i>ASSETS</i>		
ASSETS		
Cash and cash equivalents	\$ 688,735	\$ 704,527
Investments	944,148	955,652
Accounts receivable	<u>17,531</u>	<u>2,848</u>
	<u>\$ 1,650,414</u>	<u>\$ 1,663,027</u>
<i>LIABILITIES AND NET ASSETS</i>		
LIABILITIES		
Accounts payable	\$ 170,055	\$ 52,267
Accrued payroll	<u>888</u>	<u>1,265</u>
Total liabilities	<u>170,943</u>	<u>53,532</u>
NET ASSETS		
Without donor restrictions		
Undesignated	898,690	909,035
Board designated	4,401	-
With donor restrictions		
Purpose restrictions	556,261	680,341
Endowment fund	<u>20,119</u>	<u>20,119</u>
	<u>1,479,471</u>	<u>1,609,495</u>
	<u>\$ 1,650,414</u>	<u>\$ 1,663,027</u>

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

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2020 AND 2019**

See notes to financial statements.

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions	\$ 6,369	\$ 80,004	\$ 86,373	\$ 12,436	\$ 390,415	\$ 402,851
Special events	88,912	-	88,912	103,833	-	103,833
Investment income (loss)	(18,634)	-	(18,634)	33,988	-	33,988
Net assets released from restrictions	204,084	(204,084)	-	436,204	(436,204)	-
Total support and revenue	280,731	(124,080)	156,651	586,461	(45,789)	540,672
EXPENSES						
Program services	209,963	-	209,963	436,453	-	436,453
General and administrative	34,799	-	34,799	32,694	-	32,694
Fundraising	41,913	-	41,913	48,853	-	48,853
Total expenses	286,675	-	286,675	518,000	-	518,000
CHANGE IN NET ASSETS	(5,944)	(124,080)	(130,024)	68,461	(45,789)	22,672
NET ASSETS AT BEGINNING OF YEAR	909,035	700,460	1,609,495	840,574	746,249	1,586,823
NET ASSETS AT END OF YEAR	\$ 903,091	\$ 576,380	\$ 1,479,471	\$ 909,035	\$ 700,460	\$ 1,609,495

**TRITON COLLEGE FOUNDATION
(A NONPROFIT CORPORATION)**
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2020 AND 2019

See notes to financial statements.

	2020			2019			
	Program Services	General and Administrative	Fundraising	Program Services	General and Administrative	Fundraising	Total
Scholarships	\$ 35,245	\$ -	\$ -	\$ 231,416	\$ -	\$ -	\$ 231,416
Grants	174,718	-	-	205,037	-	-	205,037
Golf outing	-	-	-	-	-	25,478	25,478
President's reception	-	-	26,913	-	-	23,375	23,375
Events	-	2,645	-	-	3,088	-	3,088
Office expense	-	1,600	-	-	3,220	-	3,220
Professional fees	-	5,500	15,000	-	5,300	-	5,300
Insurance	-	1,500	-	-	1,500	-	1,500
Payroll and related	-	23,554	-	-	19,586	-	19,586
	<u>\$ 209,963</u>	<u>\$ 34,799</u>	<u>\$ 41,913</u>	<u>\$ 436,453</u>	<u>\$ 32,694</u>	<u>\$ 48,853</u>	<u>\$ 518,000</u>

TRITON COLLEGE FOUNDATION
(A NONPROFIT CORPORATION)
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019
See notes to financial statements.

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	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from contributions	\$ 86,373	\$ 402,851
Cash received from special events	74,229	107,005
Cash received from investment income	997	1,734
Cash paid for investment expenses	(9,682)	(9,444)
Cash paid for scholarships	(66,924)	(204,191)
Cash paid for other grants and transfers	(7,663)	(205,037)
Cash paid for fundraising expenses	(62,501)	(45,037)
Cash paid for general and administrative expenses	(32,176)	(32,599)
	<u>(17,347)</u>	<u>15,282</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(9,279)	-
Proceeds from sale of investments	10,834	-
	<u>1,555</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(15,792)	15,282
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	704,527	689,245
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 688,735	\$ 704,527
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FROM OPERATING ACTIVITIES		
Change in net assets	\$ (130,024)	\$ 22,672
Adjustments to reconcile change in net assets to net cash from operating activities		
Unrealized and realized loss on investments	70,419	16,975
Investment income reinvested	(60,470)	(58,671)
Changes in assets and liabilities		
Accounts receivable	(14,683)	3,172
Accounts payable	117,788	31,040
Accrued payroll	(377)	94
	<u>(17,347)</u>	<u>15,282</u>
Net cash from operating activities	\$ (17,347)	\$ 15,282

TRITON COLLEGE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NATURE OF ACTIVITIES

Triton College Foundation (the "Foundation") is an Illinois nonprofit corporation 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 Accounting: The accounting records and accompanying financial statements have been maintained and prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

New Accounting Pronouncement: Effective January 1, 2019, the Foundation adopted the Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606) and the related amendments. The core principle of the new guidance is that revenue should be recognized to depict the transfer of control of promised goods or services to customers in and amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. In addition, new and expanded revenue disclosures are required. The Foundation has applied this standard using the modified retrospective method. Given the nature of the Foundation's revenue transactions, the new guidance had no impact on the Foundation's operating revenue, results of operations, and financial position for the year ended June 30, 2020. The Foundation has identified special event income as the revenue category subject to the adoption of Topic 606.

Basis of Presentation: Net assets without donor restrictions 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 net assets without donor restrictions. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. The Foundation has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net assets with donor restrictions are subject to donor-imposed restrictions related to specific purposes or time periods. Satisfaction of net assets with donor restrictions (i.e., when the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed) is reported as a reclassification from net assets with donor restrictions to net assets without donor restrictions. The Foundation reports contributions with a donor-imposed restriction whose restrictions are met in the same reporting period as net assets without donor restrictions in the statements of activities.

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

Concentrations of Credit Risk: The Foundation's cash balances at financial institutions exceed Federal Deposit Insurance Corporation ("FDIC") insurance limits. Management does not believe this presents a significant risk to the Foundation.

Liquidity and Availability of Resources: The Foundation has a goal to maintain financial assets, which consist of cash, short-term investments, and receivables, to meet cash needs for operations. The Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

TRITON COLLEGE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Liquidity and Availability of Resources (Continued): The Foundation's financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$	688,735
Investments		944,148
Accounts receivable		17,531
Less donor-restricted net assets		<u>(576,380)</u>
	\$	<u>1,074,034</u>

Accounts Receivable: Accounts receivable represent amounts due for special events and contributions and are stated at the amount management expects to collect from outstanding balances. Receivables are periodically reviewed for collectability by management and an estimated allowance for doubtful accounts is recorded if necessary. The Foundation believes all receivables to be collectible and no allowance has been recorded at June 30, 2020 and 2019.

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.

Contributions: Contributions are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the absence or existence and nature of any donor restrictions.

Revenue Recognition: The Foundation recognizes revenue based on satisfaction of its performance obligations, with the exception of contributions. Contributions represent nonreciprocal transactions and are not subject to the provisions of Topic 606.

The amount of revenue recorded reflects the consideration to which the Foundation expects to be entitled in exchange of goods or services. For special event income, the specific charge is based on a set fee or actual cost to provide the service. Special event income is typically comprised of the President's Reception and a golf outing. Payment for these program events is usually due within 30 days of performance or invoicing. The Foundation recognizes revenue on these programs at the point in time when the events take place. Revenue amounts are generally believed to be collectible, as the Foundation has experienced negligible bad debts historically.

The nature, amount, timing and uncertainty of revenue and cash flows for the Foundation's special event income can be impacted by economic factors. Uncertainties in the economy in general can have an impact on individuals and their attendance at these events.

Donated Services: A significant amount of donated services are contributed to the Foundation by various members to support the Foundation's programs and supporting services. These volunteer activities include participation on the Board of Directors and numerous other committees. The value of these services has not been included in the financial statements.

Functional Allocation of Expenses: The costs of providing the programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

TRITON COLLEGE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Exempt 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.

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.

Subsequent Events: The Foundation has evaluated subsequent events through August 31, 2020, the date the financial statements were available to be issued.

ENDOWMENT

The Foundation's endowment consists of two funds established for educational purposes, both 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, if any, and net appreciation is classified as net assets with donor restrictions until the assets are appropriated for expenditure.

Investment Return Objectives, Risk Parameters and Strategies: The Foundation's investment policy for its endowed funds provides for investments in diversified portfolios of equity and fixed income securities. The objective is to maximize the total return while minimizing risk in order to protect the endowed assets for the long-term use of the Foundation.

Endowment Net Asset Composition by Type of Fund as of June 30, 2020:

	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ 20,119	\$ 20,119

Endowment Net Asset Composition by Type of Fund as of June 30, 2019:

	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-restricted endowment funds	\$ 20,119	\$ 20,119

There were no changes in Endowment Net Assets for the years ended June 30, 2020 and 2019.

FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair market value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Below is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020 and 2019.

- Mutual funds are valued at the net asset value ("NAV") of shares held by the Foundation at year end.
- Bonds are valued at the closing price reported on the active market on which identical or similar securities are traded. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs such as current yields of similar instruments but includes adjustments for certain risks that may not be observable such as credit and liquidity risks.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

FAIR VALUE MEASUREMENTS (CONTINUED)

Fair value of assets measured on a recurring basis at June 30, 2020 and 2019 are as follows:

	<u>Fair Value</u>	<u>Level 1</u>
June 30, 2020		
Mutual funds		
Growth and income	\$ 489,664	\$ 489,664
International	144,738	144,738
Bonds		
World	52,527	52,527
Intermediate term	257,219	257,219
Total investments	<u>\$ 944,148</u>	<u>\$ 944,148</u>
	<u>Fair Value</u>	<u>Level 1</u>
June 30, 2019		
Mutual funds		
Growth and income	\$ 497,958	\$ 497,958
International	143,487	143,487
Equity	17,145	17,145
Bonds		
Government	23,430	23,430
World	55,930	55,930
Intermediate term	217,702	217,702
Total investments	<u>\$ 955,652</u>	<u>\$ 955,652</u>

The following tabulation summarizes the net yields of investment assets:

	<u>2020</u>	<u>2019</u>
Dividends and interest, net	\$ 51,785	\$ 50,963
Unrealized losses	<u>(70,419)</u>	<u>(16,975)</u>
Total investment gain (loss) for the year	<u>\$ (18,634)</u>	<u>\$ 33,988</u>

TRITON COLLEGE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

SEGREGATION OF NET ASSETS

Net assets without donor restrictions: The Foundation includes funds designated by the Board of Directors to support specific activities as follows:

	<u>2020</u>	<u>2019</u>
Undesignated	\$ 898,690	\$ 909,035
Board designated	<u>4,401</u>	<u>-</u>
Total net assets without donor restrictions	<u>\$ 903,091</u>	<u>\$ 909,035</u>

Net assets with donor restrictions: The Society has net assets with donor restrictions to support the following programs:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Scholarships and grants	<u>\$ 556,261</u>	<u>\$ 680,341</u>
Endowments:		
20 th Century Women's Club Scholarship	10,869	10,869
William Barr Memorial	<u>9,250</u>	<u>9,250</u>
	<u>20,119</u>	<u>20,119</u>
Total net assets with donor restrictions	<u>\$ 576,380</u>	<u>\$ 700,460</u>

During the years ended June 30, 2020 and 2019, 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>2020</u>	<u>2019</u>
Scholarships and grants	<u>\$ 204,084</u>	<u>\$ 436,204</u>

RELATED PARTY TRANSACTIONS

As noted in the nature of activities footnote, the Foundation supports Triton College. The Foundation provided a total of \$35,245 in scholarships and \$168,642 of grants to the College during the year ended June 30, 2020.

SUBSEQUENT EVENT

The Foundation's operations may be affected by the recent and ongoing outbreak of the coronavirus disease (COVID-19), which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in disruption to the Foundation's revenue streams and a decline in value of the Foundation's marketable securities.