

**TRITON COLLEGE FOUNDATION
(A NONPROFIT CORPORATION)
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**



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Independent Auditor's Report

The Board of Directors
Triton College Foundation
River Grove, Illinois

Opinion

We have audited the accompanying financial statements of Triton College Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, 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 Triton College Foundation as of June 30, 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. 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 Triton College 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 Triton College Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Independent Auditor's Report

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.

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 Triton College 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 Triton College 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.

ATA Group, LLP

November 13, 2023

Financial Statements

TRITON COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 460,743
Investments	1,088,942
Pledges Receivable	<u>35,685</u>

Total Assets \$ 1,585,370

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ 34,405
Accrued Payroll	<u>794</u>
Total Liabilities	<u><u>35,199</u></u>

NET ASSETS

Without Donor Restrictions	
Undesignated	902,586
Board Designated	<u>40,281</u>
	<u>942,867</u>
With Donor Restrictions	
Purpose Restrictions	587,185
Endowment Fund	<u>20,119</u>
	<u>607,304</u>

Total Net Assets 1,550,171

Total Liabilities and Net Assets \$ 1,585,370

The accompanying notes are an integral part of these financial statements.

Financial Statements

TRITON COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions of Cash	\$ 6,654	\$ 132,870	\$ 139,524
Special Events, Net	69,306	-	69,306
Contributions of Nonfinancial Assets	17,037	-	17,037
Investment Income	84,685	-	84,685
Net Assets Released From Restrictions	98,416	(98,416)	-
	<u>276,098</u>	<u>34,454</u>	<u>310,552</u>
EXPENSES			
Program	198,416	-	198,416
Management and General	54,310	-	54,310
Fund Raising	34,020	-	34,020
	<u>286,746</u>	<u>-</u>	<u>286,746</u>
Change in Net Assets	(10,648)	34,454	23,806
NET ASSETS, Beginning of Year	<u>953,515</u>	<u>572,850</u>	<u>1,526,365</u>
NET ASSETS, End of Year	<u>\$ 942,867</u>	<u>\$ 607,304</u>	<u>\$ 1,550,171</u>

The accompanying notes are an integral part of these financial statements.

Financial Statements

TRITON COLLEGE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and Wages	\$ -	\$ 20,489	\$ -	\$ 20,489
Total Personnel	-	20,489	-	20,489
Scholarships	56,643	-	-	56,643
Grants	41,773	-	-	41,773
Contributions	100,000	-	-	100,000
Golf Outing	-	-	12,958	12,958
Office Expense	-	6,084	-	6,084
Professional Fees (In-Kind \$17,037)	-	26,237	21,062	47,299
Insurance	-	1,500	-	1,500
Total Expenses	<u>\$ 198,416</u>	<u>\$ 54,310</u>	<u>\$ 34,020</u>	<u>\$ 286,746</u>

The accompanying notes are an integral part of these financial statements.

Financial Statements

TRITON COLLEGE FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 23,806
Adjustments to Reconcile Change in Net Assets to Net Cash to Net Cash Provided by Operating Activities:	
Unrealized and Realized (Gain) Loss on Investments	(37,722)
Investment Income Reinvested	(57,206)
Changes in Assets and Liabilities	
Pledges Receivable	(12,773)
Accounts Payable	(9,134)
Accrued Payroll	-
Net Cash Used in Operating Activities	<u>(93,029)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Investments	(174,993)
Proceeds from Sale of Investments	<u>141,890</u>
Net Cash Used in Investing Activities	<u>(33,103)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Net Cash Provided by Financing Activities	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(126,132)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>586,875</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 460,743</u></u>
Supplemental Cash Flows Disclosures	
Cash Paid During the Year For:	
Taxes	\$ -
Interest	-

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

This summary of significant accounting policies of Triton College Foundation (the Foundation) is presented to assist in understanding the Foundation's financial statements. The financial statements and notes are representations of the Foundation's management, which is responsible for their integrity and objectivity. These accounting policies are in accordance with accounting principles generally accepted in the United States of America.

A. Nature of Foundation Activities

Triton College 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.

B. Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The net assets of the Foundation are classified as follows:

Net Assets Without Donor Restrictions – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets with Donor Restrictions – Assets subject to usage limitations based on donor-imposed or grantor-restrictions. The restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Foundation. Certain restrictions may need to be maintained in perpetuity.

Earnings related to restricted net assets will be included in net assets without donor restrictions unless specially required to be included in donor restricted net assets by the donor or by applicable state law.

C. Cash and Cash Equivalents

Cash and cash equivalents consists of cash on hand, funds in a demand deposit account at a bank, and cash held in a brokerage account. The Foundation also considers highly liquid debt instruments purchased with a maturity of three months or less and used to support daily operations to be cash equivalents.

D. Pledges Receivable

Pledges receivables represent amounts due for special events and are stated at the amount management expects to collect from outstanding balances. Write-offs of uncollectible

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

balances are reported at such times that collectability is determined unlikely. The Foundation believes all receivables to be collectible and no allowance has been recorded at June 30, 2023.

E. Revenue Recognition

In general, revenues are recognized at fair market value in the period received and unconditionally given. Below are the specific criteria for recognition of the main revenue streams for the Foundation:

Contributed Support – The Foundation has adopted ASU 2018-08, Not-For-Profit Entities Topic 950: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. Contributions, which consist of cash received, unconditional promises to give from donors, and in-kind donations of goods and services, are recognized as contributed support when received. Conditional promises to give; that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions upon which they depend have been met. Contributed support is considered available for unrestricted use unless specifically restricted by the donor or by laws and regulations.

Special Events – Special event revenue reflects consideration over and above amounts which the Foundation expects to be entitled to, in exchange of goods and services. The benefit received by the participant from these special events are deducted from the income received by the Foundation, and only the contributed portion of the income is reported as revenue. The Foundation recognizes revenue 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. The amount of direct benefit received by participants and deducted from special event revenue was \$27,440.

F. Contribution of Nonfinancial Assets

Contributed professional services are recognized if the services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. For the year ended June 30, 2023, the Foundation has recorded in-kind contributions totaling \$17,037 for accounting and executive services. The amounts reflected in the accompanying financial statements as contributions of nonfinancial assets are offset by like amounts included in management and general expenses.

All space utilized by the Foundation is located at Triton College and fair rental value is insignificant to the financial statements taken as a whole.

Additionally, the Foundation receives a significant amount of contributed time from volunteers who assist in its programs and fund raising in the furtherance of its purposes.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Because this contributed time does not meet the two recognition criteria stated above, the value has not been determined and is not reflected in the accompanying financial statements.

G. Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Accordingly, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include professional services which are allocated on the basis of estimates of time expended.

H. Advertising Costs

Advertising costs are expensed as incurred.

I. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

J. Income Tax Status

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. As such, the Foundation has incurred no income tax expense or liability.

The Foundation's tax filings are subject to audit by various taxing authorities. As of June 30, 2023, the Foundation's federal and state income tax returns for fiscal years ended June 30, 2020, 2021, and 2022 remained open to examination by the taxing authorities. The Foundation had no uncertain income tax positions that qualify for recognition or disclosure in the financial statements. The tax return for June 30, 2023 has not yet been filed.

K. Endowment

The Foundation's endowment consists of two funds established for educational purposes, both of which are donor restricted funds. The endowment funds reported in Note 3 date back decades in the Foundation's history. Complete information is limited as to their purpose and restrictions. The Foundation is currently researching specifics related to these funds. There were no changes in Endowment Net Assets for the year ended June 30, 2023.

Note 2: Investments and Fair Value Measurement

Generally accepted accounting principles provide a uniform framework for the definition, measurement and disclosure of fair value measurements. Fair value is defined as 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

Notes to Financial Statements

Note 2: Investments and Fair Value Measurement (Continued)

market participants on the measurement date. Such accounting guidance also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted market prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active and other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The asset'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. There were no changes to valuation methodologies at June 30, 2023.

The Foundation's investments in mutual funds are valued based on quoted market prices and are categorized in Level 1 of the investment hierarchy.

Fair values of assets measured on a recurring basis at June 30, 2023 is as follows:

	<u>Cost</u>	<u>Fair Value</u>
Mutual Funds		
Growth and Income	\$ 515,951	\$ 556,867
International	140,761	134,914
Bonds		
Intermediate Term	<u>427,041</u>	<u>397,161</u>
Total Investments	<u>\$ 1,083,753</u>	<u>\$ 1,088,942</u>

The following tabulation summarizes the net yields of investment assets for the year ended June 30, 2023:

Dividends and interest, net	\$ 46,963
Unrealized gains	<u>37,722</u>
Total Investment gain for the year	<u>\$ 84,685</u>

Notes to Financial Statements

Note 3: Segregation of Net Assets

Net assets without donor restrictions: The Foundation includes funds designated by the Board of Directors as of June 30, 2023 to support specific activities as follows:

Undesignated	\$ 902,586
Board Designated	<u>40,281</u>
Total net assets without donor restrictions	<u>\$ 942,867</u>

The board designated funds are monies designated to support students impacted by Covid.

Net assets with donor restrictions: The Foundation has net assets with donor restrictions at June 30 to support the following programs:

	<u>2023</u>
Subject to expenditure for specified purpose:	
Scholarships and grants	<u>\$ 587,185</u>
Endowments:	
20th Century Women's Club Scholarship	10,869
William Barr Memorial	<u>9,250</u>
	<u>20,119</u>
Total net assets with donor restrictions	<u>\$ 607,304</u>

During the year ended June 30, 2023, 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>2023</u>
Scholarships and Grants	<u>\$ 98,416</u>

Note 4: Liquidity and Availability of Financial Assets

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.

Notes to Financial Statements

Note 4: Liquidity and Availability of Financial Assets (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	\$ 460,743
Investments	1,088,942
Pledges Receivable	35,685
Less donor-restricted net assets	<u>(607,304)</u>
	<u>\$ 978,066</u>

Note 5: Related Party Transactions

As noted in the nature of activities footnote, the Foundation supports Triton College, and provided \$56,643 in scholarships, \$41,773 in grants, and \$100,000 in contributions towards the Jorndt Monument sign. Total support to Triton College came to \$198,416 during the year ended June 30, 2023.

Note 6: Concentration of Donors

The Foundation received \$103,400 in total unrestricted contributions. Three donors accounted for approximately 17.4% of total unrestricted contributions. As such there is a concentration risk in the area of support.

Note 7: Concentration of Credit Risk

At year end, the Foundation's cash and cash equivalent balance was covered by Federal Deposit Insurance Corporation (FDIC) insurance limits, except for \$47,553 which was invested in a government money market fund. Management believes this uninsured balance does not present a significant risk.

Notes to Financial Statements

Note 8: Prior Period Adjustments

During the year a prior period adjustment related to the 2020-2021 year was discovered due to an accounting error.

Net Assets Without Donor Restrictions

	Undesignated	Board Designated	Total
Net Assets, Beginning of Year	\$ 879,114	\$ 74,401	\$ 953,515
Prior Period Adjustment	34,120	(34,120)	-
Net Assets, Beginning of Year, Restated	913,234	40,281	953,515
Change in Net Assets	(10,648)	-	(10,648)
Net Assets, End of Year	<u>\$ 902,586</u>	<u>\$ 40,281</u>	<u>\$ 942,867</u>

Note 9: Subsequent Events

Management has evaluated material subsequent events from the balance sheet date of June 30, 2023 through the financial statement report date shown on the independent auditor's report. This date represents the date the financial statements are available to be issued.