



**KISHWAUKEE COLLEGE FOUNDATION  
MALTA, ILLINOIS**  
(Component Unit of Kishwaukee  
College District Number 523)

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FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT

For the Year Ended June 30, 2023  
(With Summarized Financial Information  
for the Year Ended June 30, 2022)



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**KISHWAUKEE COLLEGE FOUNDATION  
MALTA, ILLINOIS  
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17335 Golf Parkway, Suite 500  
Brookfield, WI 53045  
262.754.9400

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Kishwaukee College Foundation  
Malta, Illinois

### **Opinion**

We have audited the accompanying financial statements of Kishwaukee College Foundation (the Foundation), a component unit of Kishwaukee College District Number 523, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities 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 the 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 the 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 the 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, 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 the 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 the 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.

## **Report on Summarized Comparative Information**

We have previously audited the Foundation's 2022 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated October 13, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Sikich LLP*

Brookfield, Wisconsin  
October 5, 2023

## **FINANCIAL STATEMENTS**

**KISHWAUKEE COLLEGE FOUNDATION  
MALTA, ILLINOIS**

STATEMENT OF FINANCIAL POSITION

June 30, 2023

(With Summarized Comparative Financial Information as of June 30, 2022)

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 80,381	\$ 148,149
Contributions receivable	10,887	-
Prepaid expenses	1,562	994
Investments	8,825,661	8,216,745
<b>TOTAL ASSETS</b>	<u>\$ 8,918,491</u>	<u>\$ 8,365,888</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Due to Kishwaukee College	\$ 3,275	\$ 1,643
Deferred revenue	-	10,000
Accrued salaries	504	2,268
Total liabilities	<u>3,779</u>	<u>13,911</u>
<b>NET ASSETS</b>		
Without donor restrictions	1,225,814	1,159,777
With donor restrictions	7,688,898	7,192,200
Total net assets	<u>8,914,712</u>	<u>8,351,977</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 8,918,491</u>	<u>\$ 8,365,888</u>

See accompanying notes to the financial statements.

**KISHWAUKEE COLLEGE FOUNDATION  
MALTA, ILLINOIS**

**STATEMENT OF ACTIVITIES**

For the Year Ended June 30, 2023  
(With Summarized Comparative Financial Information as of June 30, 2022)

	2023			2022 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
<b>REVENUES</b>				
Contributions	\$ 134,899	\$ 453,607	\$ 588,506	\$ 530,101
Special events and other	35,453	-	35,453	6,904
In-kind donations	41,953	-	41,953	29,654
Interest and dividends, net	41,502	158,869	200,371	152,804
Net realized gain on investments	191,519	743,613	935,132	536,870
Net unrealized loss on investments	(61,750)	(225,136)	(286,886)	(1,785,389)
Other income	126,701	-	126,701	135,307
Net assets released from restrictions	634,255	(634,255)	-	-
Total revenues	1,144,532	496,698	1,641,230	(393,749)
<b>EXPENSES</b>				
Program services				
Scholarships granted	453,670	-	453,670	470,874
Program enhancements	197,105	-	197,105	223,772
Return of donor requested funds	65,771	-	65,771	-
Contributed goods	39,023	-	39,023	29,654
Contributed wages and benefits	32,773	-	32,773	30,703
Wages and benefits	76,258	-	76,258	62,402
Total program services	864,600	-	864,600	817,405
Management and general				
Wages and benefits	47,943	-	47,943	47,670
Contributed wages and benefits	46,532	-	46,532	47,092
Administrative fee	126,701	-	126,701	135,307
Professional services	65,797	-	65,797	78,224
Supplies	12,898	-	12,898	9,965
Total management and general	299,871	-	299,871	318,258
Direct donor benefits - meals and entertainment	16,884	-	16,884	28
Fundraising				
Wages and benefits	28,249	-	28,249	29,987
Contributed wages and benefits	49,684	-	49,684	45,847
Other	10,585	-	10,585	2,049
Total fundraising	88,518	-	88,518	77,883
Total supporting services	405,273	-	405,273	396,169
Total expenses	1,269,873	-	1,269,873	1,213,574
Transfer from Affiliate - Kishwaukee College				
Wages and benefits	128,989	-	128,989	123,642
Return of unused funds	62,389	-	62,389	-
CHANGE IN NET ASSETS	66,037	496,698	562,735	(1,483,681)
NET ASSETS, BEGINNING OF YEAR	1,159,777	7,192,200	8,351,977	9,835,658
NET ASSETS, END OF YEAR	\$ 1,225,814	\$ 7,688,898	\$ 8,914,712	\$ 8,351,977

See accompanying notes to the financial statements.

**KISHWAUKEE COLLEGE FOUNDATION  
MALTA, ILLINOIS**

STATEMENT OF CASH FLOWS

For the Year Ending June 30, 2023  
(With Summarized Comparative Financial Information as of June 30, 2022)

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 562,735	\$ (1,483,681)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Contributions restricted for long-term investment	(26,175)	(154,834)
Net realized gain on investments	(935,132)	(536,870)
Net unrealized loss on investments	286,886	1,785,389
(Increase) decrease in:		
Pledges receivable	(10,887)	762
Prepaid expenses	(568)	569
Increase (decrease) in:		
Due to Kishwaukee College	1,632	(13,379)
Accounts payable	-	(1,750)
Deferred revenue	(10,000)	5,000
Accrued salaries	(1,764)	(1,256)
Total adjustments	(696,008)	1,083,631
Net cash from operating activities	(133,273)	(400,050)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(11,865,946)	(3,172,821)
Sales and maturities of investments	11,905,276	3,506,438
Net cash from investing activities	39,330	333,617
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions restricted for long-term investment	26,175	154,834
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(67,768)	88,401
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	148,149	59,748
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 80,381	\$ 148,149

See accompanying notes to the financial statements.



**KISHWAUKEE COLLEGE FOUNDATION  
MALTA, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2023

(With Summarized Financial Information for the Year Ended June 30, 2022)

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**1. NATURE OF ACTIVITIES**

The Kishwaukee College Foundation (the Foundation) was formed in 1971. The Foundation was organized to support the educational and cultural programs of Kishwaukee College District Number 523 (the College), facilities improvement, instructional program enhancement, grants, and student scholarships.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a. Basis of Presentation

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the Foundation as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. This has been accomplished by classification of fund balances and transactions into two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, net assets and changes therein are classified as follows:

Net Assets Without Donor Restrictions - Net assets not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by actions of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Board designated assets as of June 30, 2023 and 2022 were \$46,600 for the endowment.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that either expire by passage of time, can be fulfilled and removed by actions of the Foundation pursuant to those restrictions or are required to be maintained in perpetuity by the Foundation.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation. Expirations of restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

b. Cash and Cash Equivalents

All highly liquid investments with an original maturity of three months or less when purchased are deemed cash equivalents.

The Foundation maintains its cash and cash equivalents in financial institutions, which at times may exceed federally insured limits. At June 30, 2023 and 2022, the Foundation's accounts did not exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

c. Pledges Receivable

Pledges receivable are unconditional promises to give and are carried at the net present value of original pledged amounts less an estimate made for uncollectible pledges based on a review of all outstanding amounts on a monthly basis. The present value discounts on those amounts are computed using risk adjusted rates applicable to the years in which the promises were received. Management determines the allowance for uncollectible pledges by regularly evaluating individual receivables and considering a donor's financial condition and current economic conditions. Pledges receivable are written off when deemed uncollectible. Recoveries of pledges receivable previously written off are recorded as revenue when received.

d. Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value on the statement of financial position. The realized and unrealized gain or loss on investments is reflected on the statement of activities. Investment return is reported net external and direct internal investment expenses.

e. Revenue Recognition

*Contributions*

The Foundation recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right to return – are not recognized until the conditions on which they depend have been met. There were no conditional contributions as of June 30, 2023 and 2022.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

e. Revenue Recognition (Continued)

*Sponsorship and Fundraising Event Revenue*

The portion of sponsorship revenue and ticket sales that relates to the commensurate value the sponsor and attendee receives in return is recognized when the related events are held, and performance obligations are met. Sponsorship revenue and ticket sales received in advance of the event are reported as deferred revenue on the statement of financial position. There were no contract assets as of July 1, 2022 or 2021. Contract liabilities as of July 1, 2022 and 2021 were \$10,000 and \$5,000, respectively.

f. In-kind Donations

The Foundation recognizes the fair value of contributed services if such services create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. Donated assets are recorded in the financial statements as assets and revenue at their estimated fair market value on the dates the assets are contributed.

g. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs are directly charged except salaries and wages, which are allocated based on time and effort.

h. Income Taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation is not classified as a private foundation. The Foundation evaluates its uncertain tax positions on an annual basis, and there have been no recorded uncertain tax positions recorded in 2023, 2022 or 2021. Therefore, no provision or liability for income taxes has been included in the financial statements. The Foundation files various federal or state non-profit tax returns. The Foundation is no longer subject to U.S. federal or state examinations by tax authorities for tax years prior to 2020.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **i. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts 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. Accordingly, actual results could differ from those estimates.

### **j. Prior Year Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

## **3. LIQUIDITY AND AVAILABILITY**

The Foundation receives contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity; the income generated from these endowments is used to fund programs. In addition, the Foundation receives support without donor restrictions.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor restricted and board-designated (quasi) endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major and central to its annual operations to be able to meet cash needs for general expenditures. General expenditures include administrative and general expenses, fundraising expenses and grant commitments expected to be paid in the subsequent year. Annual operations are defined as activities during the Foundation's fiscal year.

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that long-term grant commitments and obligations under endowments with donor restrictions and quasi-endowments that support mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

**KISHWAUKEE COLLEGE FOUNDATION**  
**MALTA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**3. LIQUIDITY AND AVAILABILITY (Continued)**

Financial assets available for general expenditures, that is without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 80,381	\$ 148,149
Pledges receivable	10,887	-
Investments	8,825,661	8,216,745
Total financial assets and liquid resources	<u>8,916,929</u>	<u>8,364,894</u>
Less:		
Donor restriction	(7,688,898)	(7,191,857)
Board designated	(46,600)	(46,600)
Total financial assets not available for use	<u>(7,735,498)</u>	<u>(7,238,457)</u>
<b>TOTAL FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<u><u>\$ 1,181,431</u></u>	<u><u>\$ 1,126,437</u></u>

**4. INVESTMENTS AND FAIR VALUE MEASUREMENTS**

GAAP establishes a framework for measuring fair value. That framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. GAAP requires the Foundation to maximize the use of observable inputs when measuring fair value. The hierarchy describes three levels of inputs, which are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in inactive markets; or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3: Significant unobservable inputs.

In many cases, a valuation technique used to measure fair value includes inputs from more than one level of the fair value hierarchy. The lowest level of significant input determines the placement of the entire fair value measurement in the hierarchy. The categorization of an investment within the hierarchy reflects the relative ability to observe the fair value measure and does not necessarily correspond to the perceived risk of that investment.

**KISHWAUKEE COLLEGE FOUNDATION**  
**MALTA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**4. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

The Foundation recognizes transfers between levels in the fair value hierarchy at the end of the reporting period. There were no transfers between levels during the years ended June 30, 2023 or 2022.

Fair value measurements for investments at June 30, 2023 were as follows:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Money market funds	\$ 461,799	\$ -	\$ -	\$ 461,799
Common stock	3,431,097	-	-	3,431,097
Corporate bonds	-	972,125	-	972,125
Mutual funds	3,960,640	-	-	3,960,640
<b>TOTAL INVESTMENTS</b>	<b>\$ 7,853,536</b>	<b>\$ 972,125</b>	<b>\$ -</b>	<b>\$ 8,825,661</b>

Fair value measurements for investments at June 30, 2022 were as follows:

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Money market funds	\$ 130,557	\$ -	\$ -	\$ 130,557
Common stock	4,772,775	-	-	4,772,775
Corporate bonds	-	1,190,768	-	1,190,768
Mutual funds	2,122,645	-	-	2,122,645
<b>TOTAL INVESTMENTS</b>	<b>\$ 7,025,977</b>	<b>\$ 1,190,768</b>	<b>\$ -</b>	<b>\$ 8,216,745</b>

Money market funds and mutual funds are valued at net asset value of shares on the last trading day of the fiscal year.

Common stock is valued at the closing quoted price in an active market.

Corporate bonds generally do not trade in active markets on the measurement date. Therefore, corporate bonds are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market price quotations (where observable), bond spreads, and fundamental data relating to the issuer.

**KISHWAUKEE COLLEGE FOUNDATION**  
**MALTA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**5. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following purposes as of June 30:

	<u>2023</u>	<u>2022</u>
Unappropriated earnings restricted for purpose:		
Scholarships	\$ 2,118,611	\$ 1,777,136
Program enhancement	2,033,549	1,907,965
Restricted in perpetuity:		
Scholarships	2,299,878	2,306,959
Program enhancement	1,236,860	1,200,140
<b>TOTAL</b>	<u>\$ 7,688,898</u>	<u>\$ 7,192,200</u>

Included in program enhancements is an endowment fund that the donor explicitly states a portion of the income is to be re-invested. This fund balance was \$18,037 and \$17,777 at June 30, 2023 and 2022, respectively. The income/loss related to this endowment was \$260 and (\$343) for the years ended June 30, 2023 and 2022, respectively.

**6. ENDOWMENT**

The Foundation's endowment consists of both donor-restricted term and permanent endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the historic dollar value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets to be held in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets to be held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

**KISHWAUKEE COLLEGE FOUNDATION**  
**MALTA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**6. ENDOWMENT (Continued)**

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The endowment assets are invested in accordance with predetermined asset allocation and performance benchmarks. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The endowment shall distribute annually up to 5% of a trailing average of three years of the endowment's total asset value. Annually no more than 2% of the trailing three-year average endowment's total asset value will be distributed for administration fees. For the years ended June 30, 2023 and 2022, the endowment, as approved by the Board of Directors, distributed 4% of the trailing average to recipients and had 1.50% of the trailing average distributed for administration fees.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no amounts underwater as of June 30, 2023 or 2022.

The board designated quasi endowment is designated for future scholarships.

Endowment net asset composition by type of fund as of June 30, 2023:

	<b>With Donor Restrictions</b>			<b>Total</b>
	<b>Without Donor Restrictions</b>	<b>Restricted for Time or Purpose</b>	<b>Donor Restricted Corpus</b>	
Board designated	\$ 46,600	\$ -	\$ -	\$ 46,600
Donor-restricted	-	4,152,160	3,536,738	7,688,898
<b>TOTAL</b>	<b>\$ 46,600</b>	<b>\$ 4,152,160</b>	<b>\$ 3,536,738</b>	<b>\$ 7,735,498</b>



**KISHWAUKEE COLLEGE FOUNDATION**  
**MALTA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**6. ENDOWMENT (Continued)**

During the year ended June 30, 2023, the Foundation had the following endowment related activities:

	<u>With Donor Restrictions</u>			<b>Total</b>
	<b>Without Donor Restrictions</b>	<b>Restricted for Time or Purpose</b>	<b>Donor Restricted Corpus</b>	
Endowment net assets, beginning of year	\$ 46,600	\$ 3,685,101	\$ 3,506,756	\$ 7,238,457
Contribution and other additions	-	427,433	26,517	453,950
Investment return, net	-	677,085	261	677,346
Transfers	-	-	3,204	3,204
Amounts appropriated for expenditure	-	(637,459)	-	(637,459)
<b>ENDOWMENT ASSETS, END OF YEAR</b>	<u>\$ 46,600</u>	<u>\$ 4,152,160</u>	<u>\$ 3,536,738</u>	<u>\$ 7,735,498</u>

Endowment net asset composition by type of fund as of June 30, 2022:

	<u>With Donor Restrictions</u>			<b>Total</b>
	<b>Without Donor Restrictions</b>	<b>Restricted for Time or Purpose</b>	<b>Donor Restricted Corpus</b>	
Board designated	\$ 46,600	\$ -	\$ -	\$ 46,600
Donor-restricted	-	3,685,101	3,506,756	7,191,857
<b>TOTAL</b>	<u>\$ 46,600</u>	<u>\$ 3,685,101</u>	<u>\$ 3,506,756</u>	<u>\$ 7,238,457</u>

**KISHWAUKEE COLLEGE FOUNDATION**  
**MALTA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

**6. ENDOWMENT (Continued)**

During the year ended June 30, 2022 the Foundation had the following endowment related activities:

	With Donor Restrictions			Total
	Without Donor Restrictions	Restricted for Time or Purpose	Donor Restricted Corpus	
Endowment net assets, beginning of year	\$ 46,600	\$ 4,937,849	\$ 3,340,399	\$ 8,324,848
Contribution and other additions	-	287,938	154,834	442,772
Investment return, net	-	(870,886)	(343)	(871,229)
Transfers	-	-	11,866	11,866
Amounts appropriated for expenditure	-	(669,800)	-	(669,800)
<b>ENDOWMENT ASSETS, END OF YEAR</b>	<b>\$ 46,600</b>	<b>\$ 3,685,101</b>	<b>\$ 3,506,756</b>	<b>\$ 7,238,457</b>

**7. IN-KIND CONTRIBUTIONS**

The Foundation received the following contributions and nonfinancial assets for the year ending June 30, 2023:

	2023	2022
Automotive equipment and supplies	\$ 18,790	\$ 19,126
Donated space for fundraiser	2,930	-
Auction items	20,233	10,528
Subtotal	39,023	29,654
Transfer from affiliate from Kishwaukee		
Personnel salaries and benefits	128,989	123,642
<b>TOTAL</b>	<b>\$ 168,012</b>	<b>\$ 153,296</b>

Any contributions of auction items are monetized, and contributions of other non-financial assets are used in the Foundation's program services.

The Foundation receives contributed services from Kishwaukee College in the form of personnel salaries and benefits. The personnel salaries and benefits are reported using the personnel's current rates for the salaries and benefits. The contributed services were utilized in the Foundation's program services, as well as the Foundation's management and general and fundraising functions. The donated services are shown as a transfer from affiliate in the Statement of Activities.

**KISHWAUKEE COLLEGE FOUNDATION**  
**MALTA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

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**7. IN-KIND CONTRIBUTIONS (Continued)**

The Foundation receives items to be sold at its annual auction which are then monetized. Contributed auction items are valued at the gross selling price received. Some donors have restricted the proceeds from the sale of the auction items for specified purposes to benefit Kishwaukee College Foundation.

Contributed automotive equipment and supplies received by the Foundation are recorded as in-kind contribution revenue and assets transferred to Kishwaukee College Foundation in the Statement of Activities as in-kind donations - materials and supplies. The Foundation values the donated equipment and supplies using the estimated price that would be received for selling similar products in the primary market. The automotive equipment and supplies are donor restricted to be used in Kishwaukee College's automotive program.

**8. RELATED PARTY TRANSACTIONS AND TRANSFERS FROM AFFILIATE**

The Foundation makes payments to the College, a related party for scholarships and program enhancements. During the years ended June 30, 2023 and 2022, the Foundation incurred expenses of \$453,670 and \$470,874 for scholarships and \$197,105 and \$223,772 for program enhancements, respectively, to the College. At June 30, 2023 and 2022, the Foundation owed the College \$3,275 and \$1,643, respectively, related to scholarships, awards, and miscellaneous other expenses. Additionally, the College pays a portion of the salaries and benefits of the Foundation's employees. During the years ended June 30, 2023 and 2022, the Foundation has recorded \$131,919 and \$123,642, respectively, on the financial statements as transfers from affiliate and the related in-kind expenses for the personnel costs incurred by the College on the Foundation's behalf. In addition, the College returned unused funds of \$62,389 to the Foundation. During the years ended June 30, 2023 and 2022, the Foundation received \$28,385 and \$14,633, respectively, from various members of the Foundation's Board of Directors.

**9. SUBSEQUENT EVENTS**

Subsequent events are events or transactions that occur after year end 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 statement of financial position, 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 statement of financial position but arose after that date (that is, non-recognized subsequent events).

The Foundation has evaluated subsequent events through October 5, 2023, which was the date that these financial statements were available for issuance, and determined that there were no significant unrecognized subsequent events through that date.