

Illinois Valley Community College Foundation

Auditor's Report as of
June 30, 2020
and
June 30, 2019

ILLINOIS VALLEY COMMUNITY COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and cash equivalents (Notes 2, 3)	\$ 816,253	\$ 749,326
Investments (Note 2)	6,340,450	5,934,009
Accrued income receivable	7,486	10,066
Prepaid expenses	750	-
Pledges receivable (Note 4)	10,000	17,000
Indian artifacts	10,015	10,015
	<u>\$ 7,184,954</u>	<u>\$ 6,720,416</u>
LIABILITIES		
Accounts and credit card payable (Note 5)	\$ 209,660	\$ 23,621
	<u>\$ 209,660</u>	<u>\$ 23,621</u>
NET ASSETS		
Without donor restrictions	\$ 1,404,872	\$ 1,582,861
With donor restrictions	5,570,422	5,113,934
	<u>\$ 6,975,294</u>	<u>\$ 6,696,795</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,184,954</u>	<u>\$ 6,720,416</u>

The accompanying Notes to Financial Statements are an
integral part of these statements.

ILLINOIS VALLEY COMMUNITY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
For the year ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT & REVENUE			
Contributions	51,620	557,339	608,959
Contributed services	44,397	-	44,397
In-kind donation	7,209	-	7,209
Fundraising event	59,439	-	59,439
Investment income (Sch 2)	15,633	207,479	223,112
Unrealized gains	17,506	32,014	49,520
Net assets released	340,344	(340,344)	-
TOTAL SUPPORT	\$ 536,148	\$ 456,488	\$ 992,636
EXPENSES			
Program Services			
Scholarships awarded	\$ 333,531	-	\$ 333,531
Awards assisting IVCC	26,043	-	26,043
Faculty assistance	15,100	-	15,100
Student assistance	7,387	-	7,387
CTC project	168,300	-	168,300
Total Program Services	\$ 550,361	\$ -	\$ 550,361
Supporting Services (Sch 3)	\$ 163,776	\$ -	\$ 163,776
TOTAL EXPENSES	\$ 714,137	\$ -	\$ 714,137
INC/(DEC) IN NET ASSETS	\$ (177,989)	\$ 456,488	\$ 278,499
BEGINNING NET ASSETS	\$ 1,582,861	\$ 5,113,934	\$ 6,696,795
ENDING NET ASSETS	\$ 1,404,872	\$ 5,570,422	\$ 6,975,294

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ILLINOIS VALLEY COMMUNITY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
For the year ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT & REVENUE			
Bequests	\$ 105,561	\$ -	\$ 105,561
Contributions	13,725	410,801	424,526
Contributed services	45,859	-	45,859
In-kind donation	7,209	-	7,209
Fundraising event	57,315	-	57,315
Investment income (Sch 2)	24,802	207,222	232,024
Unrealized gains	53,027	8,636	61,663
Net assets released	182,519	(182,519)	-
TOTAL SUPPORT	\$ 490,017	\$ 444,140	\$ 934,157
EXPENSES			
Program Services			
Scholarships awarded	\$ 329,548	-	\$ 329,548
Awards assisting IVCC	53,572	-	53,572
IVCC Cultural Centre (from Boyle Estate funds)	141,169	-	141,169
Faculty assistance	1,073	-	1,073
Student assistance	4,712	-	4,712
CTC project	52,227	-	52,227
Total Program Services	\$ 582,301	\$ -	\$ 582,301
Supporting Services (Sch 3)	\$ 171,943	\$ -	\$ 171,943
TOTAL EXPENSES	\$ 754,244	\$ -	\$ 754,244
INC/(DEC) IN NET ASSETS	\$ (264,227)	\$ 444,140	\$ 179,913
BEGINNING NET ASSETS	\$ 1,847,088	\$ 4,669,794	\$ 6,516,882
ENDING NET ASSETS	\$ 1,582,861	\$ 5,113,934	\$ 6,696,795

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ILLINOIS VALLEY COMMUNITY COLLEGE FOUNDATION

STATEMENT OF CASH FLOWS

Years ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 278,499	\$ 179,913
Adjustments to reconcile change in net assets to net cash		
Contributions of Stock	(25,752)	(19,839)
Realized (gain) on investments	(94,177)	(97,103)
Unrealized (gain) on investments	(49,520)	(63,751)
Decrease in pledges receivable	-7,000	8,200
(Increase) Decrease in accrued income	-2,580	(3,812)
(Increase) in prepaid assets	(750)	-
(Dec)/Inc in accounts payable	186,039	(168,163)
NET CASH (USED)/PROVIDED BY OPERATING ACTIVITIES	<u>\$ 303,919</u>	<u>\$ (164,555)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of securities	\$ (1,777,389)	\$ (634,085)
Proceeds from sale of securities	1,562,665	1,140,589
Dividends reinvested	(2,146)	(2,813)
Interest reinvested	(20,122)	(19,433)
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	<u>\$ (236,992)</u>	<u>\$ 484,258</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 66,927	\$ 319,703
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>\$ 749,326</u>	<u>\$ 429,623</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 816,253</u></u>	<u><u>\$ 749,326</u></u>

The accompanying Notes to Financial Statements are an
integral part of these statements.

ILLINOIS VALLEY COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 ORGANIZATION AND PURPOSE

The Illinois Valley Community College Foundation (the Foundation) is a legally separate, tax-exempt, component unit of Illinois Valley Community College (the College). The purpose of the Foundation is to advance education through scholarships to deserving and well-qualified IVCC students and to provide financial support for worthy and innovative IVCC educational programs and services, which may include augmenting the College facilities.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- Financial Statement Presentation
- Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:
- Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.
- Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Basis of Accounting

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

Fiscal Year

The Foundation has a fiscal year ending on June 30 for both book and tax purposes. The results of activities as shown in the accompanying financial statements are for the years ended June 30, 2020 and June 30, 2019.

Cash and Equivalents

Cash consists of cash on deposit with financial institutions.

Investments

All invested funds are stated at fair market value. Certificates of Deposit are stated at cost, which approximates market value.

Income Taxes

The Foundation has received an exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation files an annual information return, which is available for public inspection, with the Internal Revenue Service.

The Foundation is a non-profit Illinois corporation and is exempt from filing an annual information return with the Attorney General of the State of Illinois.

Estimates

The preparation of the 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 these estimates.

NOTE 3 CONCENTRATIONS OF CREDIT RISK

The Foundation maintains cash balances at several local financial institutions. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Foundation's uninsured cash balances totaled \$765,400 at June 30, 2020 and \$699,327 at June 30, 2019.

NOTE 4 PLEDGES RECEIVABLE

The Foundation has adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, whereby contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The balance of pledges receivables for the Scholarship campaign is \$10,000 at June 30, 2020 and \$17,000 at June 30, 2019.

No discount to present value or allowance for doubtful accounts has been recorded because the current interest rate and time period of discount renders an insignificant amount to present value discount. The limited number of future pledges and experience with the donors indicate that the pledges are fully collectible.

NOTE 5 RELATED PARTY TRANSACTIONS

The Foundation operates within the facilities of the College, and reimburses the College for incidental office supplies and for the wages and benefits of the Foundation Secretary and Assistant.

RELATED PARTY TRANSACTIONS (continued)

The Foundation receives the following from the College at no cost:

- 25% of the wages and benefits of Director (Fran Brolley), valued at \$30,173 for the year ended June 30, 2020 and \$29,411 for the year ended June 30, 2019.
- 10% of the wages and benefits of Controller (Kathy Ross), valued at \$11,193 for the year ended June 30, 2020 and 15%, valued at \$16,448 for the year ended June 30, 2019.
- 5% of the wages and benefits for Staff Accountant (Ashley Gonzales), value at \$3,030 for the year ended June 30, 2020 and \$0 for the year ended June 30, 2019.
- Use of office space, office furniture, and equipment, valued at \$7,209 for the year ended June 30, 2020 and \$7,209 for the year ended June 30, 2019.

The total amount due to the College for reimbursement of wages and benefits is \$39,280 at June 30, 2020 and \$21,838 at June 30, 2019.

NOTE 6 INVESTMENT FEES

Hometown National Bank administers the fees charged on the Agency (1.5%) and Scholarship (.5%) accounts. The fees are based on fair market value. The total fees for the fiscal years ended June 30, 2020 and 2019 are \$93,997 and \$89,859, respectively.

NOTE 7 DEFICIENCY IN DONOR-RESTRICTED ENDOWMENT FUNDS

At June 30, 2020 there are 2 funds for which the initial restriction exceeds the year-end value by a total of \$12,018. The deficiency at June 30, 2019 was \$6,373 across 1 fund. The deficiencies are due to withdrawals outpacing investment earnings and market value fluctuation.

NOTE 8 FAIR VALUE MEASURE

Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transactions between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the assets or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

Valuation techniques used to measure fair value are prioritized into the following hierarchy:

- Level 1 inputs are quoted prices in active markets for identical assets. Assets in this level typically include publicly traded equities, mutual fund investments, cash equivalents, and listed derivatives.
- Level 2 inputs are quoted prices for similar assets in active or inactive markets, or inputs derived from observable market data. Assets in this level include patronage stock in local grain cooperatives and farmland.
- Level 3 are unobservable inputs that reflect management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs should be developed based on the best information available.)

NOTE 8 FAIR VALUE MEASURE, continued

	<u>June 30, 2020</u>	<u>Fair Value Measurements at Reporting Date Using:</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
	<u>Fair Value</u>			
Certificates of Deposit	200,000	200,000	-	-
Corporate stocks, bonds and mutual funds	<u>6,140,450</u>	<u>6,140,450</u>	<u>-</u>	<u>-</u>
Total	<u>6,340,450</u>	<u>6,340,450</u>	<u>-</u>	<u>-</u>

	<u>June 30, 2019</u>	<u>Fair Value Measurements at Reporting Date Using:</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
	<u>Fair Value</u>			
Certificates of Deposit	200,000	200,000	-	-
Corporate stocks, bonds and mutual funds	<u>5,734,009</u>	<u>5,734,009</u>	<u>-</u>	<u>-</u>
Total	<u>5,934,009</u>	<u>5,934,009</u>	<u>-</u>	<u>-</u>

Note 9 ENDOWMENT FUNDS

The Foundation's endowment consists of 133 individual funds for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Boards of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors for function as endowments are classified and reported on the existence or absence of donor-imposed restrictions.

Investment income generated by the Foundation's endowment funds is used for the benefit of the Foundation and accordingly, investment losses are recognized in the Foundations net assets without restrictions.

The endowment net asset composition by type of fund as of June 30, 2020 is as follows:

	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
Donor-restricted endowment funds	\$1,404,872	\$5,570,422	\$6,975,294
Board designated endowment funds	-0-	-0-	-0-
Totals	<u>\$1,404,872</u>	<u>\$5,570,422</u>	<u>\$6,975,294</u>
Beginning endowment net assets	\$1,582,861	\$5,113,934	\$6,696,795
Contributions	226,737	650,648	877,385
Investment return, net	(85,314)	360,466	275,152
Appropriation of endowment assets for expenditure	(319,412)	(554,626)	(874,038)
Ending endowment net assets	<u>\$1,404,872</u>	<u>\$5,570,422</u>	<u>\$6,975,294</u>

Note 10 OFFICERS AND TRUSTEES

President	Dr. Susan Schmitt
Vice President	Dr. Kim Novak
Secretary	Donna Swiskoski
Assistant/Alumni Coordinator	Janice Corrigan
Treasurer	J. David Conterio
IVCC President	Dr. Jerry Corcoran
Director Community Relations and Development	Fran Brolley

Directors

- Daryk Brayton
- John Cantlin
- Peter Corgiat
- Daniel Janka
- Larry Johnson
- James Loveland
- Karen Nussbaum
- Patricia Seibert
- Jeffrey Simonton
- Julie Sloan
- O.J. Stoutner
- Jerry Yendro
- Kim Zavada
- Dr. Francis Zeller

NOTE 11 LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>2020</u>	<u>2019</u>
Financial assets		
At year-end	\$7,164,189	\$6,693,401
Less those unavailable for general expenditures, within one year, due to:		
Donor-restrictions	<u>5,560,422</u>	<u>5,096,934</u>
Financial assets to meet cash needs for general expenditures within one year	<u>\$1,603,767</u>	<u>\$1,596,467</u>

NOTE 12 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes:

Scholarship endowments	\$ 4,620,500
Tuition assistance fund	532,424
Community Technology Center fund	352,954
Walter "Durley" and Hazel Marie Boyle estate	3,871
Ag Complex	60,673
Total net assets with donor restrictions	<u>\$ 5,570,422</u>

Scholarship endowments

These restricted funds include approximately 133 donor-created scholarship endowments that are invested and managed by the Foundation. The donor specifies the criteria for the scholarship award.

Tuition assistance fund

These restricted funds are for tuition assistance awards. 3% of these funds can be used each year for tuition assistance awards to students based on criteria established by the College's financial aid office.

Community Technology Center fund

This fund is restricted to enhancements within the College's Community Technology Center such as instructional equipment and software.

Walter "Durley" and Hazel Marie Boyle estate

This bequest is restricted to building construction or the extension and alteration of existing buildings of the College. During the last two fiscal years, these funds have been utilized for enhancements within the College's Cultural Centre.

Agriculture Complex fund

This fund is restricted to construction of the 6,000 square foot storage and maintenance facility, as well as a center for classrooms and lab facilities.

NOTE 13 SUBSEQUENT EVENTS

We have evaluated subsequent events through October 14, 2020 the date which financial statements are available to be issued.

ILLINOIS VALLEY COMMUNITY COLLEGE FOUNDATION
 DETAIL SCHEDULE OF CASH AND INVESTMENTS
 JUNE 30, 2020 and 2019

CASH	2020	2019
CTC Project money market	\$ 152,954	\$ 147,598
Hometown agency money market	416,270	444,337
Hometown checking	-174,359	129,156
Scholarship Campaign money market	-65,037	26,439
Boyle Estate money market	-853	-
Hometown Ag Complex money market	6,780	1,796
	\$ 816,253	\$ 749,326
INVESTMENTS		
Hometown agency investments	\$ 4,785,131	\$ 4,400,877
Ponti Estate annuities	-687,729	667,707
Scholarship Campaign investments	503,847	561,813
Boyle Estate investments	3,018	2,027
Ag complex investments	53,893	-
CTC Project CD's	-200,000	200,000
Black Rock investments	-106,832	101,585
	\$ -6,340,450	\$ 5,934,009

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 integral part of these statements.

ILLINOIS VALLEY COMMUNITY COLLEGE FOUNDATION
SCHEDULE TO THE STATEMENT OF ACTIVITIES
Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
INVESTMENT INCOME, NET OF FEES		
Interest	\$ 50,260	\$ 50,576
Dividends and capital gains	88,323	93,998
Realized gains	<u>84,529</u>	<u>87,450</u>
TOTAL INVESTMENT INCOME, NET	<u>\$ -223,112</u>	<u>\$ 232,024</u>

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ILLINOIS VALLEY COMMUNITY COLLEGE FOUNDATION
 SCHEDULE TO THE STATEMENT OF ACTIVITIES
 Years Ended June 30, 2020 and 2019

SUPPORTING SERVICES EXPENSES	<u>2020</u>	<u>2019</u>
Giving day fundraiser	\$ 1,832	\$ 2,028
Recognition events	7,752	6,492
Insurance	460	460
Office space	7,209	7,209
Operating supplies	8,155	7,442
Salaries and benefits	125,355	130,592
Professional fees	6,050	9,985
Fees, meetings, travel, misc.	213	1,081
Foreign taxes	24	298
Bank and processing fees	647	349
Software	<u>6,079</u>	<u>6,007</u>
 TOTAL SUPPORTING SERVICE FEES	 <u>\$ 163,776</u>	 <u>\$ 171,943</u>

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