



FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

June 30, 2025 and 2024

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Independent Auditors' Report

To the Board of Trustees
Lincoln Land Community College Foundation
Springfield, Illinois

Opinion

We have audited the accompanying financial statements of Lincoln Land Community College Foundation (the Foundation), a not-for-profit corporation, which are comprised of the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses and cash flows for the years 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, 2025 and 2024, 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.

Emphasis of Matter

As discussed in Note A, the financial statements of the Foundation are intended to present the financial position, the changes in financial position, and cash flows of only the Foundation's portion of the Lincoln Land Community College District #526's (District) financial position, the changes in financial position, and cash flows attributable to the transactions of the Foundation. They do not purport to, and do not, present fairly the financial position of the District as of June 30, 2025 and 2024, the changes in its financial position or its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to the matter.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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 audits. 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.

Auditors' 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 auditors' 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 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.

Eck, Schafer + Punke LLP

Springfield, Illinois
September 17, 2025

Lincoln Land Community College Foundation

STATEMENTS OF FINANCIAL POSITION

June 30

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash	\$ 905,098	\$ 903,265
Prepaid expense	23,176	9,167
Receivables		
Contributions	8,612,761	9,403,651
Other	300	1,555
Investments	12,856,782	11,624,285
Investment land	<u>3,724,847</u>	<u>3,724,847</u>
 Total assets	 <u>\$ 26,122,964</u>	 <u>\$ 25,666,770</u>
LIABILITIES AND NET ASSETS		
Payables		
Scholarships	\$ 492,079	\$ 474,450
Grants	3,554	4,520
Program support	96,188	76,132
Other	<u>49,641</u>	<u>43,839</u>
 Total Liabilities	 641,462	 598,941
NET ASSETS		
Without donor restrictions	3,675,933	3,502,678
With donor restrictions	<u>21,805,569</u>	<u>21,565,151</u>
 Total net assets	 <u>25,481,502</u>	 <u>25,067,829</u>
 Total liabilities and net assets	 <u>\$ 26,122,964</u>	 <u>\$ 25,666,770</u>

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

Lincoln Land Community College Foundation

STATEMENTS OF ACTIVITIES

Year Ended June 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND GAINS			
Contributions	\$ 77,537	\$ 1,428,301	\$ 1,505,838
In-kind contributions	477,431	227,207	704,638
Net investment income	271,003	917,992	1,188,995
Special events	154,080	-	154,080
Grant	-	95,198	95,198
Investment land valuation adjustment	-	-	-
Rent	37,200	-	37,200
Other revenues and gains	49,664	-	49,664
	<hr/>	<hr/>	<hr/>
Total revenues and gains	1,066,915	2,668,698	3,735,613
Net assets released from restrictions	2,428,280	(2,428,280)	-
	<hr/>	<hr/>	<hr/>
	3,495,195	240,418	3,735,613
EXPENSES			
Program services			
Scholarships and other assistance	2,641,040	-	2,641,040
Supporting activities			
Management and general	278,786	-	278,786
Fundraising	402,114	-	402,114
	<hr/>	<hr/>	<hr/>
Total expenses	3,321,940	-	3,321,940
CHANGE IN NET ASSETS	173,255	240,418	413,673
NET ASSETS AT BEGINNING OF YEAR	<hr/> 3,502,678	<hr/> 21,565,151	<hr/> 25,067,829
NET ASSETS AT END OF YEAR	<hr/> <u>\$ 3,675,933</u>	<hr/> <u>\$ 21,805,569</u>	<hr/> <u>\$ 25,481,502</u>

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

Lincoln Land Community College Foundation

STATEMENTS OF ACTIVITIES

Year Ended June 30, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND GAINS			
Contributions	\$ 71,215	\$ 1,738,734	\$ 1,809,949
In-kind contributions	389,189	389,250	778,439
Net investment income	101,249	690,632	791,881
Special events	154,107	-	154,107
Grant	-	51,231	51,231
Investment land valuation adjustment	177,374	-	177,374
Rent	37,200	-	37,200
Other revenues and gains	63,144	-	63,144
	<hr/>	<hr/>	<hr/>
Total revenues and gains	993,478	2,869,847	3,863,325
Net assets released from restrictions	<u>3,009,982</u>	<u>(3,009,982)</u>	<u>-</u>
	4,003,460	(140,135)	3,863,325
EXPENSES			
Program services			
Scholarships and other assistance	3,148,569	-	3,148,569
Supporting activities			
Management and general	288,634	-	288,634
Fundraising	360,857	-	360,857
	<hr/>	<hr/>	<hr/>
Total expenses	3,798,060	-	3,798,060
CHANGE IN NET ASSETS	205,400	(140,135)	65,265
NET ASSETS AT BEGINNING OF YEAR	<u>3,297,278</u>	<u>21,705,286</u>	<u>25,002,564</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 3,502,678</u></u>	<u><u>\$ 21,565,151</u></u>	<u><u>\$ 25,067,829</u></u>

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

Lincoln Land Community College Foundation

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2025

	Program	Supporting Activities		Total
	Services	Management	Fundraising	
	Scholarships and Other Assistance	and General		
Scholarships	\$ 491,579	\$ -	\$ -	\$ 491,579
Grants	7,908	-	-	7,908
Assistance to the District	1,923,732	-	-	1,923,732
Salaries and benefits	204,866	206,825	259,303	670,994
Purchased services	-	44,737	35,443	80,180
Donor relations	-	-	1,454	1,454
Awards and recognition	-	131	7,101	7,232
Foundation gala	-	-	63,329	63,329
Curbside Event	-	-	8,312	8,312
Supplies and other	5,060	4,778	10,382	20,220
Postage	-	2,000	-	2,000
Printing	-	63	1,044	1,107
Professional dues	-	1,326	-	1,326
Travel	-	123	2,855	2,978
Luncheons/dinners/seminars	-	-	7,213	7,213
Taxes and licenses	-	9,754	-	9,754
Occupancy costs	7,895	9,049	5,678	22,622
	<u>\$ 2,641,040</u>	<u>\$ 278,786</u>	<u>\$ 402,114</u>	<u>\$ 3,321,940</u>

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

Lincoln Land Community College Foundation

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2024

	Program Services	Supporting Activities		Total
	Scholarships and Other Assistance	Management and General	Fundraising	
Scholarships	\$ 474,240	\$ -	\$ -	\$ 474,240
Grants	8,182	-	-	8,182
Assistance to the District	2,514,397	-	-	2,514,397
Salaries and benefits	138,908	201,175	229,088	569,171
Purchased services	-	53,039	34,377	87,416
Donor relations	-	-	1,915	1,915
Awards and recognition	-	71	6,463	6,534
Foundation gala	-	-	58,211	58,211
Around the world	-	-	6,144	6,144
Supplies and other	5,253	11,766	9,813	26,832
Postage	-	3,000	-	3,000
Printing	-	387	1,400	1,787
Professional dues	-	873	-	873
Travel	-	71	1,190	1,261
Luncheons/dinners/seminars	-	-	6,798	6,798
Taxes and licenses	-	9,554	-	9,554
Occupancy costs	7,589	8,698	5,458	21,745
	<u>\$ 3,148,569</u>	<u>\$ 288,634</u>	<u>\$ 360,857</u>	<u>\$ 3,798,060</u>

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

Lincoln Land Community College Foundation

STATEMENTS OF CASH FLOW

Years Ended June 30

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 413,673	\$ 65,265
Adjustments to reconcile the change in net assets to net cash flows from operating activities		
Net investment gains	(914,657)	(614,671)
Investment land valuation adjustment	-	(177,374)
Endowment principal support received	(135,694)	(248,537)
Changes in operating assets and liabilities		
Prepaid expense	(14,009)	-
Receivables	792,145	821,338
Payables	42,521	(74,404)
	<hr/>	<hr/>
Net cash flows from operating activities	183,979	(228,383)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments and reinvested earnings	(2,068,687)	(12,597,470)
Sales of investments	1,750,847	12,202,269
	<hr/>	<hr/>
Net cash flows from investing activities	(317,840)	(395,201)
CASH FLOWS FROM FINANCING ACTIVITIES		
Endowment principal support received	135,694	248,537
	<hr/>	<hr/>
NET CASH FLOWS	1,833	(375,047)
CASH AT BEGINNING OF YEAR	<hr/>	<hr/>
	903,265	1,278,312
CASH AND CASH EQUIVALENTS AT END OF YEAR	<hr/> <hr/>	<hr/> <hr/>
	\$ 905,098	\$ 903,265

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

Lincoln Land Community College Foundation

NOTES TO FINANCIAL STATEMENTS

June 30, 2025 and 2024

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Nature of Activities

The Lincoln Land Community College Foundation (the Foundation) was organized as a not-for-profit corporation under laws of the State of Illinois, and exists for the principal purpose of aiding and assisting Lincoln Land Community College, District #526 (the District) in achieving its educational, research and service goals and responsibilities.

2. Basis of Accounting

The books and records of the Foundation are maintained and the financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned; support when an unconditional promise to give is received; and expenses, when incurred.

3. Basis of Presentation

The Foundation follows provisions of financial reporting standards for not-for-profit organizations with respect to restricted support received. Net assets, support, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets 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.

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 resources was restricted has been fulfilled, or both.

Lincoln Land Community College Foundation

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

4. Functional Allocation of Expenses

The costs of program services and supporting activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

5. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation reports cash on hand and in demand deposit accounts as cash. Cash equivalents in brokerage accounts are reported as a component of investments.

6. Revenue Recognition

Contributions and Grants

Unconditional promises to give are recognized as revenue in the period the promise was made. Contributions, grants, and bequests are recognized as net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. 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. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

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 on which they depend have been substantially met.

Contributions that are receivable in less than one year are reported at their realizable amount. Contributions receivable in one year or more are reported at their realizable amount, using present value calculated using a risk-adjusted discount rate that utilizes both a risk-free rate and a credit risk premium.

Lincoln Land Community College Foundation

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

6. Revenue Recognition - Continued

Special Events

The Foundation recognizes revenue when the related event is held, and performance obligations are met.

7. Investments

Investments are carried at fair value. Realized and unrealized gains and losses are included in the statement of activities. The Foundation follows the practice of widely diversifying its investments to mitigate concentrations of credit risk with respect to investments held in the brokerage accounts.

8. Fair Value of Financial Instruments

Accounting principles generally accepted in the United States of America define fair value as the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management determines fair value based on assumptions market participants would use, including consideration of non-performance risk. Realized and unrealized gains and losses are reported in the statement of activities.

The Foundation reports fair value of financial instruments using a three-level hierarchy, based on the extent to which inputs used in measuring fair value are observable in the market at the measurement date, as follows:

- Level 1 - Inputs are unadjusted quoted prices for identical assets in active markets.
- Level 2 - Inputs are observable quoted prices for similar assets in active markets.
- Level 3 - Inputs are unobservable and reflect management's best estimate of what market participants would use as fair value.

Lincoln Land Community College Foundation

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

9. Furniture and Equipment

The Foundation capitalizes furniture and equipment with individual costs of \$ 1,000, or more and useful lives of more than one year. They are reported at cost, or fair value if contributed, less depreciation and amortization calculated on the straight-line basis over the useful lives of the assets, which range from 3 to 7 years.

10. Endowment Funds

The Foundation interprets laws pertaining to donor-restricted endowment gifts received as creating net assets with donor restrictions to be held in perpetuity. The income on endowment investments is expendable for grants to college departments or teachers, student scholarships, other forms of program support as stipulated by the donor, or for other needs if no stipulation is made.

Foundation policies prescribe the following for ensuring proper appropriation and expenditure of endowment funds. An endowment principal account is maintained for each endowment gift with a unique donor stipulated purpose. An unexpended earnings account is maintained that corresponds to each endowment principal account to accumulate investment earnings, realized gains and losses, and amounts expended. The Foundation Executive Director approves all expenditures charged to endowment unexpended earnings accounts, to ensure amounts are expended as stipulated.

The Foundation's investment policies include objectives to achieve a maximum total return and provide for current income requirements while assuming a prudent degree of risk exposure. Specific investment guidelines are determined by the finance committee and reviewed and approved by the board. No specific return objectives are set; however, guidelines for percentages of assets to be invested in several classes of investments are established, and changes in investment allocations are made only after consultation with the Foundation's professional investment advisor and approval by the finance committee. These investment policies are intended to help attain the goals of the Foundation to provide scholarships and grants at levels consistent with prior years, increasing with the growth of the college, but subject to the Foundation's ability to maintain adequate reserves.

Lincoln Land Community College Foundation

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

11. Income Taxes

The Foundation is organized as a not-for-profit corporation and is exempt from Federal income taxes under section 501(a) of the Internal Revenue Code, as an organization described in section 501(c)(3), and has been determined not to be a private Foundation.

The Foundation follows accounting principles generally accepted in the United States of America related to accounting for uncertainty in income taxes, which sets a minimum threshold for financial statement recognition of the benefit of a tax position taken or expected to be taken in a tax return. Management evaluated tax positions for the open tax years at June 30, 2025, and determined no provision for uncertain tax position was required.

12. Contributed Services

Contributed services are recognized if they (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals with those skills, and would typically need to be purchased if not donated.

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

14. Subsequent Events

The Foundation assessed events that occurred subsequent to June 30, 2025 through September 17, 2025, the date the financial statements were available to be issued, for potential recognition and disclosure in the financial statements. No subsequent event occurred that would require adjustment to or disclosure in the financial statements.

Lincoln Land Community College Foundation

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE B - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Foundation's financial assets as of the dates of the statements of financial position, reduced by amounts not available for general use within one year because of contractual, donor-imposed or other restrictions:

	<u>2025</u>	<u>2024</u>
Financial Assets		
Cash	\$ 905,098	\$ 903,265
Investments	12,856,782	11,624,285
Receivables	<u>8,613,061</u>	<u>9,405,206</u>
Total financial assets	22,374,941	21,932,756
Not available for use within one year		
Unexpendable endowment principal	(8,027,681)	(7,922,669)
Receivables	<u>(8,030,887)</u>	<u>(8,219,705)</u>
Total not available for use within one year	<u>(16,058,568)</u>	<u>(16,142,374)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,316,373</u>	<u>\$ 5,790,382</u>

As part of the Foundation's liquidity management, it invests cash in excess of daily requirements in investments according to its investment policy statements. All or some of these investments can be quickly converted to cash and cash equivalents.

Lincoln Land Community College Foundation

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE C - CONTRIBUTIONS RECEIVABLE

Unconditional promises to give (contributions receivable) were as follows at June 30:

	<u>2025</u>	<u>2024</u>
Contributions receivable in less than one year		
Kreher Farm Perpetual Charitable Trust	\$ 504,102	\$ 504,758
Memorial Health	-	593,780
Other	<u>77,772</u>	<u>85,408</u>
	581,874	1,183,946
Contributions receivable in one year or more		
Kreher Farm Perpetual Charitable Trust	11,315,406	11,819,508
Other	<u>50,000</u>	<u>50,000</u>
	11,365,406	11,869,508
Less: 3.40% discount on amount receivable in one year or more	<u>(3,334,519)</u>	<u>(3,649,803)</u>
	<u>\$ 8,612,761</u>	<u>\$ 9,403,651</u>

NOTE D - INVESTMENTS

Detail of income from investments in brokerage accounts was as follows for the years ended June 30:

	<u>2025</u>			<u>2024</u>		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 75,326	\$ 253,687	\$ 329,013	\$ 48,759	\$ 173,527	\$ 222,286
Realized gains (losses)	53,728	180,979	234,707	(97,821)	(202,268)	(300,089)
Unrealized gains	154,609	525,341	679,950	160,315	754,444	914,759
Investment expenses	<u>(12,660)</u>	<u>(42,015)</u>	<u>(54,675)</u>	<u>(10,004)</u>	<u>(35,071)</u>	<u>(45,075)</u>
Net investment income	<u>\$ 271,003</u>	<u>\$ 917,992</u>	<u>\$ 1,188,995</u>	<u>\$ 101,249</u>	<u>\$ 690,632</u>	<u>\$ 791,881</u>

Lincoln Land Community College Foundation

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE E - FAIR VALUE MEASUREMENTS

Fair value of the Foundation's investments, determined using inputs as described in Note A8, was as follows at June 30:

	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>2025</u>				
Cash equivalents	\$ 16,712	\$ 16,712	\$ -	\$ -
Fixed income securities	4,652,828	-	4,652,828	-
ETFs				
Domestic equities	7,445,598	7,445,598	-	-
International equities	410,010	410,010	-	-
REITS	236,006	236,006	-	-
Alternative investments	<u>95,628</u>	<u>95,628</u>	-	-
Total in brokerage accounts	12,856,782	8,203,954	4,652,828	-
Investment land	<u>3,724,847</u>	-	-	<u>3,724,847</u>
Total	<u>\$ 16,581,629</u>	<u>\$ 8,203,954</u>	<u>\$ 4,652,828</u>	<u>\$ 3,724,847</u>
<u>2024</u>				
Cash equivalents	\$ 25,070	\$ 25,070	\$ -	\$ -
Fixed income securities	5,007,828	-	5,007,828	-
ETFs				
Domestic equities	6,013,138	6,013,138	-	-
International equities	354,560	354,560	-	-
REITS	153,635	153,635	-	-
Alternative investments	<u>70,054</u>	<u>70,054</u>	-	-
Total in brokerage accounts	11,624,285	6,616,457	5,007,828	-
Investment land	<u>3,724,847</u>	-	-	<u>3,724,847</u>
Total	<u>\$ 15,349,132</u>	<u>\$ 6,616,457</u>	<u>\$ 5,007,828</u>	<u>\$ 3,724,847</u>

Alternative investments consist of publicly traded real estate investment funds and commodity funds.

Investments valued using Level 2 inputs consist of individual bonds for which identical securities are no longer traded. Values are established by the Foundation's brokerage firm, based on currently traded similar securities.

Lincoln Land Community College Foundation

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE E - FAIR VALUE MEASUREMENTS - Continued

Investments valued using Level 3 inputs include investment land that's valuation technique is discussed in Note G.

NOTE F - FURNITURE AND EQUIPMENT

Furniture and equipment consist of the following at June 30:

	<u>2025</u>	<u>2024</u>
Equipment	\$ 18,724	\$ 18,724
Furniture	<u>15,893</u>	<u>15,893</u>
	34,617	34,617
Accumulated depreciation	<u>(34,617)</u>	<u>(34,617)</u>
	<u>\$ -</u>	<u>\$ -</u>

NOTE G - INVESTMENT LAND

In 1976 land, consisting of five parcels totaling 163.47 acres near the District's main campus was contributed to the Foundation without restriction. In 2020, a parcel consisting of 2.06 acres was contributed to the Foundation near the District's main campus, with a donor stipulation that it be used for educational purposes, including, but not limited to, agriculture and horticulture fields of study. These properties are reported herein as investment land.

Fair value of the land held for investments, which is predominately farmland, was initially based on appraisals made upon its acquisition, and is adjusted annually based on percentage changes in farmland values published by the Federal Reserve Bank of Chicago in its monthly *Ag Letter*. Investment land balances and activity are reflected in the accompanying financial statements as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Fair value at June 30, 2023	\$ 3,401,569	\$ 145,904	\$ 3,547,473
Valuation adjustment for 2024	<u>170,079</u>	<u>7,295</u>	<u>177,374</u>
Fair value at June 30, 2024	3,571,648	153,199	3,724,847
Valuation adjustment for 2025	<u>-</u>	<u>-</u>	<u>-</u>
Fair value at June 30, 2025	<u>\$ 3,571,648</u>	<u>\$ 153,199</u>	<u>\$ 3,724,847</u>

Lincoln Land Community College Foundation

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE H - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were as follows at June 30:

	<u>2025</u>	<u>2024</u>
Restricted to expenditure for the following purposes (including unexpended earnings on Endowment funds):		
Kreher Trust Agriculture Program	\$ 8,637,787	\$ 8,944,938
Student scholarships	2,047,243	1,666,616
Memorial Health Nursing Program	1,885	576,140
Brandt Foundation Agriculture Program	-	4,000
Mehta	164,250	184,250
Roland Machinery Diesel Program	77,675	105,175
Student awards	150,437	140,482
Athletic programs	93,801	15,494
Grant programs	90,054	31,268
Helen Hamilton Learning Center	8,455	8,455
Trutter Museum	9,306	14,366
Taylorville building	4,975	4,975
Child Development Center	9,810	8,650
Other departmental support	455,323	459,259
General endowment	126,300	102,978
Unallocated unrealized gains	1,898,235	1,372,894
Unallocated discounts	<u>(494)</u>	<u>(872)</u>
	13,775,042	13,639,068
Restricted to expenditure for the following purposes and subject to the passage of time:		
Gala sponsorships for the following year	<u>2,846</u>	<u>3,414</u>
Total before endowment principal	13,777,888	13,642,482

Lincoln Land Community College Foundation

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE H - NET ASSETS WITH DONOR RESTRICTIONS - Continued

	<u>2025</u>	<u>2024</u>
Endowment principal to be held in perpetuity, with income thereon restricted to expenditure for the following purposes:		
Student scholarships	\$ 6,431,089	\$ 6,339,328
Student awards	100,168	87,167
Grant programs	199,488	199,488
General endowment	1,216,936	1,216,686
Brandt Endowment Agriculture Program	<u>80,000</u>	<u>80,000</u>
Total endowment principal	<u>8,027,681</u>	<u>7,922,669</u>
Total net assets with donor restrictions	<u>\$ 21,805,569</u>	<u>\$ 21,565,151</u>

NOTE I - ENDOWMENT FUNDS

The composition of the Foundation's endowment funds as of the report dates and activity reconciling the beginning and ending balances for the fiscal years were as follows:

	<u>Unexpended Earnings</u>	<u>Endowment Principal</u>	<u>Total</u>
Balances at June 30, 2024	\$ 2,139,296	\$ 7,922,669	\$ 10,061,965
Net investment income	211,672	-	211,672
Net appreciation of investments	706,320	-	706,320
Contributions	-	135,694	135,694
Amounts appropriated for expenditure	(190,581)	-	(190,581)
Reclassifications	<u>(4,929)</u>	<u>(30,682)</u>	<u>(35,611)</u>
Balances at June 30, 2025	<u>\$ 2,861,778</u>	<u>\$ 8,027,681</u>	<u>\$ 10,889,459</u>

Lincoln Land Community College Foundation

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE I - ENDOWMENT FUNDS - Continued

	<u>Unexpended Earnings</u>	<u>Endowment Principal</u>	<u>Total</u>
Balances at June 30, 2023	\$ 1,663,775	\$ 7,674,132	\$ 9,337,907
Net investment income	138,458	-	138,458
Net appreciation of investments	552,176	-	552,176
Contributions	-	248,537	248,537
Amounts appropriated for expenditure	(213,777)	-	(213,777)
Reclassifications	<u>(1,336)</u>	<u>-</u>	<u>(1,336)</u>
Balances at June 30, 2024	<u>\$ 2,139,296</u>	<u>\$ 7,922,669</u>	<u>\$ 10,061,965</u>

Reclassifications resulted from donors requesting a change in prior years' contributions from net assets restricted to expenditure for specific purpose to Endowment principal.

NOTE J - IN-KIND CONTRIBUTIONS

In-kind contributions consist of the following for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Salaries and benefits	\$ 454,809	\$ 367,444
Occupancy	22,622	21,745
Assistance to the District	<u>227,207</u>	<u>389,250</u>
	<u>\$ 704,638</u>	<u>\$ 778,439</u>

Lincoln Land Community College Foundation

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE J - IN-KIND CONTRIBUTIONS - Continued

	Scholarships and Other <u>Assistance</u>	Management and General <u>Assistance</u>	<u>Fundraising</u>	<u>Total</u>
<u>2025</u>				
Salaries and benefits	\$ 143,964	\$ 187,596	\$ 123,249	\$ 454,809
Occupancy	7,895	9,049	5,678	22,622
Assistance to the District	<u>227,207</u>	<u>-</u>	<u>-</u>	<u>227,207</u>
	<u>\$ 379,066</u>	<u>\$ 196,645</u>	<u>\$ 128,927</u>	<u>\$ 704,638</u>
<u>2024</u>				
Salaries and benefits	\$ 105,384	\$ 158,506	\$ 103,554	\$ 367,444
Occupancy	7,589	8,698	5,458	21,745
Assistance to the District	<u>389,250</u>	<u>-</u>	<u>-</u>	<u>389,250</u>
	<u>\$ 502,223</u>	<u>\$ 167,204</u>	<u>\$ 109,012</u>	<u>\$ 778,439</u>

The fair value of in-kind salaries and benefits received by the Foundation is based on amounts paid by the District to employees working for the Foundation, less amounts reimbursed by the Foundation.

The fair value of occupancy expenses paid by the District for the Foundation has three components. Use of space, operations and maintenance, and utilities. The fair value of operation and maintenance and utilities components is based on actual expenses incurred by the District, allocated to the Foundation based on the square footage occupied by the Foundation. The fair value of the office space component is based on rental rates for similar office space of comparable size in Springfield, Illinois.

The fair value of assistance to the District is determined using the typical cost to purchase the various types of supplies contributed to the Foundation. Supplies whose intended use is stipulated for a specific program or location of the District are reported as restricted in-kind support received and the restriction is released when the supplies are transferred to the intended recipient program.

Lincoln Land Community College Foundation

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE K - TRUTTER COLLECTION

The Foundation has a collection of works of art in a variety of medium received from the Estate of L. Philip Trutter. Mr. Trutter stipulated these items be used to create the L. Phillip and Kathryn Trutter Museum. Due to the eclectic nature of the collection and lack of records of the origin for many items, several attempts at valuation proved difficult and resulted in differing opinions. If capitalized, the collection would increase net assets with donor restrictions, which are unexpendable and not available to finance operations. Trutter Museum expenses totaled \$ 5,060 and \$ 13,163 during the years ended June 30, 2025 and 2024, respectively. Contributions from the estate to provide for operations of the museum were used to establish a fund, reported herein in net assets with donor restrictions. Management is committed to providing ongoing support of the museum after these funds are exhausted.

NOTE L - RELATED PARTY TRANSACTIONS AND BALANCES

A summary of transactions and account balances with the District are as follows, as of and for the years ended June 30:

	<u>2025</u>	<u>2024</u>
In-kind support from the District reported by the Foundation:		
Salaries and related expenses	\$ 454,809	\$ 367,444
Occupancy expenses	<u>22,622</u>	<u>21,745</u>
Total in-kind support from the District	<u>\$ 477,431</u>	<u>\$ 389,189</u>
Amounts payable to the District by the Foundation:		
Grants	\$ 3,554	\$ 4,520
Scholarships	492,079	474,450
Program support	96,188	76,132
Other	49,641	43,839

Lincoln Land Community College Foundation

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE L - RELATED PARTY TRANSACTIONS AND BALANCES - Continued

	<u>2025</u>	<u>2024</u>
Expenses reported by the Foundation include payments to the District of:		
Scholarships	\$ 491,579	\$ 474,240
Grants	7,908	8,182
Other assistance	1,890,218	2,315,027
Salary and benefit reimbursements	216,184	201,728

NOTE M - CONTRIBUTED SERVICES

Volunteers donate time providing services to the Foundation each year, but these volunteers do not meet the criteria for recognition in the financial statements, as described in Note A12.

NOTE N - CONCENTRATION OF CREDIT RISK

The Foundation maintains cash in various bank deposit accounts, which, at times, exceeds the federally insured limit; however, amounts in excess of the limit are held at a bank that participates in the Promontory Network Insured Cash Sweep (ICS) Program. The ICS Program submits funds for placement into deposit accounts at other FDIC-insured banks (also Network members) in increments below the standard FDIC maximum of \$ 250,000.

Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risk in the near term would materially affect the amounts reported in the financial statements.

Lincoln Land Community College Foundation

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE O - SUPPORT FROM TRUST

The Kreher Farm Perpetual Charitable Trust (the Trust) was created exclusively for charitable and educational purposes, including development of an educational program to be implemented and administered to maintain and stimulate ownership of and participation in family farm operations and agricultural-related fields of study. Under terms of an operating agreement, the Trust affiliated with the District and the Foundation to facilitate operating such a program, which included construction of a new agriculture education facility, administration of scholarships and other support for agricultural related programs of the District.

In January 2019, the three parties also entered into a debt service agreement, which provides for support from the Trust to be contributed to the Foundation and passed through to the District for debt service on bonds issued by the District to finance construction of the facility and for other activities described in the operating agreement.

Following is a summary of Trust related balances and activity reported by the Foundation in net assets with donor restrictions, for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Kreher Trust Agriculture Program net assets at beginning of year	\$ 8,944,938	\$ 9,448,811
Support recognized		
Discount accretion	295,760	302,435
Other	<u>270,242</u>	<u>396,559</u>
Total support recognized	566,002	698,994
Net assets released from restrictions		
Debt service on District bonds	(504,758)	(498,758)
Other activities	<u>(368,395)</u>	<u>(704,109)</u>
Total net assets released from restrictions	<u>(873,153)</u>	<u>(1,202,867)</u>
Kreher Trust Agriculture Program net assets at end of year	<u>\$ 8,637,787</u>	<u>\$ 8,944,938</u>

Lincoln Land Community College Foundation

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2025 and 2024

NOTE P - SUPPORT FROM HOSPITAL

Memorial Health (MH) and the District developed a Nursing Education Partnership through a five year agreement to help address the regional nursing shortage. Support from MH totaled approximately \$ 6.1 million over five years provided for admission of 90 additional students per year to the District's associate degree nursing program. MH support allowed for renovation of the west wing of Montgomery Hall on the District's main campus for a new nursing center, purchases of state-of-the-art equipment and hiring of additional faculty and staff to recruit, advise and teach nursing students. Amounts related to the agreement are reported herein in revenues and net assets with donor restrictions. The agreement ended August 1, 2024.