Kirkwood Community College Foundation
Cedar Rapids, Iowa

FINANCIAL REPORT

June 30, 2021 and 2020
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FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR’S REPORT

Audit Committee
Kirkwood Community College Foundation
Cedar Rapids, Iowa

We have audited the accompanying financial statements of Kirkwood Community College Foundation, a component unit of Kirkwood Community College, which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Kirkwood Community College Foundation as of June 30, 2021, 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.
Prior Period Financial Statements

The financial statements of Kirkwood Community College as of June 30, 2020, were audited by other auditors whose report dated October 15, 2020, expressed an unmodified opinion on those financial statements.

West Des Moines, Iowa
November 2, 2021
Kirkwood Community College Foundation
STATEMENTS OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>2,530,049</td>
<td>2,529,444</td>
</tr>
<tr>
<td>Pledges receivable, at present value, less allowance for uncollectible pledges</td>
<td>103,903</td>
<td>46,150</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>50,560</td>
<td>51,336</td>
</tr>
<tr>
<td>Total current assets</td>
<td>2,684,512</td>
<td>2,626,930</td>
</tr>
</tbody>
</table>

| INVESTMENTS AND LONG-TERM ASSETS | | |
| Pledges receivable, at present value, less allowance for uncollectible pledges | 11,400 | 28,200 |
| Investments | 45,145,456 | 32,811,665 |
| Cash value of life insurance | 333,375 | 350,615 |
| Beneficial interests | 224,752 | 394,481 |
| Total investments and long-term assets | 45,714,983 | 33,584,961 |

| Total assets | $48,399,495 | $36,211,891 |

| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable | 30,692 | 19,821 |
| Due to Kirkwood Community College | 40,636 | 163,209 |
| Due to KCCK-FM Radio | 763,687 | 591,478 |
| Due to other agencies | 1,642,846 | 1,231,415 |
| Current portion of annuities payable | 11,300 | 11,300 |
| Total current liabilities | 2,489,161 | 2,017,223 |

| ANNUITIES PAYABLE, less current portion | | |
| Total liabilities | 40,800 | 41,500 |
| Total liabilities | 2,529,961 | 2,058,723 |

| NET ASSETS | | |
| Net assets without donor restrictions | | |
| Undesignated | 2,155,877 | 1,720,949 |
| Donor advised for endowment | 40,072,272 | 29,387,494 |
| Board designated for endowment | 2,654,945 | 2,075,322 |
| Board designated, other | 655,387 | 450,332 |
| Total net assets without donor restrictions | 45,538,481 | 33,634,097 |

| Net assets with donor restrictions | | |
| Total net assets | 331,053 | 519,071 |
| Total net assets | 45,869,534 | 34,153,168 |

| Total liabilities and net assets | $48,399,495 | $36,211,891 |

See Notes to Financial Statements.
Kirkwood Community College Foundation  
STATEMENTS OF ACTIVITIES

<table>
<thead>
<tr>
<th></th>
<th>Year ended June 30, 2021</th>
<th>Year ended June 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Without donor restrictions</td>
<td>With donor restrictions</td>
</tr>
<tr>
<td>SUPPORT AND REVENUES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributions, pledges and cash, net</td>
<td>$ 774,338</td>
<td>$ 100,400</td>
</tr>
<tr>
<td>Contributions, in-kind</td>
<td>34,407</td>
<td>–</td>
</tr>
<tr>
<td>Contributions from Kirkwood Community College</td>
<td>2,669,244</td>
<td>–</td>
</tr>
<tr>
<td>Contributions to donor advised for endowment</td>
<td>1,782,460</td>
<td>–</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>10,610,754</td>
<td>244,058</td>
</tr>
<tr>
<td>Actuarial adjustment to annuities payable</td>
<td>(10,635)</td>
<td>–</td>
</tr>
<tr>
<td>Other, primarily special event fundraisers</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Net assets released from restrictions</td>
<td>532,476</td>
<td>(532,476)</td>
</tr>
<tr>
<td>Total support and revenues</td>
<td>16,393,044</td>
<td>(188,018)</td>
</tr>
<tr>
<td>EXPENSES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program services</td>
<td>3,914,364</td>
<td>–</td>
</tr>
<tr>
<td>Supporting services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management and general</td>
<td>349,394</td>
<td>–</td>
</tr>
<tr>
<td>Fundraising</td>
<td>224,902</td>
<td>–</td>
</tr>
<tr>
<td>Total supporting services</td>
<td>574,296</td>
<td>–</td>
</tr>
<tr>
<td>CHANGE IN NET ASSETS</td>
<td>11,904,384</td>
<td>(188,018)</td>
</tr>
<tr>
<td>NET ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning</td>
<td>33,634,097</td>
<td>519,071</td>
</tr>
<tr>
<td>Ending</td>
<td>$45,538,481</td>
<td>$331,053</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements.
Kirkwood Community College Foundation
STATEMENTS OF FUNCTIONAL EXPENSES

<table>
<thead>
<tr>
<th>Year ended June 30, 2021</th>
<th>Program Services</th>
<th>Supporting Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Grants and other assistance</td>
<td>$3,722,076</td>
<td>$ –</td>
</tr>
<tr>
<td></td>
<td>Salaries and wages</td>
<td>135,904</td>
<td>160,571</td>
</tr>
<tr>
<td></td>
<td>Employee benefits</td>
<td>45,724</td>
<td>60,766</td>
</tr>
<tr>
<td></td>
<td>Professional services</td>
<td>–</td>
<td>28,026</td>
</tr>
<tr>
<td></td>
<td>Advertising and promotion</td>
<td>–</td>
<td>19,982</td>
</tr>
<tr>
<td></td>
<td>Office expenses</td>
<td>–</td>
<td>1,046</td>
</tr>
<tr>
<td></td>
<td>Information technology</td>
<td>–</td>
<td>53,476</td>
</tr>
<tr>
<td></td>
<td>Occupancy</td>
<td>10,660</td>
<td>10,660</td>
</tr>
<tr>
<td></td>
<td>Travel</td>
<td>–</td>
<td>315</td>
</tr>
<tr>
<td></td>
<td>Conferences, conventions, and meetings</td>
<td>–</td>
<td>934</td>
</tr>
<tr>
<td></td>
<td>Other expense</td>
<td>–</td>
<td>13,618</td>
</tr>
<tr>
<td></td>
<td>Total expenses</td>
<td>$3,914,364</td>
<td>$349,394</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year ended June 30, 2020</th>
<th>Program Services</th>
<th>Supporting Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Grants and other assistance</td>
<td>$3,242,843</td>
<td>$ –</td>
</tr>
<tr>
<td></td>
<td>Salaries and wages</td>
<td>146,186</td>
<td>172,720</td>
</tr>
<tr>
<td></td>
<td>Employee benefits</td>
<td>49,327</td>
<td>65,554</td>
</tr>
<tr>
<td></td>
<td>Professional services</td>
<td>–</td>
<td>20,050</td>
</tr>
<tr>
<td></td>
<td>Advertising and promotion</td>
<td>–</td>
<td>26,339</td>
</tr>
<tr>
<td></td>
<td>Office expenses</td>
<td>–</td>
<td>1,671</td>
</tr>
<tr>
<td></td>
<td>Information technology</td>
<td>–</td>
<td>40,778</td>
</tr>
<tr>
<td></td>
<td>Occupancy</td>
<td>49,327</td>
<td>65,554</td>
</tr>
<tr>
<td></td>
<td>Travel</td>
<td>–</td>
<td>4,546</td>
</tr>
<tr>
<td></td>
<td>Conferences, conventions, and meetings</td>
<td>–</td>
<td>3,105</td>
</tr>
<tr>
<td></td>
<td>Other expense</td>
<td>–</td>
<td>38,630</td>
</tr>
<tr>
<td></td>
<td>Total expenses</td>
<td>$3,448,944</td>
<td>$383,981</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements.
Kirkwood Community College Foundation  
STATEMENTS OF CASH FLOWS

<table>
<thead>
<tr>
<th></th>
<th>Year ended June 30</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$11,716,366</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash from operating activities</td>
<td></td>
</tr>
<tr>
<td>Net appreciation in fair value of investments</td>
<td>(10,175,571)</td>
</tr>
<tr>
<td>Actuarial adjustment to annuities payable</td>
<td>10,635</td>
</tr>
<tr>
<td>Change in beneficial interests</td>
<td>(247,036)</td>
</tr>
<tr>
<td>Changes in assets and liabilities</td>
<td></td>
</tr>
<tr>
<td>Pledges receivable</td>
<td>40,953</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>776</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>10,871</td>
</tr>
<tr>
<td>Due to related entities</td>
<td>49,636</td>
</tr>
<tr>
<td>Due to others</td>
<td>(116,512)</td>
</tr>
<tr>
<td>Net cash from operating activities</td>
<td>1,208,212</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Purchase of investments</td>
<td>(8,021,946)</td>
</tr>
<tr>
<td>Proceeds from sale of investments</td>
<td>6,391,669</td>
</tr>
<tr>
<td>Distributions from beneficial interests</td>
<td>416,765</td>
</tr>
<tr>
<td>Proceeds from life insurance</td>
<td>103,085</td>
</tr>
<tr>
<td>Change in cash value of life insurance</td>
<td>(85,845)</td>
</tr>
<tr>
<td>Net cash from investing activities</td>
<td>(1,196,272)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM FINANCING ACTIVITIES</strong></td>
<td></td>
</tr>
<tr>
<td>Payments on annuities, net</td>
<td>(11,335)</td>
</tr>
<tr>
<td>Net cash from financing activities</td>
<td>(11,335)</td>
</tr>
<tr>
<td><strong>NET INCREASE IN CASH</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>605</td>
</tr>
<tr>
<td><strong>CASH</strong></td>
<td></td>
</tr>
<tr>
<td>Beginning</td>
<td>2,529,444</td>
</tr>
<tr>
<td>Ending</td>
<td>$2,530,049</td>
</tr>
</tbody>
</table>

See Notes to Financial Statements.
NOTE 1  NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Kirkwood Community College Foundation (the Foundation), a component unit of Kirkwood Community College, is a nonprofit organization formed in 1969 for the purpose of maintaining, developing, and extending its facilities and services for the benefit of Kirkwood Community College (the College), a separate entity. The Foundation is organized and operates exclusively for charitable, scientific, and educational purposes to provide broader educational service opportunities to the College’s students, staff, faculty, and residents of the geographic area it serves.

Basis of Presentation

Financial statement presentation follows the recommendations of the Not-for-Profit Entities Topic of the FASB Accounting Standards Codification. The Foundation is required to report information regarding its financial position and changes in net assets according to two classes of net assets:

Net assets without donor restrictions are those assets which are not restricted by donor-imposed stipulations and represent the portion of expendable assets available for support of operations. The Foundation may designate portions of net assets without donor restrictions as board designated for various purposes. The donor agreements used by the Foundation and the Foundations bylaws contain a variance power provision, which results in the Foundation having the unilateral power to override a donor’s instruction without approval of the donor.

Net assets with donor restrictions represent contributions or other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations. As donor-imposed stipulations expire, net assets with donor restrictions are reclassified as net assets without donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 reported amounts of revenues and expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision for taxes has been made in the Foundation’s accounts. The Foundation is required to pay income taxes on any net income of activities unrelated to its exempt purpose.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and recognize a tax liability, or asset, for an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has evaluated its material tax positions and determined there are no uncertain positions taken or expected to be taken that would require recognition of a liability, or asset, or disclosure in the financial statements. The Foundation’s income tax returns are subject to review and examination by tax authorities. However, there are currently no reviews or examinations for any tax periods in progress. The tax returns for years prior to the fiscal year ended June 30, 2018 are no longer open to examination by tax authorities.

Cash

The Foundation excludes money market accounts held for long-term investment in its definition of cash and cash equivalents. At times, the Foundation maintains cash balances that exceed the maximum amount insured by the Federal Deposit Insurance Corporation. Management believes the credit risk related to the uninsured balance is minimal.
NOTE 1  NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Pledges Receivable and Revenue Recognition

Pledges receivable (unconditional promises to give) are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional promises to give, that is, those contributions with a material performance or other barrier and a right of return, are not recognized as revenue until the donor's conditions are substantially met.

Contributions to be received after one year are discounted at a discount rate commensurate with the risks involved. Amortization of the discount is recorded as additional contribution revenue.

An allowance for uncollectible pledges receivable is provided based on management's judgment, including factors such as prior collection history, type of contribution, and nature of fundraising activity.

Contributions are recorded as without donor restrictions, or with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions.

Contributed Services and In-Kind Contributions

Nonmonetary assets, art objects, equipment, and various services contributed to the College through the Foundation for the direct benefit of a College department are recorded at fair value at the date of the contribution and are recorded as in-kind revenue and other program expenses. Fair value is primarily determined based on appraised values from third party appraisers or comparable items. The donors receive recognition from the Foundation for such contributions. These items are transferred to the College upon receipt. The in-kind contributions for the years ended June 30, 2021 and 2020 include several small donations with individual market values less than $10,000 and $28,500, respectively. Contributed services that enhance nonfinancial assets and that require specialized skills that are provided by individuals with those specialized skills are included in the contributions from the College with a corresponding expense recognized (see Note 6).

Investments

Investments are recorded at fair value, which is the price that would be received to sell the investment in an orderly transaction at the statement of financial position date, in the statements of financial position. Realized and unrealized gains and losses, which are determined by the specific-identification method, are included in investment income, net in the accompanying statements of activities. Interest and dividends are recognized as revenue when earned and are included in investment income, net in the accompanying statements of activities.

Endowed investment assets are pooled on a market value basis, with each individual fund receiving a share of the total pool’s investment activity for the month based on the balance of the endowment on the first day of that month.

Beneficial Interests

Board designated endowment funds are held by local community foundations. The transactions are deemed reciprocal and, therefore, the values of the funds are recognized as assets. The Foundation is also a 40% beneficiary of a charitable education trust holding primarily land.
NOTE 1  NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Due to Other Agencies

The Foundation acts as an agent for certain unrelated organizations. The total amount of funds held on behalf of these organizations has been reflected in investments as an asset and in due to other agencies as a liability on the statements of financial position.

Annuities Payable

The Foundation has received gifts from various individuals under annuity agreements (life income agreements). Annuities payable to beneficiaries are reportable as a liability at the present value of the estimated future payments to be distributed over the beneficiaries' lives. The Foundation recalculates the present value of these payments through the use of discount rates and Internal Revenue Service (IRS) life expectancy tables. The present value of these payments is included in the financial statements using discount rates ranging from 6.6% to 8.0%. The annuities payable will be paid from investment earnings.

Allocation of Functional Expenses

The Foundation allocates its expenses on a functional basis among its program and supporting activities. Expenses that can be identified with a specific program are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated by time spent and effort.

NOTE 2  PLEDGES RECEIVABLE

Pledges receivable consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>June 30</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td>Endowed pledges</td>
<td>$ 35,100</td>
<td>$ 11,000</td>
</tr>
<tr>
<td>Nonendowed pledges</td>
<td>21,000</td>
<td>69,750</td>
</tr>
<tr>
<td>Agency pledges</td>
<td>71,703</td>
<td></td>
</tr>
<tr>
<td>Gross pledges</td>
<td>127,803</td>
<td>80,750</td>
</tr>
<tr>
<td>Less: discount to present value (at rates ranging from 1.2% to 3.4%)</td>
<td>(11,000)</td>
<td>(6,000)</td>
</tr>
<tr>
<td>Less: allowance for uncollectible pledges</td>
<td>(1,500)</td>
<td>(400)</td>
</tr>
<tr>
<td>Pledges receivable, net</td>
<td>$ 115,303</td>
<td>$ 74,350</td>
</tr>
</tbody>
</table>

Amounts due in

<table>
<thead>
<tr>
<th></th>
<th>June 30</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2021</td>
<td>2020</td>
</tr>
<tr>
<td>Less than one year</td>
<td>$ 106,303</td>
<td>$ 46,150</td>
</tr>
<tr>
<td>One to five years</td>
<td>21,500</td>
<td>34,600</td>
</tr>
<tr>
<td>Total</td>
<td>$ 127,803</td>
<td>$ 80,750</td>
</tr>
</tbody>
</table>
NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS

Investments consist of the following:

<table>
<thead>
<tr>
<th></th>
<th>June 30 2021</th>
<th>June 30 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutual funds, fixed income</td>
<td>$11,901,179</td>
<td>$ 9,468,592</td>
</tr>
<tr>
<td>Mutual funds, equity</td>
<td>31,191,936</td>
<td>21,618,609</td>
</tr>
<tr>
<td>Private equity fund</td>
<td>2,052,341</td>
<td>1,724,464</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td>$45,145,456</td>
<td>$32,811,665</td>
</tr>
</tbody>
</table>

Investment income, net is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest and dividends</td>
<td>$  436,361</td>
<td>$  637,783</td>
</tr>
<tr>
<td>Net unrealized gains (losses)</td>
<td>8,784,510</td>
<td>(359,595)</td>
</tr>
<tr>
<td>Net realized gains</td>
<td>1,391,061</td>
<td>526,888</td>
</tr>
<tr>
<td>Investment management fees</td>
<td>(70,831)</td>
<td>(71,079)</td>
</tr>
<tr>
<td>Change in beneficial interests</td>
<td>244,058</td>
<td>28,004</td>
</tr>
<tr>
<td>Change in cash surrender value</td>
<td>69,653</td>
<td>4,936</td>
</tr>
<tr>
<td>of life insurance, net</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total investment income, net</strong></td>
<td>$10,854,812</td>
<td>$  766,937</td>
</tr>
</tbody>
</table>

Fair Value Measurements

The Foundation follows the Fair Value Measurements and Disclosures Topic of the FASB Accounting Standards Codification, which establishes a framework for measuring fair value and expands disclosures about fair value measurement. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are generally available indirect information, such as quoted prices for identical or similar assets or liabilities in active markets, or quoted prices for identical or similar assets or liabilities in markets that are not active. Level 3 inputs are the most subjective, are generally based on the management’s own assumptions on how knowledgeable parties would price assets or liabilities, and are developed using the best information available in the circumstances.

Following is a description of the valuation methodologies used for the Foundation’s assets measured at fair value on a recurring basis. There have been no changes in the valuation methodologies used at June 30, 2021 and 2020.

**Mutual funds** – The fair value of mutual funds is based on unadjusted quoted prices in active markets for identical securities.

**Private equity fund** – This fund invests in marketable equity securities that are all exchange traded in the United States of America (USA). The fund can be redeemed at net asset value (NAV) per share based on the fair value of the funds’ securities and other assets, less liabilities at the close of business on any day the New York Stock Exchange is open. The fair value of this investment has been estimated using the NAV per share of the investment provided by the fund manager.

**Beneficial interest in assets held by community foundation** – This beneficial interest is valued at the Foundation’s pro rata share of the community foundation’s investment pool. The observable inputs are the underlying assets at the community foundation and follow their investment policy.

**Beneficial interest in assets held by educational trust** – This beneficial interest is valued at the Foundation’s pro rata share of the trust’s assets. The observable inputs are the value of the underlying assets, primarily land.
NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

Fair Value Measurements (continued)

The following tables provide information regarding the fair value hierarchy of the Foundation's assets measured at fair value on a recurring basis at June 30, 2021 and 2020:

### June 30, 2021

<table>
<thead>
<tr>
<th>Description</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutual funds, fixed income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intermediate government</td>
<td>$11,901,179</td>
<td>–</td>
<td>–</td>
<td>$11,901,179</td>
</tr>
<tr>
<td>Mutual funds, equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large cap</td>
<td>10,214,471</td>
<td>–</td>
<td>–</td>
<td>10,214,471</td>
</tr>
<tr>
<td>Large cap global</td>
<td>7,489,114</td>
<td>–</td>
<td>–</td>
<td>7,489,114</td>
</tr>
<tr>
<td>Mid cap</td>
<td>2,199,302</td>
<td>–</td>
<td>–</td>
<td>2,199,302</td>
</tr>
<tr>
<td>International</td>
<td>8,115,826</td>
<td>–</td>
<td>–</td>
<td>8,115,826</td>
</tr>
<tr>
<td>Real assets</td>
<td>3,173,223</td>
<td>–</td>
<td>–</td>
<td>3,173,223</td>
</tr>
<tr>
<td>Total mutual funds, equity</td>
<td>31,191,936</td>
<td>–</td>
<td>–</td>
<td>31,191,936</td>
</tr>
<tr>
<td>Beneficial interest in net assets held by community foundation</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>19,688</td>
</tr>
<tr>
<td>Beneficial interest in assets held by educational trust</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>205,064</td>
</tr>
<tr>
<td>Total</td>
<td>$43,093,115</td>
<td>–</td>
<td>$224,752</td>
<td>$43,317,867</td>
</tr>
<tr>
<td>Private equity fund measured at net asset value</td>
<td>2,052,341</td>
<td></td>
<td></td>
<td>2,052,341</td>
</tr>
<tr>
<td>Total assets measured at fair value</td>
<td>$45,370,208</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### June 30, 2020

<table>
<thead>
<tr>
<th>Description</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mutual funds, fixed income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intermediate government</td>
<td>$9,468,592</td>
<td>–</td>
<td>–</td>
<td>$9,468,592</td>
</tr>
<tr>
<td>Mutual funds, equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Large cap</td>
<td>7,256,123</td>
<td>–</td>
<td>–</td>
<td>7,256,123</td>
</tr>
<tr>
<td>Large cap global</td>
<td>5,318,241</td>
<td>–</td>
<td>–</td>
<td>5,318,241</td>
</tr>
<tr>
<td>Mid cap</td>
<td>1,344,824</td>
<td>–</td>
<td>–</td>
<td>1,344,824</td>
</tr>
<tr>
<td>International</td>
<td>6,179,505</td>
<td>–</td>
<td>–</td>
<td>6,179,505</td>
</tr>
<tr>
<td>Real assets</td>
<td>1,519,916</td>
<td>–</td>
<td>–</td>
<td>1,519,916</td>
</tr>
<tr>
<td>Total mutual funds, equity</td>
<td>21,618,609</td>
<td>–</td>
<td>–</td>
<td>21,918,609</td>
</tr>
<tr>
<td>Beneficial interest in net assets held by community foundation</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>16,710</td>
</tr>
<tr>
<td>Beneficial interest in assets held by educational trust</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>377,771</td>
</tr>
<tr>
<td>Total</td>
<td>$31,087,201</td>
<td>–</td>
<td>$394,481</td>
<td>$31,481,682</td>
</tr>
<tr>
<td>Private equity fund measured at net asset value</td>
<td>1,724,464</td>
<td></td>
<td></td>
<td>1,724,464</td>
</tr>
<tr>
<td>Total assets measured at fair value</td>
<td>$33,206,146</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
NOTE 3 INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

Fair Value Measurements (continued)

There were no transfers between levels during the years ended June 30, 2021 and 2020.

The following table provides additional information about assets measured at fair value on a recurring basis for which the Foundation has utilized Level 3 inputs to determine fair value at June 30, 2021 and 2020:

<table>
<thead>
<tr>
<th>June 30</th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>$ 394,481</td>
<td>$ 387,974</td>
</tr>
<tr>
<td>Distributions</td>
<td>(416,765)</td>
<td>(21,303)</td>
</tr>
<tr>
<td>Change in beneficial interests</td>
<td>247,036</td>
<td>28,004</td>
</tr>
<tr>
<td>Total investment income, net</td>
<td>$ 224,752</td>
<td>$ 394,481</td>
</tr>
</tbody>
</table>

The following table sets forth additional disclosure of the Foundation’s investments whose fair value is estimated using NAV per share (or its equivalent) as of June 30, 2021 and 2020:

<table>
<thead>
<tr>
<th>Fair value as of June 30</th>
<th>Unfunded commitments</th>
<th>Redemption frequency</th>
<th>Redemption notice period</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>2020</td>
<td>(if currently eligible)</td>
<td>period</td>
</tr>
<tr>
<td>Private equity fund</td>
<td></td>
<td>None</td>
<td>Daily</td>
</tr>
<tr>
<td>Small cap equity fund</td>
<td>$2,052,341</td>
<td>$1,724,464</td>
<td>Same Day</td>
</tr>
</tbody>
</table>

NOTE 4 ENDOWMENT

The Foundation's endowment is pooled amongst all investments, which are established for a variety of purposes. Its endowment includes only funds designated as endowment by the Board of Directors. The Foundation has a policy within the endowment gift agreements that provides for a variance power. This power gives the Foundation the power to use the funds if necessary at their discretion. Because of this, all of the endowment, and the activity within the endowment, is reported as without donor restrictions in the statements of financial position and activities. The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring consideration of the following factors, if relevant, in making a determination to appropriate or accumulate donor advised endowment funds:

1. the duration and preservation of the fund;
2. the purpose of the fund;
3. general economic conditions;
4. the possible effect of inflation or deflation;
5. the expected total return from income and the appreciation of investments;
6. other resources of the Foundation; and
7. the investment policies of the Foundation.

The state of Iowa, as well as the Foundation, follows UPMIFA regarding the Foundation's ability to spend the net appreciation in value of donor advised endowment funds. UPMIFA authorizes institutions to appropriate for expenditure income as well as the net appreciation, realized and unrealized, in the fair value of the assets of the endowment fund over the historic dollar value of the fund, as is prudent.
NOTE 4 ENDOWMENT (continued)

The Foundation has implemented a spending policy goal of up to 5% of a three-year (12-quarter) rolling average of the market value of each endowment fund. Spendable amounts from endowed funds will be calculated as soon as is practical after March 31 to allow scholarship budgeting for the following academic year. Once the scholarship budget is approved by the Foundation’s executive committee, the spendable amount will be considered to be available for scholarship awards through June 30 of the following year.

Endowment net assets are reported with net assets without donor restrictions on the statements of financial position as of June 30, 2021 and 2020 as follows:

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2021</th>
<th>June 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donor advised for endowment</td>
<td>$40,072,272</td>
<td>$29,387,494</td>
</tr>
<tr>
<td>Board designated for endowment</td>
<td>2,654,945</td>
<td>2,075,322</td>
</tr>
<tr>
<td>Total endowment</td>
<td>$42,727,217</td>
<td>$31,462,816</td>
</tr>
</tbody>
</table>

A summary of the changes in the endowment net assets is as follows for the years ended June 30, 2021 and 2020:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year</td>
<td>$31,462,816</td>
<td>$31,606,006</td>
</tr>
<tr>
<td>Investment income, net</td>
<td>10,518,201</td>
<td>787,030</td>
</tr>
<tr>
<td>Contributions</td>
<td>1,784,174</td>
<td>364,118</td>
</tr>
<tr>
<td>Transfers</td>
<td>247,758</td>
<td>–</td>
</tr>
<tr>
<td>Appropriations for expenditures</td>
<td>(1,285,732)</td>
<td>(1,294,338)</td>
</tr>
<tr>
<td>Balance at end of year</td>
<td>$42,727,217</td>
<td>$31,462,816</td>
</tr>
</tbody>
</table>

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

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

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2021</th>
<th>June 30, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scholarships</td>
<td>$ 320,367</td>
<td>$ 452,121</td>
</tr>
<tr>
<td>Other programs</td>
<td>10,686</td>
<td>66,950</td>
</tr>
<tr>
<td>Totals</td>
<td>$ 331,053</td>
<td>$ 519,071</td>
</tr>
</tbody>
</table>

Net assets that were released from donor restrictions by incurring expenditures satisfying the purpose and time restrictions totaled $532,476 and $110,339 during the years ended June 30, 2021 and 2020, respectively.
NOTE 6 RELATED PARTY TRANSACTIONS

The Foundation provides services for the benefit of the College. In return, the College has provided the Foundation with certain staff, facilities, and insurance coverage for its operations without charge. Transactions between the Foundation and the College are summarized below as of June 30, 2021 and 2020:

<table>
<thead>
<tr>
<th></th>
<th>June 30, 2021</th>
<th></th>
<th>June 30, 2020</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>To Foundation</td>
<td>From Foundation</td>
<td>To Foundation</td>
<td>From Foundation</td>
</tr>
<tr>
<td>Contributions</td>
<td>$ 1,838,731</td>
<td>–</td>
<td>$ 1,030,567</td>
<td>$ –</td>
</tr>
<tr>
<td>Distributions, other</td>
<td>–</td>
<td>478,936</td>
<td>–</td>
<td>564,867</td>
</tr>
<tr>
<td>Scholarships</td>
<td>–</td>
<td>3,370,380</td>
<td>–</td>
<td>2,936,569</td>
</tr>
<tr>
<td>In-kind, operations</td>
<td>829,229</td>
<td>–</td>
<td>925,753</td>
<td>–</td>
</tr>
<tr>
<td>In-kind, other</td>
<td>–</td>
<td>34,407</td>
<td>–</td>
<td>48,279</td>
</tr>
<tr>
<td>Unrecognized payroll and benefits</td>
<td>79,033</td>
<td>–</td>
<td>74,722</td>
<td>–</td>
</tr>
</tbody>
</table>

The Foundation acts as an agent for KCCK-FM Radio, a department of the College, by providing tracking of contributions raised by KCCK-FM Radio and pooled investments, which had a balance of $763,687 and $591,478 as of June 30, 2021 and 2020, respectively.

The Foundation also received $1,284 and $434,211 from the Kirkwood Facilities Foundation as of June 30, 2021 and 2020, board designated for the Kirkwood Fund. Board designated net assets for the Kirkwood Fund are $655,387 and $450,332 as of June 30, 2021 and 2020, respectively.

NOTE 7 EMPLOYEE BENEFIT PLANS

Employees of the Foundation are participants in various employee benefit programs of which the College pays on their behalf. The expense for the defined contribution retirement plan totaled $35,369 and $45,862 for the years ended June 30, 2021 and 2020, respectively.

NOTE 8 AMOUNTS HELD ON THE FOUNDATION’S BEHALF

The Foundation receives money from local community foundations for the change in investments designated to the Foundation and held by the local community foundations on their behalf, with variance power. Because the local community foundations hold variance power over the funds, these investments are not recorded by the Foundation; rather, the amount of funds received is recorded as revenue when received. The Foundation received $55,518 and $45,629, respectively, from these funds for the years ended June 30, 2021 and 2020. The amount of investments held on the Foundation’s behalf as of June 30, 2021 and 2020 was $1,370,953 and $1,548,235, respectively.

NOTE 9 RISKS AND UNCERTAINTIES

The investments of the Foundation are exposed to various risks such as interest rate, market and credit risks due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments. It is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the financial statements.
NOTE 10 LIQUIDITY

The Foundation regularly monitors the availability of resources required to meet its operating needs and other commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing activities as well as the conduct of services to support those activities to be general expenditures.

In addition to the financial assets available to meet general expenditures over the next 12 months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general operations.

As of June 30, 2021 and 2020, the following table shows the total financial assets held by the Foundation, that is, without donor restrictions limiting their use, within one year of the statement of financial position date to meet general expenditures and future needs of the Foundation:

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$2,530,049</td>
<td>$2,529,444</td>
</tr>
<tr>
<td>Pledges receivable</td>
<td>115,303</td>
<td>74,350</td>
</tr>
<tr>
<td>Investments</td>
<td>45,145,456</td>
<td>32,811,665</td>
</tr>
<tr>
<td>Subtotal</td>
<td>47,790,808</td>
<td>35,415,459</td>
</tr>
<tr>
<td>Less: donor advised for endowment</td>
<td>(40,072,272)</td>
<td>(29,387,494)</td>
</tr>
<tr>
<td>Less: amounts held for other agencies</td>
<td>(1,642,846)</td>
<td>(1,231,415)</td>
</tr>
<tr>
<td>Totals</td>
<td>$6,075,690</td>
<td>$4,796,550</td>
</tr>
</tbody>
</table>

NOTE 11 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events through November 2, 2021, the date which the financial statements were available to be issued. There were no subsequent events required to be accrued or disclosed.