

December 27, 2022

To the Board of Directors and Management of  
Sauk Valley College Foundation  
Dixon, Illinois

We have audited the financial statements of Sauk Valley College Foundation (the Foundation), a component unit of Sauk Valley Community College District 506, for the year ended June 30, 2022, and have issued our report thereon dated December 27, 2022. Professional standards require that we provide you with the following information related to our audit.

### **Our Responsibility Under Auditing Standards Generally Accepted in the United States**

As stated in our engagement letter dated April 28, 2022, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States. Our audit of the financial statements does not relieve you or management of your responsibilities.

### **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to your representative, William Wescott, in our discussions about planning matters on December 14, 2022, in addition to our engagement letter dated April 28, 2022, accepted by Christina Pilling.

### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022, except for the implementation of ASU 2020-07, which addresses the presentation and disclosure of contributed nonfinancial assets.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Fair value of investments is based on quoted market prices.
- Management's estimate of collectability of accounts receivables

The disclosures in the financial statements are neutral, consistent, and clear.

### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatement was detected as a result of audit procedures were corrected by management.

- Adjustment to pledges receivable

### **Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated December 27, 2022, a copy of this letter is attached.

### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. To our knowledge, management has not obtained any opinions from other independent accountants on the application of accounting principles generally accepted in the United States which would affect the Foundation's financial statements or on the type of opinion which may be rendered on the financial statements.

### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation's auditors for the preceding year. However, these discussions occurred in the normal course of our professional relationship and our responses were not, in our judgment, a condition of our retention.

We appreciate the opportunity to be of service to Sauk Valley College Foundation.

This communication is intended solely for the use of the Board of Directors and management of Sauk Valley College Foundation and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Wipfil LLP". The signature is written in a cursive, flowing style.

Wipfil LLP  
Enclosures

December 27, 2022

Wipfli LLP  
403 East Third Street  
Sterling, Illinois 61081

This representation letter is provided in connection with your audit of the financial statements of Sauk Valley College Foundation (the Foundation), a component unit of Sauk Valley Community College District 506, which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief as of the date of this letter, the following representations made to you during your audit.

#### **Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated April 28, 2022 including our responsibility for the preparation and fair presentation of the financial statements in accordance with GAAP.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
3. We acknowledge our responsibility 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6. We have disclosed to you the identity of the Foundation's related parties and all the related party relationships and transactions, including any side agreements, of which we are aware. All related party transactions were made at arm's-length. We have also disclosed any changes in related party transactions, and the business purpose for entering into transactions with related parties versus unrelated parties. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of GAAP.
7. All events subsequent to the date of the financial statements and for which GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. We agree with the adjusting journal entries proposed by you and which are given effect to in the financial statements.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with GAAP.
10. Significant estimates and material concentrations have been properly disclosed in accordance with GAAP.
11. Guarantees, whether written or oral, under which the Foundation is contingently liable, have been properly recorded or disclosed in accordance with GAAP.
12. We accept responsibility for and have designated an individual with suitable skill, knowledge, or experience to oversee the following nonattest services:
  - a. Financial statement preparation
  - b. Tax return preparation

### **Information Provided**

13. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the Foundation from who you determined it necessary to obtain audit evidence.
  - d. Minutes of the meeting of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
14. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
15. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
16. We have no knowledge of any fraud or suspected fraud affecting the Foundation involving:
  - a. Management.
  - b. Employees who have significant roles in internal control.

c. Others where the fraud could have a material effect on the financial statements.

17. We have no knowledge of any allegations of fraud or suspected fraud affecting the Foundation's financial statements communicated by employees, former employees, regulators, or others.
18. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GAAP.
19. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
20. There are no other liabilities and gain or loss contingencies that are required to be accrued or disclosed by accounting standards.
21. There are no unrecorded transactions and/or side agreements or other arrangements (either written or oral).
22. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
23. The Foundation has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged.
24. The Foundation has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
25. Receivables recorded in the financial statements represent valid claims against debtors for services provided or other charges arising on or before the statement of financial position date and have been reduced to their estimated net realizable value.
26. We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of assets might not be recoverable and have appropriately recorded the adjustment.
27. The Foundation has identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.
28. There are no estimates that may be subject to a material change in the near term that have not been properly disclosed in the financial statements. We understand that near term means the period within one year of the date of the financial statements. In addition, we have no knowledge of concentrations existing at the date of the financial statements that make the Foundation vulnerable to the risk of severe impact that have not been properly disclosed in the financial statements.
29. The methods we used in developing accounting estimates are applied consistently, data is accurate and complete, and the assumptions are reasonable.

30. We have fully disclosed to you all terms of contracts with customers that affect the amount and timing of revenue recognized in the financial statements, including delivery terms, rights of return or price adjustments, side adjustments, implicit provisions, unstated business conventions, and all warranty provisions.
31. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
32. We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
33. Sauk Valley College Foundation is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Foundation's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up to date.

To the best of our knowledge and belief, no events, including instances of noncompliance, have occurred subsequent to the statement of financial position date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Sincerely,

**Lori Cortez**

Digitally signed by Lori  
Cortez  
Date: 2022.12.27 15:53:35  
-06'00'

Dr. Lori A. Cortez, Dean of College Advancement  
Sauk Valley College Foundation



Nancy Breed, Foundation Assistant  
Sauk Valley College Foundation

**Sauk Valley Community College - f**

Year End: June 30, 2022

AJE

Date: 7/1/2021 To 6/30/2022

AJE

Checked out by	Prepared by AS 12/19/2022	AS Reviewed by	SM Reviewed by SCM 12/19/2022
Concurring	Reviewed by JF	Reviewed by	

Number	Date	Name	Account No	Reference	Debit	Credit
1	6/30/2022	Pledges Receivable	03-1220 03	D. 4	161,015.00	
1	6/30/2022	Contributions	03-4115 03	D. 4		161,015.00
To adjust the pledge receivable/contributions to the net present value. (CLIENT TO POST AS 6/30/22)						
					161,015.00	161,015.00

**Net Income (Loss) 1,159,994.00**

# Sauk Valley Community College - I

Year End: June 30, 2022

RJE

Date: 7/1/2021 To 6/30/2022

RJE

Checked out by	Prepared by AS 12/19/2022	AS Reviewed by	SM Reviewed by SCM 12/19/2022
Concurring	Reviewed by JF	Reviewed by	

Number	Date	Name	Account No	Reference	Debit	Credit
RJE1	6/30/2022	In-Kind Contributions	01-4120 01	CLIENT		291,578.00
RJE1	6/30/2022	In-Kind Contributions	01-5520 01	CLIENT	291,578.00	
To record Payroll In-Kind contribution for FY22 from the College.						
RJE2	6/30/2022	Commonfund Foundation Endowments	03-1350 03	B. 1		2,690,343.00
RJE2	6/30/2022	Impact Campaign Program	03-1351 03	B. 1	2,690,343.00	
RJE2	6/30/2022	Unrealized Gain/Loss Temp Restricted	04-4230 04	B. 1		443,829.00
RJE2	6/30/2022	Unrealized Gain/Loss Unrestricted	04-4240 04	B. 1	443,829.00	
Entry to tie out unrealized G/L for the common fund accounts. (CLIENT DO NOT POST).						
RJE3	6/30/2022	Fund Balance	01-3000 01	PY REPORT		1.00
RJE3	6/30/2022	Bank Fees	01-5315 01	PY REPORT	1.00	
To tie out PY fund balances. (CLIENT DO NOT POST).						
RJE4	6/30/2022	Sauk Valley Bank-Collateralized MM Repo 2014	01-1112 01	PER CLIENT		700.00
RJE4	6/30/2022	Transfer Out	01-7200 01	PER CLIENT	700.00	
RJE4	6/30/2022	Sauk Valley Bank-Collateralized MM Repo 2014	02-1112 02	PER CLIENT	700.00	
RJE4	6/30/2022	Transfer In	02-7100 02	PER CLIENT		700.00
To correct interfund transfers						
					3,427,151.00	3,427,151.00

Net Income (Loss) 1,159,994.00