



# Grand Victoria Foundation

Financial Statements  
Years Ended December 31, 2019 and 2018

# **Grand Victoria Foundation**

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Financial Statements  
Years Ended December 31, 2019 and 2018

# Grand Victoria Foundation

## Contents

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Independent Auditor's Report	3-4
<b>Financial Statements</b>	
Statements of Financial Position as of December 31, 2019 and 2018	6
Statements of Activities and Changes in Net Assets for the Years Ended December 31, 2019 and 2018	7
Statements of Functional Expenses for the Years Ended December 31, 2019 and 2018	8-9
Statements of Cash Flows for the Years Ended December 31, 2019 and 2018	10
Notes to Financial Statements	11-19



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## Independent Auditor's Report

Board of Directors  
Grand Victoria Foundation  
Chicago, Illinois

We have audited the accompanying financial statements of Grand Victoria Foundation, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the 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 audits. We conducted our audits 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 Grand Victoria Foundation as of December 31, 2019 and 2018, 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.

*BDO USA, LLP*

July 20, 2020

## Financial Statements

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**Grand Victoria Foundation**  
**Statements of Financial Position**

<i>December 31,</i>	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 1,138,532	\$ 1,064,897
Contribution receivable - Elgin Riverboat Resort (Note 1)	7,012,035	5,569,815
Prepaid expenses	31,166	4,375
Investments (Note 3)	133,099,456	116,365,914
Equipment and leasehold improvements, net of accumulated depreciation of \$635,856 and \$638,108, respectively	19,096	36,107
<b>Total Assets</b>	<b>\$ 141,300,285</b>	<b>\$ 123,041,108</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 126,021	\$ 342,696
Deferred federal excise tax (Note 4)	496,248	181,589
Deferred rent expense	59,466	62,732
Grants payable	1,779,436	2,534,000
<b>Total Liabilities</b>	<b>2,461,171</b>	<b>3,121,017</b>
<b>Net Assets</b>		
Net assets without donor restrictions:		
Undesignated	137,783,965	118,748,217
Board-designated grant commitments (Note 5)	1,055,149	1,171,874
<b>Total Net Assets</b>	<b>138,839,114</b>	<b>119,920,091</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 141,300,285</b>	<b>\$ 123,041,108</b>

*See accompanying notes to financial statements.*

# Grand Victoria Foundation

## Statements of Activities and Changes in Net Assets

<i>Year ended December 31,</i>	2019	2018
<b>Revenue</b>		
Contribution from Elgin Riverboat Resort	\$ 7,012,035	\$ 5,569,815
Interest and dividends	3,489,832	2,992,806
Net investment return	11,226	8,393,064
<b>Total Revenue</b>	<b>10,513,093</b>	<b>16,955,685</b>
<b>Expenses</b>		
Program	6,019,784	8,700,329
Management and general	700,023	909,426
<b>Total Expenses</b>	<b>6,719,807</b>	<b>9,609,755</b>
<b>Change in Net Assets, before other items</b>	<b>3,793,286</b>	<b>7,345,930</b>
<b>Unrealized Gain (Loss) on Investments</b>	<b>15,442,183</b>	<b>(16,321,889)</b>
<b>Deferred Federal Excise Tax (Expense) Benefit</b>	<b>(314,659)</b>	<b>326,526</b>
<b>Loss on Disposal of Assets</b>	<b>(1,787)</b>	<b>-</b>
<b>Change in Net Assets</b>	<b>18,919,023</b>	<b>(8,649,433)</b>
<b>Net Assets, beginning of year</b>	<b>119,920,091</b>	<b>128,569,524</b>
<b>Net Assets, end of year</b>	<b>\$ 138,839,114</b>	<b>\$ 119,920,091</b>

*See accompanying notes to financial statements.*



**Grand Victoria Foundation**  
**Statement of Functional Expenses**

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*Year ended December 31, 2019*

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	Program	Management and General	Total
Salaries	\$ 490,673	\$ 270,426	\$ 761,099
Employee benefits	155,557	55,618	211,175
Payroll taxes	34,620	30,608	65,228
Board expense	-	10,735	10,735
Community outreach	72,395	-	72,395
Current federal excise tax expense	-	80,056	80,056
Depreciation	16,452	8,378	24,830
Equipment, including service and maintenance	47,562	31,240	78,802
Grant expense	4,719,850	-	4,719,850
Information technology/website	14,338	7,302	21,640
Insurance	8,871	12,063	20,934
Meetings hosted	51,264	-	51,264
Office supplies and expenses	2,524	10,831	13,355
Professional development	9,177	3,522	12,699
Professional fees	232,753	111,243	343,996
Professional memberships	15,262	-	15,262
Rent and utilities	133,525	68,001	201,526
Travel and entertainment	14,961	-	14,961
<b>Total Functional Expenses</b>	<b>\$ 6,019,784</b>	<b>\$ 700,023</b>	<b>\$ 6,719,807</b>

*See accompanying notes to financial statements.*

**Grand Victoria Foundation**  
**Statement of Functional Expenses**

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*Year ended December 31, 2018*

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	Program	Management and General	Total
Salaries	\$ 992,088	\$ 237,705	\$ 1,229,793
Employee benefits	80,004	51,323	131,327
Payroll taxes	51,380	13,286	64,666
Board expense	-	3,538	3,538
Community outreach	22,651	-	22,651
Current federal excise tax expense	-	175,000	175,000
Depreciation	-	38,005	38,005
Grant expense	7,137,023	-	7,137,023
Insurance	-	20,134	20,134
Meetings hosted	49,117	-	49,117
Office expense	-	98,852	98,852
Professional development expense	21,181	-	21,181
Professional fees	237,992	161,878	399,870
Professional memberships	8,100	-	8,100
Rent	87,693	97,270	184,963
Supplies	-	4,084	4,084
Travel and entertainment	13,100	-	13,100
Utilities	-	8,351	8,351
<b>Total Functional Expenses</b>	<b>\$ 8,700,329</b>	<b>\$ 909,426</b>	<b>\$ 9,609,755</b>

*See accompanying notes to financial statements.*

# Grand Victoria Foundation

## Statements of Cash Flows

<i>Year ended December 31,</i>	2019	2018
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 18,919,023	\$ (8,649,433)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Deferred federal excise tax	314,659	(326,526)
Depreciation	24,830	38,005
Loss on disposal of assets	1,787	-
(Gain) loss on investments, net	(15,536,409)	7,848,280
Deferred rent expense	(3,266)	(1,293)
Changes in operating assets and liabilities:		
Contribution receivable	(1,442,220)	(960,383)
Prepaid expenses	(26,791)	(2,215)
Accounts payable and accrued expenses	(216,675)	189,443
Grants payable	(754,564)	1,701,000
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>1,280,374</b>	<b>(163,122)</b>
<b>Cash Flows from Investing Activities</b>		
Purchases of investments	(4,635,170)	(20,942,252)
Proceeds from sales of investments	3,438,037	21,709,763
Purchases of equipment and leasehold improvements	(9,606)	(11,885)
<b>Net Cash (Used in) Provided by Investing Activities</b>	<b>(1,206,739)</b>	<b>755,626</b>
<b>Increase in Cash and Cash Equivalents</b>	<b>73,635</b>	<b>592,504</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>1,064,897</b>	<b>472,393</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 1,138,532</b>	<b>\$ 1,064,897</b>
<b>Supplemental Disclosure of Cash Flow Activities</b>		
Cash paid for income taxes	\$ 80,056	\$ 175,000

*See accompanying notes to financial statements.*

# Grand Victoria Foundation

## Notes to Financial Statements

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### 1. Nature of Activities and Significant Accounting Policies

#### *Nature of Activities*

Grand Victoria Foundation (the Foundation) is a private charitable foundation sponsored by the Elgin Riverboat Resort, which operates the Grand Victoria Casino. The Foundation primarily supports efforts and projects for the general benefit and welfare of the City of Elgin, Kane County and the State of Illinois, with a primary focus on programs related to education, environmental matters and economic and community development.

#### *Basis of Presentation*

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

#### *Use of Estimates*

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### *Cash Equivalents*

Cash equivalents consists of interest-bearing investments with original maturities of three months or less. These investments are reflected at fair value.

#### *Investment Valuation*

Unless otherwise noted below, the investments of the Foundation are reported at fair value. The fair value of a financial instrument is the amount 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 exit price).

*Mutual Funds* - Mutual funds represent investments with various investment managers. The fair values of these investments are determined by reference to the fund's underlying assets, which are principally marketable equity and fixed income securities. Shares held in mutual funds that trade on national securities exchanges are valued at the net asset value (NAV) and are classified within Level 1 of the valuation hierarchy.

*Money Market Funds* - Money market funds are valued using the amortized cost method, which approximates their fair value. These investments are classified within Level 1 of the valuation hierarchy.

*Common Trust Funds* - Common Trust Funds are valued using the NAV provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV's unit price is quoted on a private market that is not active; however, the unit price is based on underlying investments which are traded on an active market.

# Grand Victoria Foundation

## Notes to Financial Statements

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### ***Contribution Receivable***

Elgin Riverboat Resort has agreed to contribute to the Foundation 12.5% of its annual net operating income (as defined). The contributions are to be made no later than 120 days after the end of Elgin Riverboat Resort's fiscal year (which is also a calendar year) and are without donor restriction.

### ***Equipment and Leasehold Improvements***

Equipment and leasehold improvements are stated at cost, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful life of the respective asset (three to ten years). Depreciation of leasehold improvements is computed using the straight-line method over the shorter of the useful life of the property being amortized or the term of the lease.

### ***Grants Payable***

Grants specifically committed to designated grantees but not yet paid are accrued as grants payable.

### ***Net Assets***

The net assets of the Foundation are classified as follows:

*Net Assets Without Donor Restrictions* - Net assets without donor restrictions represent the portion of expendable net assets that are available for operations and those designated for specific purposes by action of the Board of Directors.

*Net Assets with Donor Restrictions* - Net assets with donor restrictions represent the portion of net assets that are subject to donor-imposed restrictions related to a time restraint or for a specific use. The Foundation has no assets with donor restrictions as of December 31, 2019 and 2018.

Some assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Foundation to expend the income generated by the assets in accordance with the provisions of additional donor restrictions and the release of restrictions, respectively. The Foundation has no assets that are perpetual in nature as of December 31, 2019 and 2018.

### ***Revenue Recognition***

On January 1, 2019, the Foundation adopted the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 606, *Revenue from Contracts with Customers (Topic 606)* applying the modified retrospective adoption method. Results for the reporting periods beginning after December 31, 2018 are presented under Topic 606, while prior-period amounts were not adjusted and continue to be reported under the accounting standards in effect for the prior period. There was no impact to revenue for the year ended December 31, 2019 as a result of adopting Topic 606.

# Grand Victoria Foundation

## Notes to Financial Statements

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### *Contributions*

Contributions are recognized at a point in time when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in net assets with 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 reported in the statements of activities and changes in net assets as net assets released from restrictions.

### *Investment Income*

Realized and unrealized gains and losses from changes in market values are reflected in the statements of activities and changes in net assets as net investment return. Investment sales and purchases are recorded on a trade-date basis, which results in both investment receivables and payables on unsettled investment trades. Dividend income is recorded based upon the ex-dividend date, and interest income is recorded as earned on an accrual basis. Income from investment activity is not within the scope of Topic 606.

### *Income Taxes*

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. However, as a private charitable foundation, it is subject to a federal excise tax based on net investment income. Deferred federal excise tax expense represents taxes provided on the net unrealized appreciation on investments, using a rate of 2%. The Foundation is still open to examination by U.S. tax authorities from tax years 2016 through the most current filing.

The Foundation recognizes any corresponding interest or penalties associated with its income tax position in income tax expense. There was no corresponding interest or penalties incurred for 2019 or 2018.

### *Fair Value of Financial Instruments*

The fair values of cash and cash equivalents, contribution receivables, accounts payable, and accrued expenses approximate carrying amounts because of the immediate or short-term maturity of these instruments.

### *Recently Issued Accounting Pronouncements*

In February 2016, FASB issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*, which supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for the Foundation for the year ended December 31, 2022.

# Grand Victoria Foundation

## Notes to Financial Statements

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In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*. The update modifies certain disclosure requirements in Topic 820, *Fair Value Measurement*. The ASU is effective for the Foundation's financial statements for fiscal years beginning after December 15, 2019. Management will be evaluating the impact of these ASUs on their financial statements at the appropriate time.

### ***Accounting Pronouncements Adopted***

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The comparative information has not been adjusted and continues to be reported under Topic 605. The Foundation's accounting policy regarding revenue recognition and deferred revenue has been updated to align with Topic 606, and no significant changes to revenue recognition have occurred as a result of the change. The guidance is effective for the Foundation's year ended December 31, 2019, and the adoption of this update did not have an impact on the Foundation's financial statements.

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update clarifies and improves current guidance by providing criteria for determining whether the resource provider is receiving commensurate value in return for the resources transferred, which, depending on the outcome, determines whether the Foundation follows contribution guidance or exchange transactions guidance under the new revenue recognition guidance and other applicable standards. The update also provides a more robust framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. The guidance is effective for the Foundation's year ended December 31, 2019, and the adoption of this update did not have a material impact on the Foundation's financial statements.

### ***Subsequent Events***

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Foundation's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Foundation is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020.

However, the outbreak could have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown, which may depress the Foundation's asset values, including contribution receivable and investments.

# Grand Victoria Foundation

## Notes to Financial Statements

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The Coronavirus Aid, Relief and Economics Security Act (the CARES Act) was enacted. The CARES Act was enacted to address the economic fallout of the COVID-19 outbreak on the economy. Management is currently evaluating the effect, if any, of the provisions of the CARES Act but is uncertain what provisions might be applicable as of the date of this report.

The Foundation continues to examine the impact that the CARES Act may have on the business. Currently, the management is unable to determine the impact that the CARES Act will have on the Foundation's financial condition, results of operations, or liquidity.

Subsequent events were evaluated through July 20, 2020, which is the date the financial statements were available to be issued.

### 2. Concentration of Credit Risk

The Foundation maintains its primarily non-interest-bearing cash in bank deposit accounts that may, at times, exceed federally insured limits. The Foundation has not experienced any losses in such accounts. Management believes that the Foundation is not exposed to any significant credit risk on cash.

### 3. Investments

The Foundation uses the framework for measuring fair value which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

*Level 1* - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

*Level 2* - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

*Level 3* - Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity of the asset and liability and the reporting entity makes estimates and assumptions relating to the pricing of the asset or liability including assumptions regarding risk.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.



# Grand Victoria Foundation

## Notes to Financial Statements

There were no changes to valuation methodologies during the years ended December 31, 2019 and 2018.

Fair values for Level 1 investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

Fair values of assets measured on a recurring basis were as follows:

### December 31, 2019

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds:				
Large Blend fund	\$ 41,752,594	\$ 41,752,594	\$ -	\$ -
Foreign Large Blend fund	25,527,973	25,527,973	-	-
Intermediate - Term Bond funds	39,274,570	39,274,570	-	-
Bank Loan fund	13,184,450	13,184,450	-	-
Money market fund:				
Government portfolio fund	786,799	786,799	-	-
Common trust funds:				
Government/credit index strategy*	12,573,070	-	-	-
	<b>\$133,099,456</b>	<b>\$120,526,386</b>	<b>\$ -</b>	<b>\$ -</b>

### December 31, 2018

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds:				
Large Blend fund	\$ 31,917,584	\$ 31,917,584	\$ -	\$ -
Foreign Large Blend fund	21,000,984	21,000,984	-	-
Intermediate - Term Bond funds	36,044,157	36,044,157	-	-
Bank Loan fund	12,315,481	12,315,481	-	-
Money market fund:				
Government portfolio fund	2,993,091	2,993,091	-	-
Common trust funds:				
Government/credit index strategy*	12,094,617	-	-	-
	<b>\$116,365,914</b>	<b>\$104,271,297</b>	<b>\$ -</b>	<b>\$ -</b>

\* The investments, which are measured at fair value using the NAV per share (or its equivalent practical expedient), have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amount presented in the statements of financial position. There were no unfunded commitments or liquidity or redemption restrictions related to these investments.

# Grand Victoria Foundation

## Notes to Financial Statements

Investments consist of the following:

December 31,	2019		2018	
	Cost	Market Value	Cost	Market Value
Mutual funds:				
Large Blend fund	\$ 20,968,563	\$ 41,752,595	\$ 20,236,414	\$ 31,917,584
Foreign Large Blend fund	22,458,629	25,527,973	21,691,893	21,000,984
Intermediate-Term Bond funds	38,803,772	39,274,569	37,693,034	36,044,157
Bank Loan fund	13,571,233	13,184,450	12,928,305	12,315,481
	<b>95,802,197</b>	<b>119,739,587</b>	<b>92,549,646</b>	<b>101,278,206</b>
Money market fund:				
Government portfolio fund	786,799	786,799	2,993,091	2,993,091
Corporate/government portfolio fund:				
Government/Credit Index Strategy	11,698,043	12,573,070	11,743,730	12,094,617
	<b>\$ 108,287,039</b>	<b>\$ 133,099,456</b>	<b>\$ 107,286,467</b>	<b>\$ 116,365,914</b>

#### 4. Federal Excise Taxes

The Foundation accounts for federal excise taxes in accordance with GAAP, where deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities, and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Differences in the valuation of investments for excise tax and financial reporting purposes, due primarily to unrealized gains and losses on investments, result in deferred excise tax assets or liabilities. Using an estimated rate of 2%, the deferred excise tax liability at December 31, 2019 and 2018 was \$496,248 and \$181,589, respectively.

#### 5. Net Assets

##### *Net Assets Without Donor Restrictions*

Net assets without donor restrictions consists of the following:

December 31,	2019	2018
Undesignated	\$ 137,783,965	\$ 118,748,217
Board-designated grant commitments	1,055,149	1,171,874
<b>Total Net Assets</b>	<b>\$ 138,839,114</b>	<b>\$ 119,920,091</b>

As of December 31, 2019 and 2018, the Foundation approved \$1,055,149 and \$1,171,874, respectively, of grants for which the contingencies in the grants had not been met and, therefore, the liability and expenditures have not been recognized in the financial statements. Upon satisfaction of the contingencies by the recipients, the Foundation will make the grant payments and will recognize the expenditures. These contingent grants are considered by the Foundation to be without donor restriction Board-designated grant commitments.

# Grand Victoria Foundation

## Notes to Financial Statements

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### 6. Lease Commitments

The Foundation occupies its Chicago office under a lease that expires June 30, 2023. The Foundation also has an office lease for the Elgin location that expires September 30, 2023. Rent expense for the years ended December 31, 2019 and 2018 was \$192,772 and \$184,963, respectively.

Future minimum lease payments (excluding operating expenses) are as follows:

*Year ending December 31,*

2020	\$	124,602
2021		126,575
2022		128,547
2023		76,175
	\$	455,899

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### 7. 401(k) Profit Sharing Plan

The Foundation has a 401(k) Profit Sharing Plan that allows employees to contribute up to 100% of their annual compensation to the plan, subject to IRS limitations. The Foundation matches participant deferrals at a rate of 50% of up to 4% of the employees' annual compensation, a net potential employer match of 2% of annual compensation. The Foundation also makes a discretionary contribution to employees based on salary and length of service. For the years ended December 31, 2019 and 2018, the discretionary contribution was 6% of each eligible employee's annual compensation, respectively. The Foundation's matching contributions were approximately \$10,700 and \$11,300, respectively, for the years ended December 31, 2019 and 2018 and its discretionary contribution approximated \$35,600 and \$32,100, respectively. The discretionary contribution is included in accounts payable and accrued expenses on the statements of financial position.

### 8. Liquidity and Availability of Resources

The Foundation's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

<i>December 31,</i>	2019	2018
Cash and cash equivalents	\$ 1,138,532	\$ 1,064,897
Contributions receivable	7,012,035	5,569,815
Investments - current	133,099,456	116,365,914
<b>Total Financial Assets Available Within One Year</b>	<b>141,250,023</b>	<b>123,000,626</b>
Less: amounts unavailable for general expenditures within one year, due to:		
Board-designated grant commitments	(1,055,149)	(1,171,874)
<b>Total Amounts Unavailable for General Expenditures Within One Year</b>	<b>(1,055,149)</b>	<b>(1,171,874)</b>
<b>Total Financial Assets Available to Management for General Expenditures Within One Year</b>	<b>\$ 140,194,874</b>	<b>\$ 121,828,752</b>

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# Grand Victoria Foundation

## Notes to Financial Statements

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The Foundation maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Investments are included in the table above as these assets are available to be used should the Foundation deem necessary; however, the investments are not expected to be used within one year.