

IMPERIAL VALLEY COLLEGE FOUNDATION

FINANCIAL STATEMENTS
(With Independent Auditor's Report)

As of June 30, 2021 and
for the fiscal year then ended



George J. Woo
Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Imperial Valley College Foundation
Imperial, California

I have audited the accompanying statement of financial position, statement of activities and changes in net assets, statement of functional expenses and statement of cash flows of the Imperial Valley College Foundation as of June 30, 2021 and for the fiscal year then ended, and the related notes to the financial statements, which collectively compromise 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

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

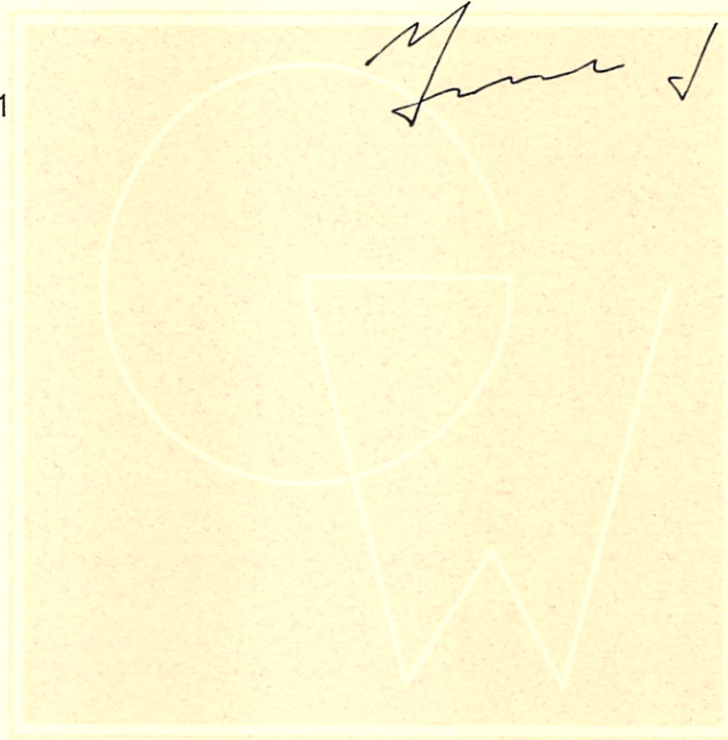
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Imperial Valley College Foundation as of June 30, 2021, and the changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

November 30, 2021



IMPERIAL VALLEY COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2021

ASSETS

Current Assets

Cash in bank (Note 11)	\$ 345,801
Investments, at fair value (Note 5)	<u>1,809,815</u>
Total Current Assets	<u>2,155,616</u>

Non - Current Assets

Investments with the Foundation for California Community Colleges (Note 6)	629,775
Property	<u>15,000</u>
Total Non-Current Assets	<u>644,775</u>

Total Assets	<u><u>\$ 2,800,391</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Payroll taxes payable	<u>\$ 1,136</u>
Total Liabilities	<u>1,136</u>

Net Assets

Without donor restrictions	449,157
With donor restrictions	<u>2,350,098</u>
Total Net Assets	<u>2,799,255</u>

Total Liabilities and Net Assets	<u><u>\$ 2,800,391</u></u>
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The accompanying notes are an integral part of the financial statements.

IMPERIAL VALLEY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue			
<u>Support</u>			
Scholarship contributions	\$ 56,473	\$ 115,155	\$ 171,628
General contributions	31,923	-0-	31,923
Donated services (Note 9)	280,739	-0-	280,739
Fundraising events	33,004	-0-	33,004
Total Support	402,139	115,155	517,294
<u>Other income, gains and losses</u>			
Interest and dividends	6,451	32,917	39,368
Net realized gain on investments	12,194	73,452	85,646
Net unrealized gain on investments	72,838	343,964	416,802
Other income	1,275	-0-	1,275
Total Other Income, Gains, and Losses	92,758	450,333	543,091
Total revenues before net			
assets released from restrictions	494,897	565,488	1,060,385
Net assets released from restrictions	154,829	(154,829)	-0-
Total Support and Revenues	649,726	410,659	1,060,385
Operating Expenses			
Program services	252,582	-0-	252,582
Supporting services			
Management and general	299,518	14,445	313,963
Fundraising expenses (Note 14)	70,338	-0-	70,338
Total Expenses	622,438	14,445	636,883
Change in net assets	27,288	396,214	423,502
Net Assets			
Beginning of year	421,869	1,953,884	2,375,753
End of Year	\$ 449,157	\$ 2,350,098	\$ 2,799,255

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

IMPERIAL VALLEY COLLEGE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Bank and broker fees	\$ 14,445	\$ 4,696	\$ -0-	\$ 19,141
Computer/Technology	-0-	265	-0-	265
Copier/printer	-0-	873	-0-	873
Database management	-0-	10,728	-0-	10,728
Fundraising expenses	-0-	-0-	54,231	54,231
Liability linsurance	-0-	16,940	-0-	16,940
Memberships	-0-	1,130	-0-	1,130
Miscellaneous expenses	-0-	20,925	-0-	20,925
Office supplies	-0-	864	-0-	864
Postage	-0-	1,537	-0-	1,537
Professional fees	-0-	10,229	-0-	10,229
Promotion and marketing	-0-	10,200	-0-	10,200
Salaries and benefits	54,259	231,076	16,107	301,442
Scholarships	183,878	-0-	-0-	183,878
Telephone	-0-	200	-0-	200
Travel/Conf./Train.	-0-	4,300	-0-	4,300
Total	<u>\$ 252,582</u>	<u>\$ 313,963</u>	<u>\$ 70,338</u>	<u>\$ 636,883</u>

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

IMPERIAL VALLEY COLLEGE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Cash flows from operating activities

Contributions and special events	\$ 236,555
Investment income	39,368
Other income	1,275
Payments to employees	(20,703)
Payments to suppliers	(97,377)
Payments to/on behalf of students	(183,628)
Fundraising expenses	(54,231)
	(78,741)

Net Cash provided by Operating Activities (78,741)

Cash flows from investing activities

Net Realized gain (Loss) on investments 5,975

Net Cash provided (used) by investing Activities 5,975

Net Increase (decrease) in Cash and cash equivalents (72,766)

Cash and Cash Equivalents at Beginning of Year 418,567

Cash and Cash Equivalents at End of Year \$ 345,801

Reconciliation of change in net assets to cash provided by operating activities

Change in net assets \$ 423,502
Adjustment to reconcile change in net assets to cash provided by operating activities

Realized and unrealized gain on investments (502,448)

Change in liabilities - increase(decrease)
Payroll taxes payable 205

Net cash provided (used) by operating activities \$ (78,741)

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

IMPERIAL VALLEY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Nature of Activities

Imperial Valley College Foundation (the “Foundation”), a California non-profit organization, was formed pursuant to the general not-for-profit corporation laws of the State of California as an auxiliary organization of the Imperial Valley Community College District (the “District”) in accordance with the provisions of Section 72670 of the California Education Code for the primary purpose of encouraging public awareness, the receiving of contributions and, in turn, the making of donations to, and otherwise aiding and supporting Imperial Valley Community College (the “College”).

The principal source of total revenue for the Foundation is donor contributions. Additionally the College provides administrative services to the Foundation. The Foundation considers these donated services as a principal source of revenue and recognizes the corresponding amount as an expense.

B. Basis of Accounting

The Foundation prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned rather than when cash is received and certain expenses and purchases of assets are recognized when the obligation is incurred rather than when cash is disbursed. The financial statements include the accounts maintained by, and directly under, the control of the Foundation.

C. Classification of Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as net assets without donor restrictions and net assets with donor restrictions.

D. Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor restrictions.

IMPERIAL VALLEY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Net Assets With Donor Restrictions

Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

F. Cash and Cash Equivalents

For the purposes of the statement of financial position and the statement of cash flows, the Foundation considers all short-term investments with an original maturity of three months or less to be cash equivalents.

G. Investments

Investments in equity securities with readily determinable fair values and all debt securities are reported at fair value with gains and losses included in the statement of activities.

The fair value of equity and debt securities is based on the quoted market price of the underlying securities. Investments acquired by gift are recorded at their fair market value at the date of the gift.

H. Fair Value Measurements

The fair value of equity and debt securities with readily determinable fair values approximates their respective quoted market prices. Because of the inherent uncertainty of valuation methods, those estimated values might differ significantly from those used had a market existed. All other financial instruments' fair values approximate their carrying amounts due to the short maturities of these instruments.

I. Public Support and Revenue

The Foundation receives substantially all of its revenue from direct donations and pledges. Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Realized gains/losses and unrealized gains/losses on investments and other assets or liabilities are reported as increases

IMPERIAL VALLEY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expiration of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as assets released from restriction between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the time of the gift.

J. Donated Assets, Services and Facilities

The Foundation records the value of donated services when there is an objective basis available to measure their value. Donated services are recorded at fair value when a specialized skill is provided that would have otherwise been purchased or paid. Donated services are reflected in the accompanying financial statements as both revenue and expense since these donated items are accepted by the Foundation.

K. Functional Allocation of Expenses

The costs of providing services have been summarized on a functional basis in the statement of activities and detailed in the statement of functional expense. Certain costs and expenditures have been allocated between program and supporting services based on management's estimates.

L. 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 the reported amounts of revenues and expenses during the reporting period.

IMPERIAL VALLEY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Income Taxes

The Foundation is exempt from federal and state income taxes as a non-profit organization under Internal Revenue Code Section 501(c)(3) and therefore made no provision for federal or state income taxes. In addition, the Foundation has been determined by the Internal Revenue Service to be an “exempt private foundation” under Internal Revenue Code Section 509(a) and is subject to excise taxes. The Foundation has no excise or unrelated business income. The Foundation tax returns are subject to examination by Federal taxing authorities for a period of three years from the date they are filed and a period of four years for California taxing authorities.

N. Property

Property is stated at cost. Donated assets are recorded at the estimated fair market value at the date of donation. The Foundation capitalizes, at cost, all expenditures for property in excess of \$ 5,000.

The Foundation’s policy is to evaluate the remaining lives and recoverability in light of current conditions. It is reasonably possible that the Foundation’s estimate to recover the carrying amount of property will change.

IMPERIAL VALLEY COLLEGE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 2 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and Cash Equivalents	\$	345,801
Accounts Receivable		-0-
Operating Investments		<u>1,809,815</u>
Total Financial Assets		<u>2,155,616</u>
Less		
Board designated assets		-0-
Donor-restricted assets (excludes Osher)		<u>(1,720,323)</u>
Total financial assets available for general expenditures	\$	<u>435,293</u>

Endowment funds consist of donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditures and have been excluded from the above analysis.

As part of the liquidity management plan, the Foundation invests cash in excess of daily requirements in short-term investments, certificates of deposit, and money market funds.

NOTE 3 – NET ASSETS WITH DONOR RESTRICTIONS

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

Subject to expenditure for specific purpose:		
Scholarships	\$	1,720,323
Not subject to spending policy or appropriations:		
Investments held with FCCC in perpetuity (including amounts above original transfer amount of \$ 500,000)		
Osher scholarships		629,775
Subject to spending policy and appropriation:		
Investments in perpetuity the income from which is expendable to support:		
Scholarships		<u>-0-</u>
Net assets with donor restrictions	\$	<u>2,350,098</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the year ended June 30, 2021.

Satisfactions of Purpose Restrictions:		
Scholarships	\$	154,829
Net assets with donor restrictions	\$	<u>154,829</u>

IMPERIAL VALLEY COLLEGE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 4 – DONATED SERVICES

Throughout the year, many individuals throughout the District donate significant amounts of time to advance the programs and objectives of the Foundation. Donated services and professional fees are reflected in the accompanying statements when the criteria for recognition have been met and are recorded at fair value. Donated services and professional fees include the value of Foundation services paid for salaries and benefits and professional fees paid by District.

NOTE 5 – INVESTMENTS

Investments are recorded at cost at date of acquisition or fair value at date of donation. The cost and fair value of investments as of June 30, 2021 are as follows:

<u>Level 1</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Level 1</u>
Alternatives	\$ 41,886	\$ 41,886	\$ 41,886
Exchange Traded Funds	1,282,698	1,282,698	1,282,698
Equity mutual funds	402,331	402,331	402,331
Cash and Money Market	82,900	82,900	82,900
Total	<u>\$ 1,809,815</u>	<u>\$ 1,809,815</u>	<u>\$ 1,809,815</u>

Levels 1 through 3 have been assigned to the fair value measurements of investments. The fair value level of measurements is determined as follows:

NOTE 6 – INVESTMENT WITH THE FOUNDATION FOR CALIFORNIA COMMUNITY COLLEGES (FCCC)

Level 1 - quoted prices in an active market for identical assets.

Level 2 - quoted prices for similar assets and market-corroborated inputs.

Level 3 - the organization's own assumptions about market participation, including assumptions about risk, developed based on the best information available in the circumstances.

All of the Foundations investments are categorized as level 1 investments.

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2021.

Interest and dividends	\$ 39,368
Realized gain on investments, net	85,646
Unrealized gain on investments, net	<u>416,802</u>
Total	<u>\$ 541,816</u>

IMPERIAL VALLEY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 – INVESTMENT WITH THE FOUNDATION FOR CALIFORNIA COMMUNITY COLLEGES (FCCC) (CONTINUED)

In 2011, the Foundation entered into a partnership arrangement with the California Community Colleges Scholarship Endowment (CCCSE) through the Foundation for California Community Colleges (FCCC). The FCCC has an investment advisory committee charged with the responsibility for directing and monitoring the investment management of the CCCSE's assets.

Since the agreement's inception, the Foundation has transferred a total of \$ 500,000 to the FCCC. These funds are invested in a pooled investment fund held by the FCCC. At June 30, 2021 the fair value of this investment was \$ 629,775, which consisted of cash of \$ 31,499, equity securities of \$ 434,545 and fixed income instruments of \$ 163,731 measured at quoted prices in active markets for identical assets (Level 1). Net investment income of \$ 137,422 was recognized during the year ended June 30, 2021. Fund distributions from investment returns for the year ended June 30, 2021, were \$ 27,200.

Changes in FCCC net assets for the fiscal year June 30, 2021.

	<u>Without donor Restrictions</u>	<u>With donor Restrictions</u>	<u>Total</u>
Investments with FCCC, beginning of year	\$ -0-	\$ 519,553	\$ 519,553
Investment return:			
Investment income, net of expenses	-0-	9,108	9,108
Net appreciation (realized and unrealized)	-0-	128,314	128,314
Total investment return	<u>-0-</u>	<u>137,422</u>	<u>137,422</u>
Other changes:			
Distributions	-0-	(27,200)	(27,200)
Total other changes	<u>-0-</u>	<u>(27,200)</u>	<u>(27,200)</u>
Investment with FCCC, end of year	<u>\$ -0-</u>	<u>\$ 629,775</u>	<u>\$ 629,775</u>

NOTE 7 – ENDOWMENTS

The Foundation's endowment consists of approximately 80 individual funds established primarily for scholarships. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment

IMPERIAL VALLEY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 – ENDOWMENTS (CONTINUED)

funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from an income and appreciation of investments
6. Other resources of the organization
7. The investment policies of the organization

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor of UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. There were no deficiencies as of June 30, 2021.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to protect the principal, over the long term, and yet maximize the investment earnings so as to maximize the benefit provided by the endowment. Accordingly, funds are invested in a combination of fixed income funds and equity funds expected to provide an average rate of return of approximately 5 percent annually. Actual returns in any given year may vary from this amount.

IMPERIAL VALLEY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 – ENDOWMENTS (CONTINUED)

Strategies Employed for Achieving Objective

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 3 percent of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution was planned. While it is the Foundation's goal to distribute 3 percent, it is not guaranteed and is contingent upon current market conditions. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 2 percent annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Endowment composition and changes in endowment net assets for the fiscal year ended June 30, 2021, is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, July 1, 2020	\$ -0-	\$ 1,953,884	\$ 1,953,884
Contributions	-0-	115,155	115,155
Net investment income	-0-	32,917	32,917
Net realized gain	-0-	73,452	73,452
Net appreciation (depreciation)	-0-	343,964	343,964
Released from restrictions	-0-	(154,829)	(154,829)
Operating expenses	-0-	(14,445)	(14,445)
Endowment net assets, June 30, 2021	<u>\$ -0-</u>	<u>\$ 2,350,098</u>	<u>\$ 2,350,098</u>

IMPERIAL VALLEY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 – FUNCTIONAL EXPENSE

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, benefits and payroll taxes which are allocated on the basis of estimates of time and effort.

NOTE 9 – RELATED PARTIES AND DONATED SERVICES

To assist the Foundation in carrying out its purpose, the College provides administrative services to the Foundation. The College pays salaries and benefits of the Executive Director and Foundation Coordinator. In addition, working space for employees who perform administrative services for the Foundation is provided by the College at no charge. The donated services included \$ 280,739 of salaries and benefits. These donated services have been reflected in the financial statements as revenues under donated services as expenses under salaries and benefits. The value of donated facilities has not been determined and is therefore not included in the financial statements; however, management does not believe the amount to be material.

NOTE 10 – PROPERTY

In December 1998, the Foundation acquired land adjacent to the Imperial Valley College Desert Museum site in Ocotillo California for the stated cost of \$ 15,000. Property as of June 30, 2021 consists of Land-Ocotillo \$ 15,000.

NOTE 11 – CONCENTRATIONS

The Foundation conducts operations primarily in Southern California and, therefore, is subject to risks from changes in local economic conditions. The Foundation also receives a substantial amount of donated services from the Imperial Valley College. If the College failed to continue to provide support of the Foundation, the Foundation would need to significantly change its operations in order to achieve its mission in serving Imperial Valley College.

IMPERIAL VALLEY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 12 – CASH IN BANK

Cash and cash equivalents as of June 30, 2021 consists of:

Operational interest bearing checking	\$ 246,697
Designated interest bearing checking	98,604
Petty cash	<u>500</u>
Balance as of June 30, 2021	<u>\$ 345,801</u>

As of June 30, 2021 the carrying amount of the Foundation's cash and cash equivalents was \$ 345,301. The bank balance was \$ 353,674.

NOTE 13 – LOTUS LIVING PROJECT

The Foundation entered into an agreement on January 1, 2021 with the City of El Centro to provide management services for the Lotus Living Project. The project provides 26 homeless students of IVC "Tiny Homes" at a low rent payable to the Foundation. In return, the City of El Centro, through a grant from the state, will reimburse the Foundation \$ 515,000 over two years for management fees. The Foundation has contracted with IVC to manage the property for \$ 21,000 per month.

NOTE 14 – CONTINGENCIES

The Foundation may be subject to various claims, legal proceedings, and investigations covering a wide range of matters that arise in the ordinary course of business. In the opinion of management all such matters are adequately covered by insurance or by accruals, and if not so covered, are without merit or are of such kind, or involve such amounts, as would not have a significant effect on the financial positions or results of operations of the Foundation if disposed of unfavorably.

NOTE 15 – SUBSEQUENT EVENTS

The management of The Foundation has reviewed the results of operations for the period of time from its year end June 30, 2021 through November 30, 2021, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying combined financial statements nor have any subsequent events occurred, the nature of which would require disclosure.