

**IMPERIAL VALLEY COLLEGE FOUNDATION**

**FINANCIAL STATEMENTS**

**JUNE 30, 2010**

**IMPERIAL VALLEY COLLEGE FOUNDATION  
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**IMPERIAL VALLEY COLLEGE FOUNDATION  
BOARD OF TRUSTEES  
JUNE 30, 2010**

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P. Robert Wilkinson, CPA  
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Aubrey W. King, CPA  
Richard K. Savage, CPA

## INDEPENDENT AUDITOR'S REPORT

### **To the Board of Trustees Imperial Valley College Foundation:**

We have audited the accompanying statement of financial position of Imperial Valley College Foundation, a non-profit organization, as of June 30, 2010 and the related combined statement of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Imperial Valley College Foundation's management. 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 and the California Community College's *Auxiliary Organization Requirements for Accounting, Reporting, and Auditing* promulgated by the State of California Chancellor's Office. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Imperial Valley College Foundation as of June 30, 2010 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Wilkinson Hadley King & Co., LLP*

El Cajon, California  
December 16, 2010

**IMPERIAL VALLEY COLLEGE FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2010**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents	\$	55,951
Investments		1,065,512
		1,121,463

**TOTAL CURRENT ASSETS** 1,121,463

**PROPERTY**

15,000

**TOTAL ASSETS**

\$ 1,136,463

**LIABILITIES AND NET ASSETS**

Current Liabilities:

Accounts Payable	\$	13,173
Holding Accounts - Due to Student Groups		3,735
		16,908

**TOTAL LIABILITIES** 16,908

**CONTINGENCIES**

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**NET ASSETS**

Unrestricted		95,917
Temporarily Restricted		814,252
Permanently Restricted		209,386
		1,119,555

**TOTAL NET ASSETS** 1,119,555

**TOTAL LIABILITIES AND NET ASSETS**

\$ 1,136,463

The notes to the financial statements are an integral part of this statement

**IMPERIAL VALLEY COLLEGE FOUNDATION  
COMBINED STATEMENT OF ACTIVITIES  
AND CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Temporarily Restricted		Unrestricted	Permanently Restricted	Total
	General Scholarships	Funded Scholarships	General	Trust and Endowment	
<b>REVENUES AND SUPPORT</b>					
General Contributions	\$ -	\$ -	\$ 9,259	\$ -	\$ 9,259
Scholarship Contributions	45,868	30,150	59,529	-	135,547
Interest and Dividends	2,795	9,301	23,857	2,876	38,829
Trust Book Loan Donations	-	-	638	-	638
Other Income	-	-	13,938	-	13,938
Fundraising Events	-	-	16,031	-	16,031
Net Unrealized Gain on Investments	-	24,671	40,140	-	64,811
Net Assets Released From Restrictions	(43,713)	(18,821)	64,509	(1,975)	-
<b>TOTAL REVENUES AND SUPPORT</b>	<u>4,950</u>	<u>45,301</u>	<u>227,901</u>	<u>901</u>	<u>279,053</u>
<b>EXPENSES</b>					
Program Services:					
Scholarships	-	-	145,382	-	145,382
Salaries	-	-	36,448	-	36,448
Employee Benefits	-	-	2,006	-	2,006
Payroll Taxes	-	-	2,021	-	2,021
Trust Book Loan Expense	-	-	1,078	-	1,078
Membership Expenses	-	-	350	-	350
Publicity Expenses	-	-	3,019	-	3,019
Fund Raising Expenses	-	-	14,306	-	14,306
Total Program Services	<u>-</u>	<u>-</u>	<u>204,610</u>	<u>-</u>	<u>204,610</u>
Supporting Activities:					
Accounting and Audit	-	-	15,075	-	15,075
Office Expenses	-	-	11,726	-	11,726
Other Expenses	-	-	5,974	-	5,974
Total Supporting Activities	<u>-</u>	<u>-</u>	<u>32,775</u>	<u>-</u>	<u>32,775</u>
<b>TOTAL EXPENSES</b>	<u>-</u>	<u>-</u>	<u>237,385</u>	<u>-</u>	<u>237,385</u>
Excess of Revenues and Support Over (Under) Expenses	<u>4,950</u>	<u>45,301</u>	<u>(9,484)</u>	<u>901</u>	<u>41,668</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	4,950	45,301	(9,484)	901	41,668
<b>NET ASSETS, July 1, 2009</b>	<u>208,120</u>	<u>555,881</u>	<u>105,401</u>	<u>208,485</u>	<u>1,077,887</u>
<b>NET ASSETS, June 30, 2010</b>	<u>\$ 213,070</u>	<u>\$ 601,182</u>	<u>\$ 95,917</u>	<u>\$ 209,386</u>	<u>\$ 1,119,555</u>

The notes to the financial statements are an integral part of this statement

**IMPERIAL VALLEY COLLEGE FOUNDATION  
STATEMENT OF CASH FLOWS  
JUNE 30, 2010**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change In Net Assets	\$ 41,668
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Net Unrealized Gain On Investments	(64,811)
Increase (Decrease) in Accounts Payable	10,354
Increase (Decrease) in Payroll Liabilities	(5,224)
Increase (Decrease) in Holding Accounts	(27,932)
	<u>(45,945)</u>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>(45,945)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Sale of Investments	71,959
	<u>71,959</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>71,959</u>
<b>NET INCREASE IN CASH</b>	26,014
<b>CASH AND CASH EQUIVALENTS, Beginning of Year</b>	<u>29,937</u>
<b>CASH AND CASH EQUIVALENTS, End of Year</b>	<u><u>\$ 55,951</u></u>

The notes to the financial statements are an integral part of this statement

**IMPERIAL VALLEY COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**A. Organization and Summary of Significant Accounting Policies:**

*Organization*

The 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).

Should the Foundation be dissolved, its assets remaining after payment of liabilities shall be distributed to the College.

*Basis of Accounting*

The Foundation utilizes the accrual basis of accounting. Revenues are recorded in the accounting period they become both measurable and available. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered).

Funds restricted by outside sources are so indicated and are distinguished from unrestricted funds for specific purposes by action of the Board of Directors. Externally restricted funds may only be utilized in accordance with the purposes established by the sources of such funds and are in contrast with unrestricted funds over which the Board retains full control to use in achieving any of its purposes.

*Basis of Presentation*

The financial statements have been prepared to present the financial position and results of operations of the Foundation in accordance with Financial Accounting Standards Board Statement numbers 116 and 117, AICPA Audit Guide *Financial Statements for Not-for-Profit Organizations*, and the California Community Colleges *Auxiliary Organizations Requirements for Accounting, Reporting and Auditing* promulgated by the State of California Chancellor's Office.

The Foundation has adopted Statement of Financial Accounting Standard (SFAS) No.116, *Accounting for Contributions Received and Contributions Made*. In accordance with this statement, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted, depending on the existence and nature of any donor restrictions.

Also, the Foundation has adopted Statement of Financial Accounting Standard (SFAS) No.117, *Financial Statements for Not-for-Profit Organizations*. Under the provisions of these statements, the Foundation is required to report information about its financial position and activities in three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets. In addition, the Foundation is required to present a statement of cash flows.



**IMPERIAL VALLEY COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**  
**(Continued)**

**A. Organization and Summary of Significant Accounting Policies: (Continued)**

*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.

*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.

*Investments*

Investments are accounted for pursuant to Statement of Financial Accounting Standards (SFAS) No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. In accordance with SFAS No. 124, 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.

*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. Depreciation is provided over the estimated useful lives of assets using the straight-line method. Estimated useful lives are as follows:

Building and Improvements	15 years
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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.

*Revenues and Support*

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**  
(Continued)

**A. Organization and Summary of Significant Accounting Policies: (Continued)**

*Donated Services*

The Foundation records the value of donated services or materials when there is an objective basis available to measure their value. No amounts have been reflected in these financial statements, as no objective basis was available to measure their value. Nevertheless, a substantial number of volunteers have donated their time and services to the Foundation.

*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.

**B. Cash and Cash Equivalents:**

Cash and cash equivalents at June 30, 2010 consists of:

Rabobank-Checking	<u>\$ 55,951</u>
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**C. Investments:**

Investments as of June 30, 2010 are summarized as follows:

	Cost	Unrealized Gain (Loss)	Market Value
<u>Money Market Federated Capital Reserves</u>			
UVEST Billable	\$ 108,305	\$ -	\$ 108,305
<u>Collateralized Obligations and Securities</u>			
UVEST Billable	8,257	-	8,257
<u>Consolidated Mutual Funds</u>			
UVEST Billable	58,494	9,992	68,486
<u>Money Market Federated Capital Reserves</u>			
UVEST Operational	1	-	1
<u>Money Market Federated Capital Reserves</u>			
UVEST Scholarship	15,263	-	15,263
<u>Consolidated Mutual Funds</u>			
UVEST Scholarship	432,029	30,148	462,177
<u>Money Market Federated Capital Reserves</u>			
UVEST Ricker	24,587	-	24,587
<u>Consolidated Mutual Funds</u>			
UVEST Ricker	353,765	24,671	378,436
Totals	<u>\$ 1,000,701</u>	<u>\$ 64,811</u>	<u>\$ 1,065,512</u>

**IMPERIAL VALLEY COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**  
**(Continued)**

**D. Property:**

In December 1998, the Foundation purchased land adjacent to the IVC Desert Museum site in Ocotillo for the stated cost of \$15,000. Property at June 30, 2010 consists of:

Land - Ocotillo	<u>\$ 15,000</u>
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**E. Restrictions on Net Assets:**

Temporarily restricted net assets at June 30, 2010 are available for the following purposes:

Book Assistance Funds	\$ 24,091
Fonseca Scholarship	13,680
Meyer Scholarship	40,926
Novak Scholarship	85,730
Ricker Nursing Scholarship	66,744
Ricker Legacy Scholarship	336,278
Thompson Scholarship	15,758
Agriculture Club Scholarship	25,056
Imperial County Physical	16,938
Cardenas Scholarship	17,000
Other General Scholarships	<u>172,051</u>
Total	<u>\$ 814,252</u>

Permanently restricted net assets at June 30, 2010 are available for the following purposes:

Restricted Trust-Harelson	\$ 54,936
Drexel Cooper Grant	99,425
AT&T Grant	5,028
Endowment-IVC Museum	12,912
Endowment-Foster	9,872
Endowment-Jackson	26,981
Endowment-Library	<u>232</u>
Total	<u>\$ 209,386</u>

**F. Endowment Funds:**

Donors may designate current and future donations to the Foundation's endowment funds. Principal and income is governed by the terms of the endowment. The principal of each endowment is restricted in perpetuity until the occurrence of a specified event or for a specified period and the income is either restricted or available for current use. When restrictions on the fund principal end, the resources are transferred from the endowment fund to either the undesignated funds or a specific designated fund, in accordance with the terms of the gift or bequest. Income from the endowment funds is recorded in either designated or undesignated funds, depending on whether the donor has placed restrictions on the use of income.

**IMPERIAL VALLEY COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2010**  
**(Continued)**

**G. Subsequent Events:**

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through December 16, 2010, the date the financial statements were available to be issued.