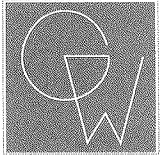


IMPERIAL VALLEY COLLEGE FOUNDATION

FINANCIAL STATEMENTS
(With Independent Auditor's Report)

As of June 30, 2018 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 financial statements of the Imperial Valley College Foundation as of June 30, 2018, 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

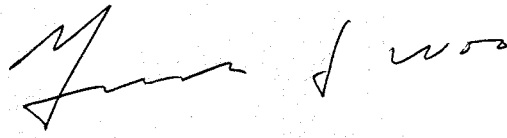
My responsibility is to express an opinion on these financial statements based on my audit. I conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether 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, 2018, 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.

A handwritten signature in black ink, appearing to read "James J. Wood", is written over a large, faint, circular watermark or stamp that is mostly illegible.

November 26, 2018

IMPERIAL VALLEY COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2018

ASSETS

Current Assets

Cash in bank (Note 12)	\$ 279,891
Investments, at fair value (Note 4)	1,352,970
Pledges receivable (Note 13)	<u>1,250</u>
Total Current Assets	<u>1,634,111</u>

Non - Current Assets

Investments with the Foundation for California Community Colleges (Note 5)	539,049
Property	<u>15,000</u>
Total Non-Current Assets	<u>554,049</u>

Total Assets	<u><u>\$ 2,188,160</u></u>
--------------	----------------------------

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	<u>\$ -0-</u>
Total Liabilities	<u>-0-</u>

Net Assets

Unrestricted	233,788
Temporarily restricted	513,634
Permanently restricted	<u>1,440,738</u>
Total Net Assets	<u>2,188,160</u>

Total Liabilities and Net Assets	<u><u>\$ 2,188,160</u></u>
----------------------------------	----------------------------

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, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	
	<u>General</u>	<u>General Scholarships</u>	<u>Trust and Endowment</u>	<u>Total</u>
Support and Revenue				
<u>Support</u>				
Scholarship contributions	\$ 30,260	\$ 92,485	\$ 1,200	\$ 123,945
General contributions	48,834	-0-	-0-	48,834
Donated services (Note 9)	229,245	-0-	-0-	229,245
Fundraising events	78,635	-0-	-0-	78,635
Total Support	<u>386,974</u>	<u>92,485</u>	<u>1,200</u>	<u>480,659</u>
<u>Other income, gains and losses</u>				
Interest and dividends	4,862	9,826	27,980	42,668
Net realized gain on investments	2,791	6,182	70,507	79,480
Net unrealized gain(loss) on investments	3,309	7,327	(22,161)	(11,525)
Other income	387	-0-	-0-	387
Total Other Income, Gains, and Losses	<u>11,349</u>	<u>23,335</u>	<u>76,326</u>	<u>111,010</u>
Total revenues before net assets released from restrictions	-0-	-0-	-0-	-0-
Net assets released from restrictions	125,103	(91,670)	(33,433)	-0-
Total Support and Revenues	<u>523,426</u>	<u>24,150</u>	<u>44,093</u>	<u>591,669</u>
Operating Expenses				
Program services	242,326	-0-	-0-	242,326
Supporting services				
Management and general	231,638	4,177	9,275	245,090
Fundraising expenses (Note 14)	49,480	-0-	-0-	49,480
Total Expenses	<u>523,444</u>	<u>4,177</u>	<u>9,275</u>	<u>536,896</u>
Change in net assets	(18)	19,973	34,818	54,773
Net Assets				
Beginning of year	233,806	493,661	1,405,920	2,133,387
End of Year	<u>\$ 233,788</u>	<u>\$ 513,634</u>	<u>\$ 1,440,738</u>	<u>\$ 2,188,160</u>

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, 2018

	<u>Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Total</u>
Bank and broker fees	\$ -0-	\$ 15,742	\$ -0-	\$ 15,742
Board development	-0-	2,027	-0-	2,027
Copier/printer	-0-	532	-0-	532
Database management	-0-	13,661	-0-	13,661
Donor appointments	-0-	461	-0-	461
Fundraising expenses	-0-	-0-	38,018	38,018
Liability linsurance	-0-	1,235	-0-	1,235
Memberships	-0-	240	-0-	240
Miscellaneous expenses	-0-	5,731	-0-	5,731
Office supplies	-0-	1,661	-0-	1,661
Payroll expenses	-0-	5,693	-0-	5,693
Postage	-0-	2	-0-	2
Printing	-0-	561	-0-	561
Professional fees	-0-	4,400	-0-	4,400
Promotion and marketing	-0-	8,490	-0-	8,490
Salaries and benefits	41,264	176,519	11,462	229,245
Scholarships	194,651	-0-	-0-	194,651
Student ambassadors expense	6,411	-0-	-0-	6,411
Travel/Conf./Train.	-0-	8,135	-0-	8,135
Total	<u>\$ 242,326</u>	<u>\$ 245,090</u>	<u>\$ 49,480</u>	<u>\$ 536,896</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, 2018

Cash flows from operating activities

Change in Net Assets	\$ 54,773
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Increase (decrease) in pledges receivable	54,674
(Increase) decrease in investments	<u>(70,339)</u>
Net Cash provided by Operating Activities	<u>39,108</u>
Net Increase in Cash	39,108
Cash and Cash Equivalents at Beginning of Year	<u>240,783</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 279,891</u></u>

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

IMPERIAL VALLEY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES:

A. Organization

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 principle source of revenue and recognizes the corresponding amount as an expense.

B. Financial Statement Presentation and 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.

The Foundation is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets include all resources available for use by the Board and management's discretion in carrying out the activities of the Foundation in accordance with its Bylaws. Temporarily or permanently restricted net assets are restricted by the donor or as matter of law. Temporarily restricted net assets are only expendable for the purposes specified by the donor or through the passage of time. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets. Permanently restricted net assets are generally required to be held by the organization in perpetuity while the earnings on those assets are available for use by the organization to support its activities. Donors can place restrictions on the earnings from permanently restricted contributions at the time the contributions are made or pledged.

IMPERIAL VALLEY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

C. 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.

D. 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 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.

E. 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.

F. 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.

IMPERIAL VALLEY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

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.

G. 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.

H. 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.

I. 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.

J. 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.

IMPERIAL VALLEY COLLEGE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

K. Functional 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.

NOTE 2 – RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2018 consist of amounts restricted for use in providing scholarships and other program services to The College.

Permanently restricted net assets are restricted for investment in perpetuity, which represents the Foundation's endowment funds.

NOTE 3 – 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 4 – 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, 2018 are as follows:

<u>Level 1</u>	<u>Cost</u>	<u>Fair Value</u>
Exchange Traded Funds	\$ 819,445	\$ 897,342
Equity mutual funds	383,325	378,467
Government securities	24	24
Cash and Money Market	77,137	77,137
Total	<u>\$ 1,279,931</u>	<u>\$ 1,352,970</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:

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

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

IMPERIAL VALLEY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 4 – INVESTMENTS (CONTINUED)

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, 2018.

Interest and dividends	\$ 42,668
Realized gain on investments, net	79,480
Unrealized gain (loss) on investments, net	<u>(11,525)</u>
Total	<u>\$ 110,623</u>

NOTE 5 – INVESTMENT WITH THE FOUNDATION FOR CALIFORNIA COMMUNITY COLLEGES (FCCC):

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, 2018 the fair value of this investment was \$ 539,049, which consisted of cash of \$ 26,952, equity securities of \$ 371,944 and fixed income instruments of \$ 140,153 measured at quoted prices in active markets for identical assets (Level 1). Net investment income of \$ 8,160 was recognized during the year ended June 30, 2018. Fund distributions from investment returns for the year ended June 30, 2018, were \$ 24,933.

IMPERIAL VALLEY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 5 – INVESTMENT WITH THE FOUNDATION FOR CALIFORNIA COMMUNITY COLLEGES (FCCC) (CONTINUED):

Changes in FCCC net assets for the fiscal year June 30, 2018.

	Temporarily Restricted	Permanently Restricted	Total
Investments with FCCC, beginning of year	\$ -0-	\$ 530,889	\$ 530,889
Investment return:			
Investment income, net of expenses	-0-	8,712	8,712
Net appreciation (realized and unrealized)	-0-	24,381	24,381
Total investment return	-0-	33,093	33,093
Other changes:			
Distributions	-0-	(24,933)	(24,933)
Total other changes	-0-	(24,933)	(24,933)
Change in value, FCCC investment	-0-	-0-	8,160
Investment with FCCC, end of year	\$ -0-	\$ 539,049	\$ 539,049

NOTE 6 – 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 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:

IMPERIAL VALLEY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 6 – ENDOWMENTS (CONTINUED):

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, 2018.

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.

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.

IMPERIAL VALLEY COLLEGE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2018

NOTE 6 – ENDOWMENTS (CONTINUED):

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, 2018, is as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, July 1, 2017	\$ 493,661	\$ 1,405,920	\$ 1,899,581
Contributions	92,485	1,200	93,685
Net investment income	5,649	18,705	24,354
Net realized gain	6,182	70,507	76,689
Net appreciation (depreciation)	7,327	(22,161)	(14,834)
Released from restrictions	<u>(91,670)</u>	<u>(33,433)</u>	<u>(125,103)</u>
Endowment net assets, June 30, 2018	<u>\$ 513,634</u>	<u>\$ 1,440,738</u>	<u>\$ 1,954,372</u>

NOTE 7 – 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, 2018 consists of Land-Ocotillo \$ 15,000.

NOTE 8 – NET ASSETS:

Temporarily Restricted Net Assets

Temporarily restricted net assets as of June 30, 2018 were \$ 513,634 are restricted for the use in providing scholarships and other program services to Imperial Valley College.

IMPERIAL VALLEY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 8 – NET ASSETS (CONTINUED):

Temporarily restricted net assets at June 30, 2018 are available for the following purposes:

Agriculture Club Scholarship	\$ 34,342
All other Scholarships	<u>479,292</u>
Total	<u>\$ 513,634</u>

Permanently Restricted Net Assets

Permanently restricted net assets totaling \$ 1,440,738 are restricted for investment in perpetuity, which represents the Foundation's endowment funds.

Permanently restricted net assets as of June 30, 2018 are available for the following purposes:

Osher-Phillip Ricker Nursing	\$ 453,852	
Osher-Cardenas Market Scholarship	33,942	
Osher-Ralph Congreve Scholarship	26,152	
Osher-General Scholarship	<u>25,103</u>	
Total Osher		539,049
First Solar Scholarship		422,053
Howard Meyer Scholarship		65,461
Nicholas Novak Scholarship		110,447
Restricted Trust-Harleson - Duncan		63,815
Drexel Cooper Grant		129,386
Endowment-IVC Museum		16,144
Endowment-Jackson & Berry		37,609
President's Scholarship		<u>56,774</u>
Total		<u>\$ 1,440,738</u>

Net Assets Released from Restrictions

Net assets of \$ 33,433 were released temporarily restricted net assets during the fiscal year. The Foundation met donor imposed restrictions by incurring qualified expenses.

IMPERIAL VALLEY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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 \$ 229,245 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 – 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 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.

NOTE 12 – CASH IN BANK

Cash and cash equivalents as of June 30, 2018 consists of:

Operational interest bearing checking	\$ 169,233
Scholarship interest bearing checking	110,158
Petty cash	<u>500</u>
Balance as of June 30, 2018	<u>\$ 279,891</u>

As of June 30, 2018 the carrying amount of the Foundation's cash and cash equivalents was \$ 279,891. The bank balance was \$ 280,887.

IMPERIAL VALLEY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 13 – PLEDGES RECEIVABLE:

Pledges receivable as of June 30, 2018 total \$ 1,250. The pledges receivable are estimated to be collected in less than one year from June 30, 2018.

The Foundation has not historically had difficulty collecting amounts due from grantor agencies or other donors; therefore, no allowance for uncollectible pledges has been recorded.

NOTE 14 – FUNDRAISING EXPENSE:

Fundraising expenses consist largely of operating special fundraising events and costs associated with communicating with potential donors. Total fundraising costs were approximately 50% of funds raised for the year ended June 30, 2018. The schedule below presents fundraising expense costs and funds raised prior to netting the cost of direct benefits to donors. Fundraising expenses, including allocated salary and benefits not directly related to a specific event, have been shown as "Other" in the below schedule.

Spring Reception	\$ 2,011
Golf Tournament	<u>29,017</u>
Total fundraising costs (A)	<u>31,028</u>
Special events revenue	<u>\$ 62,839</u>
Total funds raised (B)	<u><u>\$ 62,839</u></u>
Fundraising expense ratio (A/B)	50%

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, 2018 through November 26, 2018, 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.