

IMPERIAL VALLEY COLLEGE FOUNDATION

FINANCIAL STATEMENTS

JUNE 30, 2009

**IMPERIAL VALLEY COLLEGE FOUNDATION
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**IMPERIAL VALLEY COLLEGE FOUNDATION
BOARD OF TRUSTEES
JUNE 30, 2009**

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P. Robert Wilkinson, CPA
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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, 2009 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, 2009 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 15, 2009

**IMPERIAL VALLEY COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2009**

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$	29,937
Investments		1,072,660

TOTAL CURRENT ASSETS		1,102,597
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PROPERTY

15,000

TOTAL ASSETS

\$ 1,117,597

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts Payable	\$	2,819
Accrued Payroll Liabilities		5,224
Holding Accounts - Due to Student Groups		31,667

TOTAL LIABILITIES		39,710
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CONTINGENCIES

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NET ASSETS

Unrestricted		105,401
Temporarily Restricted		764,001
Permanently Restricted		208,485

1,077,887

TOTAL NET ASSETS

TOTAL LIABILITIES AND NET ASSETS

\$ 1,117,597

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, 2009**

	Temporarily Restricted		Unrestricted	Permanently	Total
	General	Funded		Restricted	
	Scholarships	Scholarships	General	Trust and Endowment	
REVENUES AND SUPPORT					
Membership Campaign	\$ -	\$ -	\$ 31,487	\$ -	\$ 31,487
Contributions	184,817	9,217	2,350	-	196,384
Interest and Dividends	1,249	20,300	34,104	4,000	59,653
Trust Book Loan Donations	-	-	21	-	21
Other Income	-	-	319	-	319
Net Unrealized Gain (Loss) on Investments	-	(22,188)	(84,533)	-	(106,721)
Net Assets Released From Restrictions	(168,545)	(38,640)	210,650	(3,465)	-
TOTAL REVENUES AND SUPPORT	<u>17,521</u>	<u>(31,311)</u>	<u>194,398</u>	<u>535</u>	<u>181,143</u>
EXPENSES					
Program Services:					
Scholarships	-	-	248,174	-	248,174
Salaries	-	-	115,371	-	115,371
Employee Benefits	-	-	22,620	-	22,620
Payroll Taxes	-	-	8,504	-	8,504
Trust Book Loan Expense	-	-	7,799	-	7,799
Membership Expenses	-	-	3,748	-	3,748
Publicity Expenses	-	-	604	-	604
Grant Projects	-	-	1,316	-	1,316
Total Program Services	<u>-</u>	<u>-</u>	<u>408,136</u>	<u>-</u>	<u>408,136</u>
Supporting Activities:					
Accounting and Audit	-	-	4,993	-	4,993
Office Expenses	-	-	8,440	-	8,440
Other Expenses	-	-	6,792	-	6,792
Total Supporting Activities	<u>-</u>	<u>-</u>	<u>20,225</u>	<u>-</u>	<u>20,225</u>
TOTAL EXPENSES	<u>-</u>	<u>-</u>	<u>428,361</u>	<u>-</u>	<u>428,361</u>
Excess of Revenues and Support Over (Under) Expenses	<u>17,521</u>	<u>(31,311)</u>	<u>(233,963)</u>	<u>535</u>	<u>(247,218)</u>
OTHER FINANCING SOURCES (USES)					
Interfund Transfers In (Out)	<u>(3,678)</u>	<u>-</u>	<u>3,678</u>	<u>-</u>	<u>-</u>
INCREASE (DECREASE) IN NET ASSETS	13,843	(31,311)	(230,285)	535	(247,218)
NET ASSETS, July 1, 2008	<u>194,277</u>	<u>587,192</u>	<u>335,686</u>	<u>207,950</u>	<u>1,325,105</u>
NET ASSETS, June 30, 2009	<u>\$ 208,120</u>	<u>\$ 555,881</u>	<u>\$ 105,401</u>	<u>\$ 208,485</u>	<u>\$ 1,077,887</u>

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

**IMPERIAL VALLEY COLLEGE FOUNDATION
STATEMENT OF CASH FLOWS
JUNE 30, 2009**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change In Net Assets	\$ (247,218)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Net Unrealized Loss On Investments	107,621
Increase (Decrease) in Accounts Payable	2,819
Increase (Decrease) in Payroll Liabilities	2,051
Increase (Decrease) in Holding Accounts	<u>31,667</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(103,060)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of Investments	<u>108,900</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>108,900</u>
NET INCREASE IN CASH	5,840
CASH AND CASH EQUIVALENTS, Beginning of Year	<u>24,097</u>
CASH AND CASH EQUIVALENTS, End of Year	<u><u>\$ 29,937</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, 2009

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, 2009
(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.

IMPERIAL VALLEY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009
(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, 2009 consists of:

Rabobank-Checking	\$ 23,106
Desert Commercial Bank-Checking/Saving	<u>6,831</u>
Total	<u>\$ 29,937</u>

C. Investments:

Investments as of June 30, 2009 are summarized as follows:

	<u>Cost</u>	<u>Unrealized Gain (Loss)</u>	<u>Market Value</u>
<u>Money Market Federated Capital Reserves</u>			
UVEST Billable	\$ 3,249	\$ -	\$ 3,249
<u>Collateralized Obligations and Securities</u>			
UVEST Billable	9,340	-	9,340
<u>Consolidated Mutual Funds</u>			
UVEST Billable	260,131	(22,854)	237,277
<u>Money Market Federated Capital Reserves</u>			
UVEST Non Billable	12,669	-	12,669
<u>Money Market Federated Capital Reserves</u>			
UVEST Scholarship	1,116	-	1,116
<u>Consolidated Mutual Funds</u>			
UVEST Scholarship	462,092	(24,676)	437,416
<u>Money Market Federated Capital Reserves</u>			
UVEST Ricker	14,889	-	14,889
<u>Consolidated Mutual Funds</u>			
UVEST Ricker	<u>415,895</u>	<u>(59,191)</u>	<u>356,704</u>
Totals	<u>\$ 1,179,381</u>	<u>\$ (106,721)</u>	<u>\$1,072,660</u>

IMPERIAL VALLEY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009
(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, 2009 consists of:

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

Temporarily restricted net assets at June 30, 2009 are available for the following purposes:

Samples Book Loans	\$ 18,156
Fonseca Scholarship	13,676
Meyer Scholarship	41,109
Novak Scholarship	84,563
Ricker Nursing Scholarship	35,315
Ricker Legacy Scholarship	336,278
Thompson Scholarship	15,544
Agriculture Club Scholarship	28,712
Independent Living Scholarship	684
Other General Scholarships	<u>189,964</u>
Total	<u>\$ 764,001</u>

Permanently restricted net assets at June 30, 2009 are available for the following purposes:

Restricted Trust-Harelson	\$ 55,175
Drexel Cooper Grant	99,034
AT&T Grant	4,960
Endowment-IVC Museum	12,736
Endowment-Foster	9,737
Endowment-Jackson	26,614
Endowment-Library	<u>229</u>
Total	<u>\$ 208,485</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, 2009
(Continued)

G. Subsequent Events:

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through December 15, 2009, the date the financial statements were available to be issued.