

**WENATCHEE VALLEY COLLEGE
FOUNDATION, INC.**

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

For The Years Ended June 30, 2020 and 2019

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Goetz, Bailey & Yale P.S.

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INDEPENDENT AUDITOR'S REPORT

To the Finance Committee
Wenatchee Valley College Foundation, Inc.
Wenatchee, Washington

Report on the Financial Statements

We have audited the accompanying financial statements of Wenatchee Valley College Foundation, which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wenatchee Valley College Foundation as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 25-28 are presented for purposes of additional analysis and is not a required part of the above financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

GOETZ, BAILEY & YALE, P.S.

Wenatchee, Washington
December 21, 2020

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Statements of Financial Position

As of June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 936,714	\$ 362,435
Pledges and other receivables:		
Pledges and other receivables, net	41,257	569,148
Other receivables - related party	395	-
Tangible assets	-	29,870
Total Current Assets	<u>978,366</u>	<u>961,453</u>
Non-Current Assets		
Pledges receivable, long term, net	1,000	34,747
Investments at fair value	9,365,801	10,681,364
Total Assets	<u>\$ 10,345,167</u>	<u>\$ 11,677,564</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 460	\$ 11,350
Accounts payable and accrued liabilities - related party	112,915	152,015
Scholarships and awards payable - related party	432,629	476,149
Total Current Liabilities	<u>546,004</u>	<u>639,514</u>
Net Assets		
Without donor restrictions	1,141,742	1,305,945
With donor restrictions	8,657,421	9,732,105
Total Net Assets	<u>9,799,163</u>	<u>11,038,050</u>
Total Liabilities and Net Assets	<u>\$ 10,345,167</u>	<u>\$ 11,677,564</u>

See independent auditor's report and accompanying notes.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Statement of Activities

For The Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Public Support -			
Gifts, contributions, and other grants	\$ 77,643	\$ 353,085	\$ 430,728
In-kind contributions - related party	222,641	-	222,641
In-kind contributions	35	12,815	12,850
Revenue -			
Investment return, net	7,274	115,574	122,848
Management fees	128,199	-	128,199
Net assets released from restrictions:			
Satisfaction of program restrictions and appropriations of endowments	1,556,158	(1,556,158)	-
Total Public Support and Revenue	1,991,950	(1,074,684)	917,266
EXPENSES			
Program Services:			
Gifts, awards, and allocations - related party	1,149,041	-	1,149,041
Scholarships awarded - related party	340,842	-	340,842
In-kind gifts - related party	42,470	-	42,470
Program services	477,916	-	477,916
Total Program Services	2,010,269	-	2,010,269
Supporting Services	145,884	-	145,884
Total Expenses	2,156,153	-	2,156,153
Change in Net Assets	(164,203)	(1,074,684)	(1,238,887)
Net assets - Beginning of Year	1,305,945	9,732,105	11,038,050
Net Assets - End of Year	\$ 1,141,742	\$ 8,657,421	\$ 9,799,163

See independent auditor's report and accompanying notes.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Statement of Activities
For The Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Public Support -			
Gifts, contributions, and other grants	\$ 102,468	\$ 189,060	\$ 291,528
In-kind contributions - related party	245,793	-	245,793
In-kind contributions	-	99,720	99,720
Revenue -			
Investment return, net	25,806	261,652	287,458
Management fees	135,494	-	135,494
Program income	4,018	-	4,018
Special events, net	21,897	-	21,897
Net assets released from restrictions:			
Satisfaction of program restrictions and appropriations of endowments	711,215	(711,215)	-
Total Public Support and Revenue	1,246,691	(160,783)	1,085,908
EXPENSES			
Program Services:			
Gifts, awards, and allocations - related party	508,588	-	508,588
Scholarships awarded - related party	326,211	-	326,211
In-kind gifts - related party	75,376	-	75,376
Program services	495,146	-	495,146
Total Program Services	1,405,321	-	1,405,321
Supporting Services	167,463	-	167,463
Fundraising	4,584	-	4,584
Total Expenses	1,577,368	-	1,577,368
Change in Net Assets	(330,677)	(160,783)	(491,460)
Net assets - Beginning of Year	1,636,622	9,892,888	11,529,510
Net Assets - End of Year	\$ 1,305,945	\$ 9,732,105	\$ 11,038,050

See independent auditor's report and accompanying notes.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Statement of Functional Expenses For The Year Ended June 30, 2020

	<u>Program Services</u>	<u>Support Services</u>	<u>Fundraising</u>	<u>Total</u>
Gifts, awards, and allocations - related party	\$ 1,149,041	\$ -	\$ -	\$ 1,149,041
Scholarships awarded - related party	340,842	-	-	340,842
In-kind wages and benefits - related party	166,981	55,660	-	222,641
Wages and benefits - related party	129,816	43,273	-	173,089
General program expenses	149,353	-	-	149,353
In-kind gifts - related party	42,470	-	-	42,470
Office and general	14,116	20,121	-	34,237
Professional services	-	20,200	-	20,200
Conferences and meetings	4,853	4,853	-	9,706
Alumni relations	4,758	-	-	4,758
Recognition	4,413	-	-	4,413
Insurance	2,400	800	-	3,200
Travel and meals	976	977	-	1,953
In-kind gifts	250	-	-	250
	<u>\$ 2,010,269</u>	<u>\$ 145,884</u>	<u>\$ -</u>	<u>\$ 2,156,153</u>

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Statement of Functional Expenses For The Year Ended June 30, 2019

	<u>Program Services</u>	<u>Support Services</u>	<u>Fundraising</u>	<u>Total</u>
Gifts, awards, and allocations - related party	\$ 508,588	\$ -	\$ -	\$ 508,588
Scholarships awarded - related party	326,211	-	-	326,211
In-kind wages and benefits - related party	175,700	56,224	2,343	234,267
Wages and benefits - related party	156,170	49,975	2,082	208,227
General program expenses	107,291	-	-	107,291
In-kind gifts - related party	75,376	-	-	75,376
Professional services	22,789	34,658	-	57,447
Office and general	12,773	18,978	159	31,910
Conferences and meetings	5,887	5,887	-	11,774
Alumni relations	10,078	-	-	10,078
Insurance	2,063	687	-	2,750
Travel and meals	1,055	1,054	-	2,109
Recognition	1,340	-	-	1,340
	<u>\$ 1,405,321</u>	<u>\$ 167,463</u>	<u>\$ 4,584</u>	<u>\$ 1,577,368</u>

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Statements of Cash Flows

For The Years Ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Change in net assets	\$ (1,238,887)	\$ (491,460)
Adjustments to reconcile change in net assets to net used by operating activities -		
In-kind contributions	(235,491)	(361,430)
In-kind expenses	265,361	325,560
Proceeds from sale of donated asset	-	6,000
Net gain on sale of investments	(117,873)	(196,766)
Net unrealized (gain) loss on investments	(46,875)	83,291
Decrease in pledges and other receivables, net	561,243	40,849
Decrease in accounts payable and accrued liabilities	(49,990)	(55,975)
(Decrease) increase in scholarships and awards payable	(43,520)	179,152
	<u>(906,032)</u>	<u>(470,779)</u>
Net cash used by operating activities		
	<u>(906,032)</u>	<u>(470,779)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from certificate of deposit redemption	846,315	-
Proceeds from sale of investments	965,625	1,109,344
Purchase of investments	(446,308)	(547,780)
	<u>1,365,632</u>	<u>561,564</u>
Net cash provided by investing activities		
	<u>1,365,632</u>	<u>561,564</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for long term investments	114,679	121,737
	<u>114,679</u>	<u>121,737</u>
Net cash provided by financing activities		
	<u>114,679</u>	<u>121,737</u>
Net Change in Cash	574,279	212,522
Cash - Beginning of Year	362,435	149,913
Cash - End of Year	\$ 936,714	\$ 362,435

See independent auditor's report and accompanying notes.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements
June 30, 2020 and 2019

ORGANIZATION AND NATURE OF ACTIVITIES

The Wenatchee Valley College Foundation, Inc. (the Foundation) is a non-profit corporation founded in 1971 for the exclusive purpose of encouraging, promoting, and supporting educational programs, scholarly programs, and scholarly pursuits in connection with the Wenatchee Valley College (the College) located in Wenatchee, Washington. The Foundation receives its support primarily from contributions, gifts, and investment earnings.

The Foundation provides supplemental funding for the Wenatchee Valley College, its programs, and students through scholarships and other financial support. The Wenatchee Valley College, through its campus in Wenatchee and community out-reach programs in other communities, serves the citizens of Chelan, Douglas, and Okanogan counties. Wenatchee Valley College is considered a related party to the Foundation based on their relationship.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the outbreak of respiratory disease caused by a new coronavirus as a "pandemic". First identified in the late 2019 and known now as COVID-19, the outbreak has impacted millions of individuals worldwide. In response, many countries have implemented measures to combat the outbreak which have impacted global business operations. The Foundation has responded to the outbreak by putting a hold on any large gatherings and setting up remote operations with methods such as video, email, and phone in place of face-to-face meetings.

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

Income Tax Status

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income generated by activities that would be considered unrelated to the Foundation's exempt purpose would be subject to unrelated business income tax (UBIT). Management attests that the foundation did not engage in unrelated business activities during the years ending June 30, 2020 and 2019. Therefore, no provision for UBIT tax has been recorded.

The most significant tax positions of the Foundation are its assertions that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business tax (UBIT). All significant tax positions have been considered by management. It has been determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements
June 30, 2020 and 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The Foundation reports information regarding its financial position and activities according to the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958, Financial Statements of Not-for-Profit Entities, and Accounting Standards Update (ASU) No. 2016-14 Presentation of Financial Statements of Not-for-Profit Entities. Under ASC 958 and ASU No. 2016-14, the Foundation is required to report information regarding its financial position and activities to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net Assets Without Donor Restrictions - are net assets available for use in general operations and not subject to donor-imposed restrictions. The governing board has designated, from net assets without donor restrictions, net assets for operating reserves and college supporting activities.

Net Assets With Donor Restrictions - are net assets that are subject by 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. All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires or is otherwise met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Basis of Accounting

The Foundation's financial statements presented herein have been prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles for not-for-profit organizations.

Cash and Cash Equivalents

The Foundation considers all liquid investments with an initial maturity of three months or less to be cash equivalents. Cash and cash equivalents with brokers or in investment pools are considered to be investments and are reported as such. Cash equivalents for the years ending June 30, 2020 and 2019 totaled \$19,501 and \$19,497, respectively. These balances are held in two separate money market accounts at different institutions.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to use estimates and assumptions that affect reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Accordingly, actual results could vary from the estimates that were used.

Investments

As of June 30, 2020, the Foundation's investment portfolio is managed by the Community Foundation of North Central Washington as part of its total "pooled portfolio". The investments are managed by the Community Foundation of North Central Washington in accordance with the guidelines established by the Investment Committee of the Board of Directors. The Investment Committee has established and communicated to the Community Foundation of North Central Washington, policies relating to the nature of permitted investment instruments, diversification, and the use of derivatives.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements
June 30, 2020 and 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments (Continued)

All long-term investments have been reported in the financial statements at their current market value as reported by the Community Foundation of North Central Washington. The net increase (decrease) in realized and unrealized appreciation (depreciation) in the market value of such investments has been included in the statements of activities in the appropriate net asset classification.

Management is not aware of any derivative financial instruments through the investment management strategy employed by the Community Foundation of North Central Washington and its investment advisors and any mutual funds held in the pooled investment balances.

Risks and Uncertainties

The Foundation invests in various investment securities that are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in these financial statements.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period the contribution is made. Conditional promises to give are not recorded until they become unconditional; that is, when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Contributions are recognized based on the presence of restrictions or lack of restrictions as set forth by the donor.

Contributed Services

The Foundation has individuals who volunteer their time and perform a variety of tasks that assist the Foundation in meeting its goals and mission. Contribution of services received are required to be recorded if such services: (a) create or enhance nonfinancial assets (b) required specialized skills (c) are provided by individuals possessing those skills and (d) would typically need to be purchased if not contributed.

During the years ended June 30, 2020 and 2019, the fair value of many of these services have not been recognized in the accompanying financial statements since they do not meet the criteria for recognition under generally accepted accounting principles or they were not deemed material.

Property and Equipment

Property and equipment are capitalized at cost, if purchased or constructed by the Foundation, or at the fair market value at the date contributed, if donated. Depreciation is provided using the straight-line method over estimated useful lives ranging from twelve to forty years. Amounts paid for repairs that do not significantly increase the useful life of the related asset are expensed as incurred.

Reclassifications

Certain reclassifications have been made to the 2019 audited financial statement presentation to correspond to the current year's format. Total net assets and changes in net assets are unchanged due to these reclassifications.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements
June 30, 2020 and 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

ASU 2016-14

For the year ending June 30, 2019, the Foundation adopted the accounting guidance in Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which changes presentation and disclosure requirements for nonprofit entities to provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. These include qualitative and quantitative requirements in the following areas: net asset classes and liquidity. The Foundation has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented, which resulted in no change to the total previously reported net assets. The following is a summary of the major changes as a result of this new ASU 2016-14:

- (1) The temporarily restricted and permanently restricted net assets have been combined into a single net asset class called net assets with donor restrictions.
- (2) The unrestricted net asset class has been renamed net assets without donor restrictions.
- (3) The financial statements include a new disclosure about liquidity and availability of resources.
- (4) Investment return is reported net of external investment expenses on the statement of activities in the net assets category in which the net investment return is reported.
- (5) Modifying the presentation of underwater endowment funds and related disclosures.
- (6) The release of restrictions on donor-restricted gifts of cash or assets to be used to acquire or construct capital assets is recognized when the assets are placed in service unless the donor places time restriction on the use of the assets.
- (7) Required disclosure regarding the methods used to allocate costs among the program and support functions.

ASU 2018-08

On January 1, 2019, the Organization adopted ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (ASU 2018-08) using the modified retrospective transition method. ASU 2018-08 provided clarified guidance on evaluating whether transactions should be accounted for as contributions (non-reciprocal transactions) within the scope of Topic 958 Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and determining whether the contribution is conditional. The Foundation has determined that its accounting policies prior to the adoption of ASU 2018-08 are consistent with the clarification provided by ASU 2018-08. Accordingly, there was no significant impact to the Foundation's current or previously issued financial statements as a result of adopting ASU 2018-08.

Recently Issued Accounting Pronouncements Not Yet Adopted

On June 3rd, 2020, the Financial Accounting Standards Board (FASB) published a new accounting standard, ASU 2020-05 which delays the required implementation of the leases accounting standards for Nonprofit Organizations, these changes come as a direct result of the COVID-19 pandemic.

ASU 2016-02

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, Leases (Topic 842), which provides guidance for accounting for leases. The new guidance requires organizations to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. This ASU will be effective for the Foundation for annual periods beginning after *December 15, 2021*.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements
June 30, 2020 and 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

Expenses directly attributable to a specific functional area of the Foundation are reported as expenses of those functional areas and are categorized at the time the expense is recorded. In-kind expenses are attributed to one or more program or supporting functions of the Foundation and are allocated between program, support services, and fund raising accordingly. These in-kind expenses include wages and benefits, office expense, and other costs. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Foundation reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset. In these situations, the Foundation develops inputs using the best information available.

Most investments in marketable and debt securities reported in the statements of financial position are valued at the closing price reported on the active market on which the individual security is traded (Level 1). The Foundation records purchased securities at quoted market value and contributed securities at their fair value on the date of receipt. Other contributed assets are recorded at appraised value at the time of donation. Unrealized gains and losses are reflected in the statements of activities. Investments are exposed to various risks, such as interest rate, market, and credit risk. Due to the level of risk associated with investments and the level of uncertainty related to changes in the value, it is at least reasonably possible that changes in the near term could materially affect the amounts reported in the statement of financial position.

The Foundation's investments are held at the Community Foundation of North Central Washington. The Community Foundation of North Central Washington invests the Foundation's funds with other funds under its management on a pooled basis. The income from such investments and the realized and unrealized gains and losses on the investments are allocated to the participating funds based on book value of the fund groups. Participation units in the investment funds are determined monthly based on the fair value of investments at the calculation date.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements
June 30, 2020 and 2019

INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Investments stated at fair value are comprised of the following at June 30:

	<u>2020</u>	<u>2019</u>
Government and corporate bonds	\$ 3,633,728	\$ 3,924,326
Cash and cash equivalents	149,838	1,091,772
Common stocks	<u>5,582,235</u>	<u>5,665,266</u>
Total investments	<u>\$ 9,365,801</u>	<u>\$ 10,681,364</u>

The cost of investments and unrealized gain approximated \$6,737,018 and \$2,628,783 respectively for the year ended June 30, 2020. The cost of investments and unrealized gain approximated \$8,099,456 and \$2,581,908 respectively for the year ended June 30, 2019.

Investment return and its classification for the year ended June 30, 2020 included in the statement of activities is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 12,096	\$ 187,631	\$ 199,727
Net realized gains	7,857	110,016	117,873
Net unrealized gains	2,799	44,076	46,875
Investment expenses	<u>(15,478)</u>	<u>(226,149)</u>	<u>(241,627)</u>
Investment income, net	<u>\$ 7,274</u>	<u>\$ 115,574</u>	<u>\$ 122,848</u>

Investment return and its classification for the year ended June 30, 2019 included in the statement of activities is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 37,026	\$ 393,138	\$ 430,164
Net realized gains	19,194	177,572	196,766
Net unrealized losses	(5,955)	(77,336)	(83,291)
Investment expenses	<u>(24,459)</u>	<u>(231,722)</u>	<u>(256,181)</u>
Investment income, net	<u>\$ 25,806</u>	<u>\$ 261,652</u>	<u>\$ 287,458</u>

The Foundation charges an annual administrative fee of 1.35% of the market value of the various funds and endowments under its control. The fee is charged monthly and is reflected as an administrative fee expenses to the various funds and as unrestricted support to the operating fund. Total fees assessed were \$122,848 and \$135,494 for fiscal years ended June 30, 2020 and 2019, respectively.

All funds are invested in accordance with the Foundation's investment policy.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements
June 30, 2020 and 2019

INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

	Fair Value Measurements at June 30, 2020			
	Level 1	Level 2	Level 3	Total
Separate Accounts:				
Money Market Accounts	\$ 19,501	\$ -	\$ -	\$ 19,501
Total Separate Accounts:	19,501	-	-	19,501
Pooled Investments:				
Cash Equivalents				
Money Market	149,838	-	-	149,838
Total Cash Equivalents	149,838	-	-	149,838
Equity Investments				
Mutual Fund Value	325,254	-	-	325,254
Mutual Fund Growth	3,200,993	-	-	3,200,993
Mutual Fund Market Index	2,055,988	-	-	2,055,988
Mutual Fund Bonds	1,268,240	-	-	1,268,240
Mutual Fund Income	2,365,488	-	-	2,365,488
Total Equity Investments	9,215,963	-	-	9,215,963
Total Pooled Investments	9,365,801	-	-	9,365,801
Total Fair Value Measurement:	\$ 9,385,302	\$ -	\$ -	\$ 9,385,302
Fair Value Measurements at June 30, 2019				
	Level 1	Level 2	Level 3	Total
Separate Accounts:				
Money Market Accounts	\$ 19,497	\$ -	\$ -	\$ 19,497
Certificate of Deposit	-	837,650	-	837,650
Total Separate Accounts:	19,497	837,650	-	857,147
Pooled Investments:				
Cash Equivalents				
Money Market	254,122	-	-	254,122
Total Cash Equivalents	254,122	-	-	254,122
Equity Investments				
Mutual Fund Value	430,997	-	-	430,997
Mutual Fund Growth	3,043,823	-	-	3,043,823
Mutual Fund Market Index	2,190,446	-	-	2,190,446
Mutual Fund Inflation Protection	485,829	-	-	485,829
Mutual Fund Bonds	1,275,665	-	-	1,275,665
Mutual Fund Income	2,162,832	-	-	2,162,832
Total Equity Investments	9,589,592	-	-	9,589,592
Total Pooled Investments	9,843,714	-	-	9,843,714
Total Fair Value Measurement:	\$ 9,863,211	\$ 837,650	\$ -	\$ 10,700,861

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements
June 30, 2020 and 2019

CONCENTRATION OF CREDIT RISKS

Operating costs of the Foundation are paid for through the assessment of management fees on investments and contributions. Continued operation of the Foundation is highly dependent on unrestricted funds and the generation of unrestricted donations.

Cash balances at any one financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At various times during the fiscal year, the Foundation's cash in bank balances may exceed the federally insured limits. The total uninsured cash balance as of June 30, 2020 and 2019 was \$734,679 and \$112,435, respectively. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to cash.

PLEDGES AND OTHER RECEIVABLES - NET

	<u>2020</u>	<u>2019</u>
Pledges and other receivables consisted of the following at June 30:		
Pledges to give -		
Receivable in less than one year	\$ 25,000	\$ 56,666
Receivable in one to five years	1,000	38,333
Total pledges to give	<u>26,000</u>	94,999
Less discount to net present value (5% rate)	<u>-</u>	<u>(3,586)</u>
Net pledges to give	26,000	91,413
Long term portion of pledges to give	<u>(1,000)</u>	<u>(34,747)</u>
Current portion of pledges to give	25,000	56,666
Other receivables -		
Administrative fee	10,343	10,557
Distribution from the Kathleen Arneil Trust Estate	-	498,374
Other receivables	5,914	3,551
Other receivables - related party	<u>395</u>	<u>-</u>
Total pledges and other receivables, current, net	<u>\$ 41,652</u>	<u>\$ 569,148</u>
Total pledges and other receivables, long term, net	<u>\$ 1,000</u>	<u>\$ 34,747</u>

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements
June 30, 2020 and 2019

PLEDGES AND OTHER RECEIVABLES - NET (CONTINUED)

Management has determined that all pledges as of June 30, 2020 will be collected, as such, no allowance for uncollectible pledges has been recorded. There were no pledges from Foundation board members and trustees for the periods ending June 30, 2020 and 2019.

ENDOWMENTS

The Foundation's endowment consists of numerous individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors of function as endowments. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Endowments 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.

On May 11, 2009, the Governor of the State of Washington signed into law the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA eliminates the historic dollar value rule with respect to endowment fund spending, updates the prudence standard for the management and investment of charitable funds, and amends the provisions governing the release and modification of restrictions on charitable funds.

Interpretation of relevant law:

For donor-restricted endowment funds, the Board of Trustees of the Foundation have 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 absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classify 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 Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) Investment Returns (actual and projected).
- (2) Fees (administrative and actual money management).
- (3) Inflation (CPI average).
- (4) The long-term and short-term needs of the Foundation in carrying out its charitable purpose.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements
June 30, 2020 and 2019

ENDOWMENTS (CONTINUED)

Endowment assets by fund consist of the following as of June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 8,207,357	\$ 8,207,357
Board-restricted endowment funds	70,586	-	70,586
Total Fund	<u>\$ 70,586</u>	<u>\$ 8,207,357</u>	<u>\$ 8,277,943</u>

Changes in endowment net assets as of June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 72,683	\$ 8,300,459	\$ 8,373,142
Investment return, net:			
Investment income	1,543	172,589	174,132
Net appreciation (unrealized and realized)	1,333	148,408	149,741
Investment expense	(1,958)	(217,621)	(219,579)
Total investment returns	<u>918</u>	<u>103,376</u>	<u>104,294</u>
Contributions	585	137,305	137,890
Appropriation of endowment assets pursuant to spending rate policy	(3,600)	(366,658)	(370,258)
Reclassifications	-	32,875	32,875
Endowment net assets, end of year	<u>\$ 70,586</u>	<u>\$ 8,207,357</u>	<u>\$ 8,277,943</u>

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements
June 30, 2020 and 2019

ENDOWMENTS (CONTINUED)

Endowment assets by fund consist of the following as of June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 8,300,459	\$ 8,300,459
Board-restricted endowment funds	72,683	-	72,683
Total Fund	<u>\$ 72,683</u>	<u>\$ 8,300,459</u>	<u>\$ 8,373,142</u>

Changes in endowment net assets as of June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 76,640	\$ 8,450,801	\$ 8,527,441
Investment return, net:			
Investment income	2,913	347,229	350,142
Net appreciation (unrealized and realized)	847	95,659	96,506
Investment expense	(1,717)	(219,031)	(220,748)
Total investment returns	<u>2,043</u>	<u>223,857</u>	<u>225,900</u>
Contributions	-	56,648	56,648
Appropriation of endowment assets pursuant to spending rate policy	(6,000)	(397,972)	(403,972)
Reclassifications	-	(32,875)	(32,875)
Endowment net assets, end of year	<u>\$ 72,683</u>	<u>\$ 8,300,459</u>	<u>\$ 8,373,142</u>

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements
June 30, 2020 and 2019

ENDOWMENTS (CONTINUED)

Funds with deficiencies:

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). There were no material underwater endowments as of June 30, 2020 and 2019.

Investment Strategy, Return Objectives and Risk Parameters:

The general investment goals and strategy in relation to the endowment are under the fiduciary responsibility and oversight of the Foundation's Finance Committee (the "Committee"). The Committee manages the assets of the endowment fund to provide the highest total return consistent with prudent investment practices, providing the long-term returns sufficient to cover their return requirements of the spending formula. The returns achieved by investment management are to be sufficient to overcome inflationary effects and preserve the purchasing power of the corpus. Safety and preservation of capital are critical considerations.

The investment objectives require a disciplined and consistent management philosophy that accommodates investment opportunities that are reasonable and profitable. Extreme positions or speculative styles are not consistent with this philosophy.

Spending Policy and How Investment Objectives Relate To Spending

When establishing the spending target, the Foundation considers four factors: 1) Investment Returns (actual and projected), 2) Fees (administrative and actual money management, 3) Inflation (CPI average), and 4) Charitable Needs (current and future projections). The spending target should range between 3%-7% but not to exceed 7% of net assets, and it should be calculated over a 36 month rolling average of fair market value. The annual spending target will be determined by the Budget & Finance Committee after consideration of the above four factors. The annual endowment disbursement will be the spending target of the 36-month rolling fund balance average. The 36 month rolling average, for the fair market value and fund balance, will be calculated off fiscal year of July 1 to June 30. The Foundation's spending policy is to be responsive to the long-term sustainability of the endowments and the charitable needs of the College's students.

RELATED PARTY TRANSACTIONS

The following related party transactions occurred between the Foundation and Wenatchee Valley College (College) during the years ending June 30, 2020 and 2019:

In-Kind Contributions

The Foundation received a total of \$222,641 and \$245,793 of in-kind contributions from the College during the years ending June 30, 2020 and 2019, respectively. These contributions consist of wages, benefits, payroll taxes, goods, services, office space, and other miscellaneous items.

Scholarships, Gifts, Allocations, and Awards

The Foundation provides supplemental funding for the College, its programs, and students through scholarships and other financial support. The Foundation has liabilities recorded for scholarships and awards payable to the College as of June 30, 2020 and 2019 in the amount of \$545,544 and \$628,164, respectively. Total funding provided by the Foundation to the College in the form of programs, scholarships, awards, and gifts totaled \$1,532,353 and \$910,175 for the years ending June 30, 2020 and 2019, respectively.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements
June 30, 2020 and 2019

RELATED PARTY TRANSACTIONS (CONTINUED)

Compensation and Related Costs

The College employed all the Foundation's staff for the years ending June 30, 2020 and 2019. For the current year ending, the Foundation reimbursed the College employment costs for some employees as other employees costs were donated by the College. The donated costs have been properly reflected as in-kind contributions in these financial statements. Compensation and related costs totaled \$395,730 and \$442,494 for the years ending June 30, 2020 and 2019, respectively.

Omak Wenatchee Valley College Foundation

From time to time, the Foundation will also have transactions with the Omak-Wenatchee Valley College Foundation which is a separate entity in regard to the Wenatchee Valley College. For the years ending June 30, 2020 and 2019, there were no material transactions between the Foundation and the Omak Foundation. Transactions involving the Foundation and the Omak Wenatchee Valley College are included with the related party transactions involving the Wenatchee Valley College.

IN-KIND CONTRIBUTIONS

Donated goods and facilities are valued at their fair value on the date of donation. Donated services are recognized in the financial statements at their fair value if both of the following criteria are met:

- The services require specialized skills and are provided by individuals possessing those skills.
- The services would typically need to be purchased if not donated.

The Foundation received total in-kind contributions of \$235,491 and \$345,513 for the years ending June 30, 2020 and June 30, 2019, respectively.

SPECIAL EVENTS, NET

The Foundation did not hold any special events for the year ending June 30, 2020 due to the Covid-19 Pandemic. The Gala, an annual event held by the Foundation in 2019 is summarized as follows:

	<u>2019</u>
Income	\$ 45,381
In-kind contributions	<u>15,917</u>
Total income	<u>61,298</u>
Expenses	23,484
In-kind expense	<u>15,917</u>
Total expense	<u>39,401</u>
Special Events, Net	<u>\$ 21,897</u>

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements
June 30, 2020 and 2019

NET ASSETS

Board Designated Net Assets

The Foundation's governing body has designated net assets without donor restrictions for specific purposes, future projects, and operating reserves. Such designated net assets provide funding for operating shortfalls and other assistance when deemed necessary by the Foundation's governing body. Balances of such designated net assets consist of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Board endowments	\$ 70,586	\$ 72,683
Operating reserves	946,353	562,188
Campus enhancement	28,428	112,475
College supporting activities	33,423	85,000
Total board designated net assets	<u>\$ 1,078,790</u>	<u>\$ 832,346</u>

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purposes:		
Scholarships	\$ 102,449	\$ 128,391
College supporting activities	347,615	463,540
Campus enhancement	-	839,715
Total amount subject to expenditure for specified purpose	<u>450,064</u>	<u>1,431,646</u>
Donor-restricted endowments available for appropriations		
Scholarships	1,298,423	1,141,872
College supporting activities	961,992	983,619
Total donor-restricted endowments available for appropriations	<u>2,260,415</u>	<u>2,125,491</u>
Donor-restricted endowments not subject to appropriation that are Invested in perpetuity:		
Scholarships	4,360,957	4,527,641
College supporting activities	1,585,985	1,647,327
Total donor-restricted endowments not subject to appropriation	<u>5,946,942</u>	<u>6,174,968</u>
Total net assets with donor restrictions	<u>\$ 8,657,421</u>	<u>\$ 9,732,105</u>

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements
June 30, 2020 and 2019

NET ASSETS (CONTINUED)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors. Those amounts released from restrictions are as follows:

	<u>2020</u>	<u>2019</u>
Satisfaction of purpose restrictions:		
Scholarships	\$ 89,694	\$ 86,039
College supporting activities	256,491	166,576
Campus enhancement	839,715	54,628
Total amount released from satisfaction of purpose restrictions	<u>1,185,900</u>	<u>307,243</u>
Restricted-purpose appropriations of endowments:		
Scholarships	251,148	240,172
College supporting activities	119,110	163,800
Total restricted-purpose appropriations of endowments	<u>370,258</u>	<u>403,972</u>
Total net assets released from restrictions	<u>\$ 1,556,158</u>	<u>\$ 711,215</u>

Total Net Assets

Total net assets consist of the following as of June 30:

	<u>2020</u>	<u>2019</u>
Net Assets Without Donor Restrictions:		
Undesignated	\$ 62,952	\$ 473,599
Board designated	1,078,790	832,346
Total net assets without donor restrictions	<u>1,141,742</u>	<u>1,305,945</u>
Net Assets With Donor Restrictions	<u>8,657,421</u>	<u>9,732,105</u>
Total Net Assets	<u>\$ 9,799,163</u>	<u>\$ 11,038,050</u>

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements
June 30, 2020 and 2019

LIQUIDITY AND AVAILABILITY

The Foundation regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The following table reflects the Foundation's financial assets as of June 30 that are available to meet cash needs for operating expenditures within one year.

	<u>2020</u>	<u>2019</u>
Cash	\$ 936,714	\$ 362,435
Pledges and other receivables, current portion	41,257	569,148
Pledges and other receivables, long term, net	1,000	34,747
Other receivables - related party	395	-
Tangible assets	-	29,870
Investments	9,365,801	10,681,364
Total financial assets	<u>10,345,167</u>	<u>11,677,564</u>
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors for specific purpose	450,064	1,431,646
Donor-restricted endowments available for appropriations	2,260,415	2,125,491
Donor-restricted endowments not subject to appropriation	5,946,942	6,174,968
Total amounts unavailable for general expenditures	<u>8,657,421</u>	<u>9,732,105</u>
Amounts unavailable to management without Board's approval:		
Board endowment	70,586	72,683
Reserves	946,353	562,188
Campus enhancement	28,428	112,475
College supporting activities	33,423	85,000
Total amounts unavailable to management without Board's approval	<u>1,078,790</u>	<u>832,346</u>
Pledges and other receivables, long term, net	<u>1,000</u>	<u>34,747</u>
Financial Assets Available to Meet Cash Needs for Operating Expenditures Within One Year	<u>\$ 607,956</u>	<u>\$ 1,078,366</u>

SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 21, 2020 the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Schedule I - Schedule of Financial Position by Fund

As of June 30, 2020

	Current Funds	Program Funds	Endowment Funds	Total
<u>ASSETS</u>				
Current Assets				
Cash and cash equivalents	\$ 563,485	\$ 338,341	\$ 34,888	\$ 936,714
Receivables - related party	395	-	-	395
Pledges and other receivables, net	10,637	30,120	500	41,257
Total Current Assets	574,517	368,461	35,388	978,366
Non-Current Assets				
Pledges receivable, long term, net	-	1,000	-	1,000
Investments at fair value	477,981	284,385	8,603,435	9,365,801
Total Assets	\$ 1,052,498	\$ 653,846	\$ 8,638,823	\$ 10,345,167
<u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 460	\$ -	\$ -	\$ 460
Accounts payable and accrued liabilities - related party	12,579	100,336	-	112,915
Scholarships and awards payable - related party	2,375	69,374	360,880	432,629
Total Current Liabilities	15,414	169,710	360,880	546,004
Net Assets				
Without donor restrictions	1,037,084	34,072	70,586	1,141,742
With donor restrictions	-	450,064	8,207,357	8,657,421
Total Net Assets	1,037,084	484,136	8,277,943	9,799,163
Total Liabilities and Net Assets	\$ 1,052,498	\$ 653,846	\$ 8,638,823	\$ 10,345,167

See independent auditor's report.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Schedule I - Schedule of Financial Position by Fund

As of June 30, 2019

	Current Funds	Program Funds	Endowment Funds	Total
<u>ASSETS</u>				
Current Assets				
Cash and cash equivalents	\$ 40,623	\$ 321,812	\$ -	\$ 362,435
Pledges and other receivables, net	512,481	56,667	-	569,148
Tangible assets	-	29,870	-	29,870
Total Current Assets	553,104	408,349	-	961,453
Non-Current Assets				
Pledges receivable, long term, net	-	34,747	-	34,747
Investments at fair value	676,097	1,256,148	8,749,119	10,681,364
Total Assets	\$ 1,229,201	\$ 1,699,244	\$ 8,749,119	\$ 11,677,564
<u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 11,350	\$ -	\$ 11,350
Accounts payable and accrued liabilities - related party	17,731	134,284	-	152,015
Scholarships and awards payable - related party	62,849	70,200	343,100	476,149
Total Current Liabilities	80,580	215,834	343,100	639,514
Net Assets				
Without donor restrictions	1,148,621	84,641	72,683	1,305,945
With donor restrictions	-	1,398,769	8,333,336	9,732,105
Total Net Assets	1,148,621	1,483,410	8,406,019	11,038,050
Total Liabilities and Net Assets	\$ 1,229,201	\$ 1,699,244	\$ 8,749,119	\$ 11,677,564

See independent auditor's report.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Schedule II - Schedule of Activities by Fund
For The Year Ended June 30, 2020

	Current Funds	Program Funds	Endowment Funds	Total
PUBLIC SUPPORT AND REVENUE				
Public Support -				
Gifts, contributions, and other grants	\$ 77,643	\$ 215,195	\$ 137,890	\$ 430,728
In-kind contributions-related party	222,641	-	-	222,641
In-kind contributions	35	12,815	-	12,850
Revenue -				
Investment return, net	6,356	12,198	104,294	122,848
Management fees	128,199	-	-	128,199
	<u>434,874</u>	<u>240,208</u>	<u>242,184</u>	<u>917,266</u>
EXPENSES				
Gifts, awards, and allocations - related party	1,681	1,028,250	119,110	1,149,041
Scholarships awarded - related party	-	89,694	251,148	340,842
In-kind wages and benefits - related party	222,641	-	-	222,641
Wages and benefits - related party	173,089	-	-	173,089
General program expenses	7,930	141,423	-	149,353
In-kind gifts - related party	-	42,470	-	42,470
Office and general	34,237	-	-	34,237
Professional services	20,200	-	-	20,200
Conferences and meetings	9,706	-	-	9,706
Alumni relations	4,758	-	-	4,758
Recognition	4,413	-	-	4,413
Insurance	3,200	-	-	3,200
Travel and meals	1,953	-	-	1,953
In-kind gifts	35	215	-	250
	<u>483,843</u>	<u>1,302,052</u>	<u>370,258</u>	<u>2,156,153</u>
Change in Net Assets	<u>\$ (48,969)</u>	<u>\$ (1,061,844)</u>	<u>\$ (128,074)</u>	<u>\$ (1,238,887)</u>

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Schedule II - Schedule of Activities by Fund
For The Year Ended June 30, 2019

PUBLIC SUPPORT AND REVENUE	Current Funds	Program Funds	Endowment Funds	Total
Public Support -				
Gifts, contributions, and other grants	\$ 102,468	\$ 132,412	\$ 56,648	\$ 291,528
In-kind contributions-related party	245,793	-	-	245,793
In-kind contributions	-	99,720	-	99,720
Revenue -				
Investment return, net	24,044	37,514	225,900	287,458
Management fees	135,494	-	-	135,494
Program income	-	4,018	-	4,018
Special events, net	21,897	-	-	21,897
Total Public Support and Revenue	529,696	273,664	282,548	1,085,908
EXPENSES				
Gifts, awards, and allocations - related party	148,374	196,414	163,800	508,588
Scholarships awarded - related party	-	86,039	240,172	326,211
In-kind wages and benefits - related party	234,267	-	-	234,267
Wages and benefits - related party	208,227	-	-	208,227
General program expenses	-	107,291	-	107,291
In-kind gifts - related party	11,526	63,850	-	75,376
Professional services	57,447	-	-	57,447
Office and general	31,910	-	-	31,910
Conferences and meetings	11,774	-	-	11,774
Alumni relations	10,078	-	-	10,078
Insurance	2,750	-	-	2,750
Travel and meals	2,109	-	-	2,109
Recognition	1,340	-	-	1,340
Total Expenses	719,802	453,594	403,972	1,577,368
Change in Net Assets	<u>\$ (190,106)</u>	<u>\$ (179,930)</u>	<u>\$ (121,424)</u>	<u>\$ (491,460)</u>