

**WENATCHEE VALLEY COLLEGE
FOUNDATION, INC.**

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

For The Years Ended June 30, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of Wenatchee Valley College Foundation, Inc (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wenatchee Valley College Foundation, Inc as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wenatchee Valley College Foundation, Inc and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Wenatchee Valley College Foundation, Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Wenatchee Valley College Foundation, Inc's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wenatchee Valley College Foundation, Inc's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Financial Position by Fund and Activities by Fund on pages 24-27 are presented for the purpose of additional analysis and is not a required part of the 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.C.

Wenatchee, Washington
December 26, 2022

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Statements of Financial Position

As of June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 818,945	\$ 625,031
Pledges and other receivables:		
Pledges and other receivables, net	110,052	22,781
Tangible assets	8,000	-
	<u>936,997</u>	<u>647,812</u>
Total Current Assets		
Non-Current Assets		
Pledges receivable, long term, net	141,683	21,495
Investments at fair value	9,922,641	11,927,914
	<u>10,064,324</u>	<u>11,949,409</u>
Total Non-Current Assets		
	<u>10,064,324</u>	<u>11,949,409</u>
Total Assets	<u>\$ 11,001,321</u>	<u>\$ 12,597,221</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 4,050	\$ 368
Accounts payable and accrued liabilities - related party	115,342	64,848
Scholarships and awards payable - related party	888,105	609,391
	<u>1,007,497</u>	<u>674,607</u>
Total Current Liabilities		
	<u>1,007,497</u>	<u>674,607</u>
Net Assets		
Without donor restrictions	968,309	1,156,769
With donor restrictions	9,025,515	10,765,845
	<u>9,993,824</u>	<u>11,922,614</u>
Total Net Assets		
	<u>9,993,824</u>	<u>11,922,614</u>
Total Liabilities and Net Assets	<u>\$ 11,001,321</u>	<u>\$ 12,597,221</u>

See independent auditor's report and accompanying notes.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Statement of Activities

For The Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Public Support -			
Contributions of cash and other financial assets	\$ 60,170	\$ 1,092,307	\$ 1,152,477
Contributions of nonfinancial assets - related party	225,971	-	225,971
Contributions of nonfinancial assets	-	9,000	9,000
Revenue -			
Investment return, net	(183,466)	(1,817,287)	(2,000,753)
Management fees	154,516	-	154,516
Program assessment fees	14,319	-	14,319
Net assets released from restrictions:			
Satisfaction of program restrictions, appropriations of endowments, and reclassifications	1,024,350	(1,024,350)	-
Total Public Support and Revenue	1,295,860	(1,740,330)	(444,470)
EXPENSES			
Program Services:			
Gifts, grants, and awards - related party	367,533	-	367,533
Scholarships - related party	644,141	-	644,141
Program services	288,308	-	288,308
Total Program Services	1,299,982	-	1,299,982
Supporting Services:			
Management and general	109,662	-	109,662
Fundraising	74,676	-	74,676
Total Supporting Services	184,338	-	184,338
Total Expenses	1,484,320	-	1,484,320
Change in Net Assets	(188,460)	(1,740,330)	(1,928,790)
Net assets - Beginning of Year	1,156,769	10,765,845	11,922,614
Net Assets - End of Year	<u>\$ 968,309</u>	<u>\$ 9,025,515</u>	<u>\$ 9,993,824</u>

See independent auditor's report and accompanying notes.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Statement of Activities

For The Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE			
Public Support -			
Contributions of cash and other financial assets	\$ 85,599	\$ 287,550	\$ 373,149
Contributions of nonfinancial assets - related party	237,652	-	237,652
Revenue -			
Investment return, net	219,361	2,280,571	2,499,932
Management fees	143,652	-	143,652
Program assessment fees	10,251	-	10,251
Net assets released from restrictions:			
Satisfaction of program restrictions, appropriations of endowments, and reclassifications	459,697	(459,697)	-
Total Public Support and Revenue	1,156,212	2,108,424	3,264,636
EXPENSES			
Program Services:			
Gifts, grants, and awards - related party	281,432	-	281,432
Scholarships - related party	385,983	-	385,983
Program services	285,815	-	285,815
Total Program Services	953,230	-	953,230
Supporting Services:			
Management and general	112,234	-	112,234
Fundraising	75,721	-	75,721
Total Supporting Services	187,955	-	187,955
Total Expenses	1,141,185	-	1,141,185
Change in Net Assets	15,027	2,108,424	2,123,451
Net assets - Beginning of Year	1,141,742	8,657,421	9,799,163
Net Assets - End of Year	\$ 1,156,769	\$ 10,765,845	\$ 11,922,614

See independent auditor's report and accompanying notes.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Statement of Functional Expenses
For The Year Ended June 30, 2022 and 2021

	2022			2021				
	Program Services	Management and general	Fundraising	Total	Program Services	Management and general	Fundraising	Total
Gifts, grants, and awards - related party	\$ 367,533	\$ -	\$ -	\$ 367,533	\$ 281,432	\$ -	\$ -	\$ 281,432
Scholarships - related party	644,141	-	-	644,141	385,983	-	-	385,983
In-kind personnel costs - related party	135,582	33,896	56,493	225,971	142,591	35,648	59,413	237,652
Personnel costs - related party	127,426	31,856	-	159,282	116,800	39,702	-	156,502
Office and software	9,466	14,137	999	24,602	10,345	13,610	1,875	25,830
Professional services	-	23,354	-	23,354	-	21,747	-	21,747
General program	9,057	-	-	9,057	8,415	-	-	8,415
Printing and postage	-	-	5,981	5,981	-	-	6,823	6,823
Alumni relations	3,927	-	-	3,927	4,421	-	-	4,421
Marketing and development	-	2,011	4,468	6,479	618	619	2,885	4,122
Insurance	2,850	950	-	3,800	2,625	875	-	3,500
Donor recognition	-	-	5,827	5,827	-	-	3,656	3,656
Provision for uncollectible pledges	-	3,396	-	3,396	-	-	-	-
Bank and merchant fees	-	62	908	970	-	33	1,069	1,102
Total Expense	\$ 1,299,982	\$ 109,662	\$ 74,676	\$ 1,484,320	\$ 953,230	\$ 112,234	\$ 75,721	\$ 1,141,185
Allocation Percentage	88%	7%	5%	100%	84%	10%	6%	100%

See independent auditor's report and accompanying notes.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Statements of Cash Flows

For The Years Ended June 30, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,928,790)	\$ 2,123,451
Adjustments to reconcile change in net assets to net used by operating activities -		
Contributions restricted for long term investments	(234,489)	(1,780)
Contribution of securities	(240,106)	-
Contributions of nonfinancial assets	(234,971)	(237,652)
Contributions in-kind program expenses	226,971	237,652
Net losses on sale of investments	7,470	9,913
Net unrealized losses (gains) on investments	2,046,835	(2,415,499)
Increase in pledges and other receivables, net	(231,906)	(1,624)
Change in discount on pledges receivable	21,051	-
Provision for uncollectible pledges receivable	3,396	-
Increase (decrease) in accounts payable and accrued liabilities	54,176	(48,159)
Increase in scholarships and awards payable	278,714	176,762
Net cash used by operating activities	<u>(231,649)</u>	<u>(156,936)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments and contributed securities	478,998	431,999
Purchases of investments	(287,924)	(588,526)
Net cash provided (used) by investing activities	<u>191,074</u>	<u>(156,527)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for long term investments	234,489	1,780
Net cash provided by financing activities	<u>234,489</u>	<u>1,780</u>
Net Change in Cash	193,914	(311,683)
Cash - Beginning of Year	625,031	936,714
Cash - End of Year	\$ 818,945	\$ 625,031
NONCASH INVESTING ACTIVITIES		
Contribution of securities	<u>\$ 240,106</u>	<u>\$ -</u>

See independent auditor's report and accompanying notes.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements
June 30, 2022 and 2021

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, program income, 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

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 those 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.

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, 2022 and 2021. 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, 2022 and 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2022 and 2021 totaled \$19,497 and \$19,577, respectively.

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, 2022, 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.

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.

Investment Risk

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.

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 fundraising 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.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements

June 30, 2022 and 2021

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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) created or enhanced 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, 2022 and 2021, 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. There is one exception to note, donated personnel costs from the College were recorded, see related party transaction note for additional information.

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 2021 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.

Accounting Principle Changes

Adopted Accounting Pronouncement

In September 2020, the FASB issued ASU No. 2020-07, Presentation and Disclosure by Not for-Profit Entities for Contributed Nonfinancial Assets, to increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The guidance requires contributed nonfinancial assets to be presented as a separate line item on the statement of activities, apart from cash and other financial asset contributions. The guidance also requires disclosure of the types of contributed nonfinancial assets and, for each category, information about whether the assets were monetized or utilized, a description of the policies to monetize or utilize such assets, a description of donor-imposed restrictions associated with the contributions, and a description of the valuation techniques and principal market used to arrive at a fair value measure at initial recognition. This standard became effective on July 1, 2021 and the Foundation was required to apply the guidance on a retrospective basis. The adoption of ASU No. 2020-07 did not have a material impact on the Foundation's financial statements, with the exception of increased disclosures.

Upcoming Accounting Pronouncements Not Yet Adopted

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 ASU is effective for annual periods in fiscal years beginning after December 15, 2021. The Foundation is currently evaluating the impact that ASU 2016-02 will have on their financial statements.

In October 2020, the FASB issued ASU 2020-10 Codification Improvements, which enhances accounting codification in several industries. The ASU is effective for annual periods in fiscal years beginning after December 15, 2021. The Foundation is currently evaluating the impact that ASU 2016-02 will have on their financial statements.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements

June 30, 2022 and 2021

REVENUE RECOGNITION

The Foundation is primarily supported from contributions, investment income, management fees, and program assessment fees. Management fees are earned by the Foundation for overseeing investment of endowments and various funds, a fee of 1.35% of the average daily balance is charged on a monthly basis. Program assessment is a 5% fee that is charged upon the receipt of contributions that are designated to programs or scholarships.

The Foundation has analyzed the provisions of the FASB's ASC Topic 606, Revenue from Contracts with Customers, and have concluded that no changes are necessary to conform with the new standard. Significant revenue streams that fall under this scope include management and program assessment fees. Management evaluates all types of revenue streams to determine if such transactions fall within the scope of ASC 606, this evaluation is performed on ongoing basis.

Performance Obligations

Satisfaction of the performance obligation will cause revenue to be recognized either at a point in time or over a period of time. Management fees will be recognized over a period of time as the Foundation earns this revenue over the course of a month. Program assessment fees are recognized at a point of time, which occurs when the Foundation receives applicable contributions. The following table represents the Foundation's sources of net revenues, disaggregated by the major products and services, and timing of revenue recognition which depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors for the year ending June 30:

	<u>2022</u>	<u>2021</u>
Revenue Recognized at a Point in Time - Program Assessment Fees	\$ 154,516	\$ 143,652
Revenue Recognized Over Time - Management Fees	<u>14,319</u>	<u>10,251</u>
Total Revenue Recognized	<u>\$ 168,835</u>	<u>\$ 153,903</u>

Transaction Price

The Foundation recognizes revenue based on the amount allocated to the related performance obligations when the performance obligation is satisfied at a point in time or over time. Revenue is recorded in the amount the Foundation expects to be entitled to in exchange for services provided.

Significant Judgements

The Foundation's method used to recognize revenue for performance obligations satisfied over time is based on the performance period in which services are rendered and revenue is earned. These revenue streams are evaluated and analyzed by management to determine the appropriate revenue to be recognized. Management has determined that the Foundation does not have any significant variable consideration related to unsatisfied performance obligations pertaining to contracts with customers for the years ending June 30, 2022 and 2021.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements

June 30, 2022 and 2021

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, 2022 and 2021

INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

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

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 306,881	\$ 194,316
Common stock	112,719	-
Mutual funds, fixed income	3,668,787	4,236,556
Mutual funds, equity	<u>5,834,254</u>	<u>7,497,042</u>
Total investments	<u>\$ 9,922,641</u>	<u>\$ 11,927,914</u>

The cost of investments and unrealized gain approximated \$6,925,194 and \$2,997,447, respectively for the year ended June 30, 2022. The cost of investments and unrealized gain approximated \$6,883,632 and \$5,044,282 respectively for the year ended June 30, 2021.

Investment return and its classification for the year ended June 30, 2022 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	\$ 31,793	\$ 310,776	\$ 342,569
Net realized losses	(684)	(6,786)	(7,470)
Net unrealized losses	(187,616)	(1,859,219)	(2,046,835)
Investment expenses	<u>(26,959)</u>	<u>(262,058)</u>	<u>(289,017)</u>
Investment return, net	<u>\$ (183,466)</u>	<u>\$ (1,817,287)</u>	<u>\$ (2,000,753)</u>

Investment return and its classification for the year ended June 30, 2021 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	\$ 33,173	\$ 332,556	\$ 365,729
Net realized losses	(696)	(9,217)	(9,913)
Net unrealized gains	209,339	2,206,160	2,415,499
Investment expenses	<u>(22,455)</u>	<u>(248,928)</u>	<u>(271,383)</u>
Investment return, net	<u>\$ 219,361</u>	<u>\$ 2,280,571</u>	<u>\$ 2,499,932</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 \$154,516 and \$143,652 for fiscal years ended June 30, 2022 and 2021, 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, 2022 and 2021

INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

	Fair Value Measurements at June 30, 2022			
	Level 1	Level 2	Level 3	Total
Separate Accounts:				
Money Market	\$ 3,068	\$ -	\$ -	\$ 3,068
Total Cash Equivalents	3,068	-	-	3,068
Equity Investments				
Mutual Funds	119,371	-	-	119,371
Common Stock	112,719	-	-	112,719
Total Equity Investments	232,090	-	-	232,090
Total Separate Accounts	235,158	-	-	235,158
Pooled Investments:				
Cash Equivalents				
Money Market	306,881	-	-	306,881
Total Cash Equivalents	306,881	-	-	306,881
Equity Investments				
Mutual Fund Value	500,233	-	-	500,233
Mutual Fund Growth	2,263,901	-	-	2,263,901
Mutual Fund Market Index	2,950,749	-	-	2,950,749
Mutual Fund Bonds	2,271,016	-	-	2,271,016
Mutual Fund Income	1,397,771	-	-	1,397,771
Total Equity Investments	9,383,670	-	-	9,383,670
Total Pooled Investments	9,690,551	-	-	9,690,551
Total Fair Value Measurement:	\$ 9,925,709	\$ -	\$ -	\$ 9,925,709
Fair Value Measurements at June 30, 2021				
	Level 1	Level 2	Level 3	Total
Pooled Investments:				
Cash Equivalents				
Money Market	\$ 194,316	\$ -	\$ -	\$ 194,316
Total Cash Equivalents	194,316	-	-	194,316
Equity Investments				
Mutual Fund Value	568,641	-	-	568,641
Mutual Fund Growth	3,379,165	-	-	3,379,165
Mutual Fund Market Index	3,548,797	-	-	3,548,797
Mutual Fund Bonds	2,602,167	-	-	2,602,167
Mutual Fund Income	1,634,828	-	-	1,634,828
Total Equity Investments	11,733,598	-	-	11,733,598
Total Pooled Investments	11,927,914	-	-	11,927,914
Total Fair Value Measurement:	\$ 11,927,914	\$ -	\$ -	\$ 11,927,914

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements

June 30, 2022 and 2021

INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

During the fiscal year ending June 30, 2022, the Foundation received donated securities in the amount of \$240,416. A portion of these securities were sold for total proceeds of \$5,088 during the year. The remaining portion that has not been liquidated as of June 30, 2022 had a fair market value of \$235,156. As such, this balance is included in the investment balance as of June 30, 2022. Subsequent to the year ending June 30, 2022, these securities were liquidated for total proceeds of \$253,533.

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, 2022 and 2021 was \$881,178 and \$482,793, 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>2022</u>	<u>2021</u>
Pledges and other receivables consisted of the following at June 30:		
Pledges receivable		
Building Futures Campaign	\$ 226,570	\$ 31,035
Less: discount to present value (1)	(21,051)	-
Less: allowance for uncollectible pledges (2)	(3,396)	-
Pledges receivable, net	<u>\$ 202,123</u>	<u>\$ 31,035</u>
Receivable in less than one year	\$ 60,440	\$ 9,540
Receivable in one to five years	<u>166,130</u>	<u>21,495</u>
Total pledges receivable	226,570	31,035
Long term portion of pledges receivable	<u>(166,130)</u>	<u>(21,495)</u>
Current portion of pledges receivable	60,440	9,540
Other receivables -		
Management fee	11,649	13,241
Receivable from CFNCW	<u>37,963</u>	-
Total pledges and other receivables, current, net	<u>\$ 110,052</u>	<u>\$ 22,781</u>
Total pledges, long term, net	<u>\$ 141,683</u>	<u>\$ 21,495</u>

(1) Pledges receivable due in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 4% which is based on treasury securities of comparable maturities. (2) A factor of 1.5% of gross pledges receivable was applied in calculating the allowance for uncollectible pledges. This percentage was determined using the Foundation's historical collection patterns.

The Foundation periodically evaluates the balances of any significant past due amounts to determine if any balances are uncollectible.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements

June 30, 2022 and 2021

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, 2022 and 2021

ENDOWMENTS (CONTINUED)

Endowment assets by fund consist of the following as of June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 8,329,230	\$ 8,329,230
Board-restricted endowment funds	765,153	-	765,153
Total Fund	<u>\$ 765,153</u>	<u>\$ 8,329,230</u>	<u>\$ 9,094,383</u>

Changes in endowment net assets as of June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 974,411	\$ 10,161,670	\$ 11,136,081
Investment return, net:			
Investment income	30,777	301,643	332,420
Net appreciation (Unrealized and realized)	(183,838)	(1,811,760)	(1,995,598)
Investment expense	(26,067)	(254,225)	(280,292)
Total investment returns	<u>(179,128)</u>	<u>(1,764,342)</u>	<u>(1,943,470)</u>
Contributions	-	520,230	520,230
Appropriation of endowment assets pursuant to spending rate policy and board approval	-	(588,378)	(588,378)
Reclassifications	<u>(30,130)</u>	<u>50</u>	<u>(30,080)</u>
Endowment net assets, end of year	<u>\$ 765,153</u>	<u>\$ 8,329,230</u>	<u>\$ 9,094,383</u>

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements
June 30, 2022 and 2021

ENDOWMENTS (CONTINUED)

Endowment assets by fund consist of the following as of June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 10,161,670	\$ 10,161,670
Board-restricted endowment funds	974,411	-	974,411
Total Fund	<u>\$ 974,411</u>	<u>\$ 10,161,670</u>	<u>\$ 11,136,081</u>

Changes in endowment net assets as of June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 70,586	\$ 8,207,357	\$ 8,277,943
Investment return, net:			
Investment income	19,850	322,094	341,944
Net appreciation (Unrealized and realized)	124,448	2,127,916	2,252,364
Investment expense	(14,753)	(241,077)	(255,830)
Total investment returns	<u>129,545</u>	<u>2,208,933</u>	<u>2,338,478</u>
Contributions	-	67,585	67,585
Appropriation of endowment assets pursuant to spending rate policy and board approval	(100,000)	(392,791)	(492,791)
Reclassifications	<u>874,280</u>	<u>70,586</u>	<u>944,866</u>
Endowment net assets, end of year	<u>\$ 974,411</u>	<u>\$ 10,161,670</u>	<u>\$ 11,136,081</u>

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements

June 30, 2022 and 2021

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, 2022 and 2021.

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. Endowments will be invested for one full fiscal year prior to its first allocation. 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 Foundation provides supplemental funding for the Wenatchee Valley College, its programs, and students through scholarships and other financial support. In return, the College has provided the Foundation with certain staff and facilities for its operations without charge. The following is a summary of transactions between the Foundation and the College as of June 30:

	2022		2021	
	To The Foundation	From The Foundation	To The Foundation	From The Foundation
Contributions in-kind, personnel costs	\$ 225,971	\$ -	\$ 237,652	\$ -
Gifts, grants, and awards	-	367,533	-	281,432
Scholarships	-	644,141	-	385,983
Payments for personnel costs	-	159,282	-	156,502
Total	\$ 225,971	\$ 1,170,956	\$ 237,652	\$ 823,917

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements
June 30, 2022 and 2021

RELATED PARTY TRANSACTIONS (CONTINUED)

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 regarding the Wenatchee Valley College. For the years ending June 30, 2022 and 2021, 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.

CONTRIBUTIONS OF NONFINANCIAL ASSETS

Various assets including equipment, vehicles, services and other nonmonetary assets are donated to the College through the Foundation for the direct benefit of the College's activities. Such assets are recorded at fair value at the date of the contribution as an in-kind contribution and as a program expense when disbursed to the College or when utilized by the Foundation. Equipment and vehicles are valued at their fair market value at the time of the contribution as determined by the donor and evaluated by management. Donated personnel services from the College are based on the actual cost incurred by the College.

The Following is a summary of contributions in-kind of nonfinancial assets and services received for the years ending June 30:

	<u>2022</u>	<u>2021</u>	<u>Utilization in Programs/Activities</u>
Donated Personnel Services from College	\$ 225,971	\$ 237,652	Administration, Programs, and Fundraising
Vehicle	8,000	-	Automotive Technology Program
Equipment	1,000	-	Nursing Program Support
Total Nonfinancial Assets and Services	<u>\$ 234,971</u>	<u>\$ 237,652</u>	

All contributed in-kind assets have donor-imposed restrictions to be used for academic and programmatic purposes for the College. The contribution of the vehicle in the amount of \$8,000 was not utilized during the current year. As such, this amount is reported as a tangible asset on the statement of financial position as of June 30, 2022. The Foundation's policy is to transfer such assets to the College thus recording the program expense when the title of the vehicle has cleared and transferred.

RISK AND UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the outbreak of respiratory disease caused by a new corona virus 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 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.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements
June 30, 2022 and 2021

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>2022</u>	<u>2021</u>
Board endowment	\$ 765,153	\$ 974,411
Operating reserves	108,447	68,907
College supporting activities	71,886	30,571
Total board designated net assets	<u>\$ 945,486</u>	<u>\$ 1,073,889</u>

Net Assets With Donor Restrictions

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

	<u>2022</u>	<u>2021</u>
Subject to expenditure for specified purposes:		
Scholarships	\$ 134,633	\$ 107,535
Building futures campaign	279,743	50,452
College supporting activities	281,909	446,188
Total amount subject to expenditure for specified purpose	<u>696,285</u>	<u>604,175</u>
Donor-restricted endowments available for appropriations		
Scholarships	5,665,685	6,975,244
College supporting activities	2,663,545	2,304,341
Total donor-restricted endowments available for appropriations	<u>8,329,230</u>	<u>9,279,585</u>
Donor-restricted endowments not subject to appropriation that are Invested in perpetuity:		
Scholarships	-	88,596
College supporting activities	-	793,489
Total donor-restricted endowments not subject to appropriation	<u>-</u>	<u>882,085</u>
Total net assets with donor restrictions	<u>\$ 9,025,515</u>	<u>\$ 10,765,845</u>

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements

June 30, 2022 and 2021

NET ASSETS (CONTINUED)

Net Assets Released From Restrictions and Reclassifications

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 including reclassifications are as follows as of June 30:

	<u>2022</u>	<u>2021</u>
Satisfaction of purpose restrictions:		
Scholarships	\$ 222,753	\$ 125,092
College supporting activities	216,639	12,400
Total amount released from satisfaction of purpose restrictions	<u>439,392</u>	<u>137,492</u>
Restricted-purpose appropriations of endowments:		
Scholarships	421,388	260,891
College supporting activities	166,990	131,900
Total restricted-purpose appropriations of endowments	<u>588,378</u>	<u>392,791</u>
Reclassifications:		
Balance previously reported as without donor restrictions	-	(70,586)
Total net assets released from restrictions and reclassifications	<u>\$ 1,027,770</u>	<u>\$ 459,697</u>

Total Net Assets

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

	<u>2022</u>	<u>2021</u>
Net Assets Without Donor Restrictions:		
Undesignated	\$ 22,823	\$ 82,880
Board designated	945,486	1,073,889
Total net assets without donor restrictions	<u>968,309</u>	<u>1,156,769</u>
Net Assets With Donor Restrictions	<u>9,025,515</u>	<u>10,765,845</u>
Total Net Assets	<u>\$ 9,993,824</u>	<u>\$ 11,922,614</u>

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Notes to the Financial Statements
June 30, 2022 and 2021

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>2022</u>	<u>2021</u>
Cash	\$ 818,945	\$ 625,031
Pledges and other receivables, current portion	110,052	22,781
Pledges and other receivables, long term, net	141,683	21,495
Tangible assets	8,000	-
Investments	9,922,641	11,927,914
Total financial assets	<u>11,001,321</u>	<u>12,597,221</u>
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restricted by donors for specific purpose	696,285	604,175
Donor-restricted endowments available for appropriations	8,329,230	9,279,585
Donor-restricted endowments not subject to appropriation	-	882,085
Total amounts unavailable for general expenditures	<u>9,025,515</u>	<u>10,765,845</u>
Amounts unavailable to management without Board's approval:		
Board endowment	765,153	974,411
Reserves	108,447	68,907
College supporting activities	71,886	30,571
Total amounts unavailable to management without Board's approval	<u>945,486</u>	<u>1,073,889</u>
Pledges and other receivables, long term, net	<u>141,683</u>	<u>21,495</u>
Financial Assets Available to Meet Cash Needs for Operating Expenditures Within One Year	<u>\$ 888,637</u>	<u>\$ 735,992</u>

SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 26, 2022 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, 2022

	Current Funds	Program Funds	Endowment Funds	Total
<u>ASSETS</u>				
Current Assets				
Cash and cash equivalents	\$ 158,786	\$ 536,014	\$ 124,145	\$ 818,945
Pledges and other receivables, net	11,649	98,403	-	110,052
Tangible assets	-	8,000	-	8,000
Total Current Assets	170,435	642,417	124,145	936,997
Non-Current Assets				
Pledges receivable, long term, net	-	141,683	-	141,683
Investments at fair value	23,448	217,582	9,681,611	9,922,641
Total Non-Current Assets	23,448	359,265	9,681,611	10,064,324
Total Assets	\$ 193,883	\$ 1,001,682	\$ 9,805,756	\$ 11,001,321
<u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 4,050	\$ -	\$ -	\$ 4,050
Accounts payable and accrued liabilities - related party	13,562	101,780	-	115,342
Scholarships and awards payable - related party	-	176,732	711,373	888,105
Total Current Liabilities	17,612	278,512	711,373	1,007,497
Net Assets				
Without donor restrictions	176,271	26,885	765,153	968,309
With donor restrictions	-	696,285	8,329,230	9,025,515
Total Net Assets	176,271	723,170	9,094,383	9,993,824
Total Liabilities and Net Assets	\$ 193,883	\$ 1,001,682	\$ 9,805,756	\$ 11,001,321

See independent auditor's report.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Schedule II - Schedule of Financial Position by Fund

As of June 30, 2021

	Current Funds	Program Funds	Endowment Funds	Total
<u>ASSETS</u>				
Current Assets				
Cash and cash equivalents	\$ 79,730	\$ 415,599	\$ 129,702	\$ 625,031
Pledges and other receivables, net	13,241	9,540	-	22,781
Total Current Assets	92,971	425,139	129,702	647,812
Non-Current Assets				
Pledges receivable, long term, net	-	21,495	-	21,495
Investments at fair value	68,907	330,408	11,528,599	11,927,914
Total Non-Current Assets	68,907	351,903	11,528,599	11,949,409
Total Assets	\$ 161,878	\$ 777,042	\$ 11,658,301	\$ 12,597,221
<u>LIABILITIES AND NET ASSETS</u>				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 368	\$ -	\$ -	\$ 368
Accounts payable and accrued liabilities - related party	7,348	57,500	-	64,848
Scholarships and awards payable - related party	2,375	84,796	522,220	609,391
Total Current Liabilities	10,091	142,296	522,220	674,607
Net Assets				
Without donor restrictions	151,787	30,571	974,411	1,156,769
With donor restrictions	-	604,175	10,161,670	10,765,845
Total Net Assets	151,787	634,746	11,136,081	11,922,614
Total Liabilities and Net Assets	\$ 161,878	\$ 777,042	\$ 11,658,301	\$ 12,597,221

See independent auditor's report.

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Schedule III- Schedule of Activities by Fund

For The Year Ended June 30, 2022

	Current Funds	Program Funds	Endowment Funds	Total
PUBLIC SUPPORT AND REVENUE				
Public Support -				
Contributions of cash and other financial assets	\$ 60,170	\$ 572,077	\$ 520,230	\$ 1,152,477
Contributions of nonfinancial assets - related party	225,971	-	-	225,971
Contributions of nonfinancial assets	-	9,000	-	9,000
Revenue -				
Investment return, net	(4,338)	(52,945)	(1,943,470)	(2,000,753)
Management fees	154,516	-	-	154,516
Program assessment fees	14,319	-	-	14,319
Total Public Support and Revenue	450,638	528,132	(1,423,240)	(444,470)
EXPENSES				
Gifts, grants, and awards - related party	41,356	159,187	166,990	367,533
Scholarships - related party	-	222,753	421,388	644,141
In-kind personnel costs - related party	225,971	-	-	225,971
Personnel costs - related party	159,282	-	-	159,282
Office and software	24,602	-	-	24,602
Professional services	23,354	-	-	23,354
General program	125	8,932	-	9,057
Printing and postage	5,981	-	-	5,981
Alumni relations	3,927	-	-	3,927
Marketing and development	6,479	-	-	6,479
Insurance	3,800	-	-	3,800
Donor recognition	5,827	-	-	5,827
Provision for uncollectible pledges	-	3,396	-	3,396
Bank and merchant fees	970	-	-	970
Total Expenses	501,674	394,268	588,378	1,484,320
Change in Net Assets	<u>\$ (51,036)</u>	<u>\$ 133,864</u>	<u>\$ (2,011,618)</u>	<u>\$ (1,928,790)</u>

WENATCHEE VALLEY COLLEGE FOUNDATION, INC.

Schedule IV- Schedule of Activities by Fund

For The Year Ended June 30, 2021

	Current Funds	Program Funds	Endowment Funds	Total
PUBLIC SUPPORT AND REVENUE				
Public Support -				
Contributions of cash and other financial assets	\$ 85,599	\$ 219,965	\$ 67,585	\$ 373,149
Contributions of nonfinancial assets - related party	237,652	-	-	237,652
Revenue -				
Investment return, net	89,818	71,636	2,338,478	2,499,932
Management fees	143,652	-	-	143,652
Program assessment fees	10,251	-	-	10,251
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Total Public Support and Revenue	566,972	291,601	2,406,063	3,264,636
 EXPENSES				
Gifts, grants, and awards - related party	42,047	7,485	231,900	281,432
Scholarships - related party	-	125,092	260,891	385,983
In-kind personnel costs - related party	237,652	-	-	237,652
Personnel costs - related party	156,502	-	-	156,502
Office, software and other	30,671	-	-	30,671
Professional services	21,747	-	-	21,747
General program	8,159	8,415	-	16,574
Alumni relations	4,421	-	-	4,421
Insurance	3,500	-	-	3,500
Donor recognition	1,466	-	-	1,466
Marketing and development	1,237	-	-	1,237
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Total Expenses	507,402	140,992	492,791	1,141,185
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Change in Net Assets	\$ 59,570	\$ 150,609	\$ 1,913,272	\$ 2,123,451