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WEST VALLEY-MISSION COMMUNITY  
COLLEGE FOUNDATION  
(A CALIFORNIA NONPROFIT ORGANIZATION)

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**AUDIT REPORT**

Fiscal Year Ended June 30, 2021 and 2020

**WEST VALLEY-MISSION COMMUNITY COLLEGE FOUNDATION  
(A CALIFORNIA NONPROFIT ORGANIZATION)  
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JUNE 30, 2021**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
West Valley-Mission Community College Foundation  
Saratoga, California

### Report on the Financial Statements

We have audited the accompanying financial statements of West Valley-Mission Community College Foundation (a California nonprofit organization) which comprise the statement of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets and cash flows for the year then ended, and the related notes to 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 audit. We conducted our audit 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 West Valley-Mission Community College Foundation as of June 30, 2021 and 2020, and the changes to its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*CWDL, Certified Public Accountants*

San Diego, California  
September 14, 2021

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# FINANCIAL STATEMENTS

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**WEST VALLEY-MISSION COMMUNITY COLLEGE FOUNDATION  
(A CALIFORNIA NONPROFIT CORPORATION)  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2021 AND 2020**

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	2021	2020
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,148,835	\$ 676,572
Investments	23,852,601	19,493,958
Promises to give	420,000	440,000
Charitable remainder trust	1,321,669	1,062,480
Other assets	414,150	340,690
	<hr/>	<hr/>
<b>Total Assets</b>	<b>\$ 27,157,255</b>	<b>\$ 22,013,700</b>
	<hr/>	<hr/>
<b>LIABILITIES</b>		
Accrued liabilities	\$ 2,797	\$ 10,000
<b>Total Liabilities</b>	<b>2,797</b>	<b>10,000</b>
	<hr/>	<hr/>
<b>NET ASSETS</b>		
Net assets without donor restrictions	23,842	23,885
Net assets with donor restrictions	27,130,616	21,979,815
	<hr/>	<hr/>
<b>Total Net Assets</b>	<b>27,154,458</b>	<b>22,003,700</b>
	<hr/>	<hr/>
<b>Total Liabilities and Net Assets</b>	<b>\$ 27,157,255</b>	<b>\$ 22,013,700</b>
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**WEST VALLEY-MISSION COMMUNITY COLLEGE FOUNDATION  
(A CALIFORNIA NONPROFIT CORPORATION)  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2021**

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	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE</b>			
Donations	\$ 1,145	\$ 1,707,016	\$ 1,708,161
In-kind contributions	16,000	-	16,000
Interest Income	162	549,216	549,378
Investment Income/(loss)	-	3,797,550	3,797,550
Other Income	1,328	7,264	8,592
Donated services	342,272	-	342,272
Satisfaction of programs Restrictions/Transfers	910,245	(910,245)	-
<b>Total Support and Revenue</b>	<b>1,271,152</b>	<b>5,150,801</b>	<b>6,421,953</b>
<b>EXPENSES</b>			
Program Services	926,244	-	926,244
Management and General	344,951	-	344,951
<b>Total Expenses</b>	<b>1,271,195</b>	<b>-</b>	<b>1,271,195</b>
<b>Change in Net Assets</b>	<b>(43)</b>	<b>5,150,801</b>	<b>5,150,758</b>
<b>Net Assets - Beginning of Year</b>	<b>23,885</b>	<b>21,979,815</b>	<b>22,003,700</b>
<b>Net Assets - End of Year</b>	<b>\$ 23,842</b>	<b>\$ 27,130,616</b>	<b>\$ 27,154,457</b>

**WEST VALLEY-MISSION COMMUNITY COLLEGE FOUNDATION  
(A CALIFORNIA NONPROFIT CORPORATION)  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2020**

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	<b>Net Assets Without Donor Restrictions</b>	<b>Net Assets With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE</b>			
Donations	\$ -	\$ 969,352	\$ 969,352
In-kind contributions	113	-	113
Interest Income	6,356	778,451	784,807
Investment Income/(loss)	-	(97,937)	(97,937)
Other Income	1,320	51,994	53,314
Donated services	713,646	-	713,646
Satisfaction of programs Restrictions/Transfers	1,667,284	(1,667,284)	-
<b>Total Support and Revenue</b>	<b>2,388,719</b>	<b>34,576</b>	<b>2,423,295</b>
<b>EXPENSES</b>			
Program Services	1,667,397	-	1,667,397
Management and General	715,855	-	715,855
<b>Total Expenses</b>	<b>2,383,252</b>	<b>-</b>	<b>2,383,252</b>
<b>Change in Net Assets</b>	<b>5,467</b>	<b>34,576</b>	<b>40,043</b>
<b>Net Assets - Beginning of Year</b>	<b>18,418</b>	<b>21,945,239</b>	<b>21,963,657</b>
<b>Net Assets - End of Year</b>	<b>\$ 23,885</b>	<b>\$ 21,979,815</b>	<b>\$ 22,003,700</b>



**WEST VALLEY-MISSION COMMUNITY COLLEGE FOUNDATION  
(A CALIFORNIA NONPROFIT CORPORATION)  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2021 AND JUNE 30, 2020**

Year Ended June 30, 2021	<b>Program</b>	<b>Management and General</b>	<b>Total</b>
Awards	\$ 2,585	\$ -	\$ 2,585
Scholarships	648,650	-	648,650
Emergency assistance	119,466	-	119,466
Supplies / donated goods	31,842	106	31,948
Donated management services	16,000	342,272	358,272
Professional services	13,909	-	13,909
Travel services	1,500	-	1,500
Uniforms	6,249	-	6,249
Conferences and dues	700	521	1,221
Bank charges	78,797	1,909	80,706
Outside services	500	-	500
Meals	2,347	-	2,347
Other expenses	3,699	143	3,842
<b>Total</b>	<b>\$ 926,244</b>	<b>\$ 344,951</b>	<b>\$ 1,271,195</b>

Year Ended June 30, 2020	<b>Program</b>	<b>Management and General</b>	<b>Total</b>
Awards	\$ 1,137	\$ -	\$ 1,137
Scholarships	562,100	-	562,100
Supplies / donated goods	140,946	-	140,946
Donated management services	-	713,646	713,646
Professional services	98,002	-	98,002
Travel services	13,125	-	13,125
Uniforms	23,740	-	23,740
Conferences and dues	7,920	160	8,080
Kvamme planetarium	689,004	-	689,004
Bank charges	73,346	2,049	75,395
Repairs and maintenance	24,995	-	24,995
Outside services	2,908	-	2,908
Events	13,727	-	13,727
Other expenses	16,447	-	16,447
<b>Total</b>	<b>\$ 1,667,397</b>	<b>\$ 715,855</b>	<b>\$ 2,383,252</b>

**WEST VALLEY-MISSION COMMUNITY COLLEGE FOUNDATION  
(A CALIFORNIA NONPROFIT CORPORATION)  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2021 AND JUNE 30, 2020**

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Year Ended June 30,	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 5,150,758	\$ 40,044
Change in fair value of investments	(4,358,643)	(782,886)
Contributions restricted for endowment	(1,236,847)	(134,639)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in:		
Accounts receivable	20,000	(25,000)
Other assets	(73,460)	13,868
Charitable trust	(259,189)	6,305
Accrued liabilities	(7,203)	(20,975)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>(764,584)</u>	<u>(903,283)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from contribution restricted for investment in endowment	<u>1,236,847</u>	<u>134,639</u>
<b>Net Increase (Decrease) in Cash</b>	472,263	(768,644)
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>676,572</u>	<u>1,445,216</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 1,148,835</u>	<u>\$ 676,572</u>

**WEST VALLEY-MISSION COMMUNITY COLLEGE FOUNDATION  
(A CALIFORNIA NONPROFIT CORPORATION)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT POLICIES**

Organization: The West Valley-Mission Community College Foundation (the "Organization") is a nonprofit corporation dedicated to providing assistance to the students, teachers, and programs of the West Valley and Mission Colleges. The Organization merged with the West Valley-Mission College Foundation and changed its name from the West Valley-Mission Advancement Foundation to the West Valley-Mission Community College Foundation. Revenues are derived principally through the Organization's fundraising programs and contributions from individuals, corporations, and service organizations.

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recognized when they are incurred in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation: The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

Support and Expenses: Contributions are measured at their fair value at the date of contribution and are reported as an increase in net assets. The Organization reports gifts of cash or other assets in the category designated by the donor. The Organization reports gifts of goods and equipment as net assets without donor restrictions support unless explicit donor stipulations specify how the donated assets must be used. Equipment donated for the use of either the West Valley or Mission College is passed through to the West Valley-Mission Community College District. Absent explicit donor stipulation about where the contributions are to be spent, the Organization reports these contributions as net assets without donor restrictions.

Financial Statement Presentation:

The Foundation prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements include the accounts maintained by and directly under the control of the Foundation.

The Foundation reports information regarding its financial position and activities according to three classes of net assets: net assets without donor restrictions or net assets with donor restrictions. In addition, the Foundation is required to present a statement of cash flows. The Foundation does not use fund accounting. Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting.

The Foundation and the District are financial interrelated organizations as defined by Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others. The Foundation reflects contributions received for the benefit of the District as revenue in its financial statements. The expenses related to these contributions are accounted for under program and supporting services.

**WEST VALLEY-MISSION COMMUNITY COLLEGE FOUNDATION  
(A CALIFORNIA NONPROFIT CORPORATION)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT POLICIES, continued**

Revenue Recognition: Contributions received are recorded as new assets without donor restrictions or new assets with donor restrictions depending upon the existence and/or nature of any donor restrictions. Contributions are generally recorded only upon receipt, unless evidence of an unconditional promise to give has been received. Unconditional promises to give (contributions receivable) that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. Conditional promises to give are not included as support until such time as the conditions are substantially met. Event revenues received in advance are deferred and recognized in the period as the events occur. All contributions are considered available for unrestricted use unless specifically restricted by the donor. Donated materials and equipment are recorded as contributions based on the estimated fair value at the date of donation. Donated services are recorded as contributions at their estimated fair value only in those instances where the services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would need to be purchased if not provided by donation.

In Kind Donations: During the year, many individuals donate significant amounts of time and services to the District in an effort to advance the programs and objectives of the Foundation. These services have not been recorded in the financial statements because the criteria for recognition of such volunteer effort has not been satisfied.

Investments: Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Net Assets: The financial statements report amounts separately by class of net assets as follows:

- Net assets without donor restrictions are those resources that are currently available for operations.
- Net assets with donor restrictions are those resources which are stipulated by donors for various scholarships or other programmatic uses.

Allowance for Uncollectible Receivables: The Organization computes the allowance for doubtful accounts base on the actual uncollectible accounts receivable. Uncollectible accounts over the history of the organization have been considered immaterial and inconsistent. Therefore, no amounts have been included for an allowance for doubtful accounts.

Underwater Endowment Funds: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the Board of Trustees.

**WEST VALLEY-MISSION COMMUNITY COLLEGE FOUNDATION  
(A CALIFORNIA NONPROFIT CORPORATION)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT POLICIES, continued**

Underwater Endowment Funds, continued: The Foundation considers its endowments to be underwater if their fair value is less than the sum of (1) the original value of initial and subsequent gift amounts donated to the endowment and (2) any accumulations to the endowment required to be held in perpetuity per donor direction. The Foundation has no underwater endowment funds at June 30, 2021.

Donated Services, Goods, and Facilities: A substantial number of volunteers have donated their time and experience to the Organization's program services and fundraising campaigns during the year. However, these donated services are not reflected in the financial statements since there is no readily determined method of valuing the services.

The Organization supports and improves community interaction with the West Valley-Mission Community College District. In its capacity as community liaison, the Organization procures public support for the West Valley-Mission Community College District, which is recorded in the Organization's accounting records. Materials and other assets received as donations recorded and reflected in the financial statements at their fair values on the date of receipt were \$16,000.

During the year, management and administrative services were provided by the West Valley-Mission Community College District employees on behalf of the Organization. These donated services were valued at \$342,272 that were paid by the District on behalf of the Organization are recognized in the financial statements as in-kind donation revenue and donated management services. The donated management services were charged to administrative support.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents: Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with maturities of less than 90 days. The Organization maintains cash balances in banks which are insured up to \$250,000. At June 30, 2021, the amount in excess of Federal Depository Insurance Corporation coverage was approximately \$898,835.

Income Taxes: The Organization is a nonprofit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi). Income tax returns for 2013 and forward may be audited by regulatory agencies, however, the Organization is not aware of any such actions at this time.

**WEST VALLEY-MISSION COMMUNITY COLLEGE FOUNDATION  
(A CALIFORNIA NONPROFIT CORPORATION)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**NOTE 1 – SUMMARY OF SIGNIFICANT POLICIES, continued**

Income Taxes, continued: The Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740 that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Management believes that all tax positions taken to date are highly certain, and, accordingly, no accounting adjustment has been made to the financial statements.

Allocation of Functional Expenses: The costs of providing the various programs, fundraising, and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among programs and fundraising activities benefited.

Change in Accounting Principle: In June 2018, FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). ASU 2018-08 clarifies how a not-for-profit entity determines whether a resource provider is participating in an exchange transaction or a contribution, helps an entity to evaluate whether contributions are considered conditional or unconditional by stating that a conditional contribution must have (1) a barrier that must be overcome and (2) a right of return or release of obligation, and modifies the simultaneous release option currently in GAAP, which allows a not-for-profit entity to recognize a restricted contribution directly in unrestricted net assets/net assets without donor restrictions if the restriction is met in the same period that revenue is recognized. Accounting for contributions is an issue primarily for not-for-profit entities because contributions are a significant source of revenue. However, the amendments in the ASU 2018-08 apply to all organizations that receive or make contributions of cash and other assets, including business enterprises. The amendments do not apply to transfers of assets from governments to businesses. For contributions received, ASU 2018-08 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. For contributions made, ASU 2018-08 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020.

New Accounting Pronouncements: In February 2016, FASB issued ASU 2016-02, *Leases* (ASU 2016-02). ASU 2016-02 requires a lessee to recognize a lease asset representing its right to use the underlying asset for the lease term and a lease liability for the payments to be made to lessor, on its statement of financial position for all operating leases greater than 12 months. ASU 2016-02 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021. Although the full impact of ASU 2016-02 on the Foundation's financial statements has not yet been determined, the future adoption of this guidance will require the Foundation to record assets and liabilities on its statement of financial position relating to facility and other leases currently being accounted for as operating leases.

**WEST VALLEY-MISSION COMMUNITY COLLEGE FOUNDATION  
(A CALIFORNIA NONPROFIT CORPORATION)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**NOTE 2 – INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS**

Investments consist of the following at June 30:

	2021	2020
Funds invested in government cash reserves	\$ 2,573,330	\$ 1,853,305
Funds invested in mutual funds and sweep accounts	6,158,251	5,433,635
Funds invested in exchange traded funds	10,006,914	7,749,668
Funds invested in other investments	5,114,106	4,457,350
Funds invested in other Foundations	414,150	340,690
Total	<u>\$ 24,266,751</u>	<u>\$ 19,834,648</u>
Investments	\$ 23,852,601	\$ 19,493,958
Other foundation investments	414,150	340,690
Total	<u>\$ 24,266,751</u>	<u>\$ 19,834,648</u>
Unrealized gains (losses) on investments	\$ 3,797,550	\$ (97,937)
Interest and dividends	549,378	784,807
Total investment income	<u>\$ 4,346,928</u>	<u>\$ 686,870</u>

*Investment Policies*

Return Objectives and Risk Parameters: The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. In order to meet its needs, the investment strategy of the West Valley – Mission Community College Foundation is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested to meet or exceed the market index, or blended market index, selected and agreed upon by the Finance Committee that most closely corresponds to the style of investment management. The Organization expects its endowment funds, over time, to provide an average rate of return of approximately four percent annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives: To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

**WEST VALLEY-MISSION COMMUNITY COLLEGE FOUNDATION  
(A CALIFORNIA NONPROFIT CORPORATION)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**NOTE 2 – INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS, continued**

Spending Policy and How the Investment Objectives Relate to Spending Policy: The Organization may distribute 4% of the average of the previous three years' endowment fair value from scholarship endowment for intended scholarship awards. In establishing this policy, the Organization considered the long-term expected return on its endowment and the need to maintain some investment income in reserve to plan for the potential of scholarship awards exceeding investment income.

**NOTE 3 – MARKET VALUE OF FINANCIAL ASSETS AND LIABILITIES**

Effective July 1, 2008, the Organization determines the fair market values of certain financial instruments based on the fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value.

The following provides a summary of the hierarchical levels used to measure fair value:

*Level 1* – Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 asset and liabilities may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

*Level 2* – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities may include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and other instruments whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes U.S. Government and agency mortgage-backed securities, corporate debt securities, derivative contracts, residential mortgage, and loans held-for-sale.

*Level 3* – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private equity investments, retained residual interests in securitizations, residential MSRs, asset-backed securities (ABS), highly structured or long-term derivative contracts and certain collateralized debt obligations (CDO) where independent pricing information was not able to be obtained for a significant portion of the underlying assets.



**WEST VALLEY-MISSION COMMUNITY COLLEGE FOUNDATION  
(A CALIFORNIA NONPROFIT CORPORATION)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**NOTE 3 – MARKET VALUE OF FINANCIAL ASSETS AND LIABILITIES, continued**

Assets and Liabilities Recorded at Fair Value on a Recurring Basis: The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2021 and 2020. The Organization did not have any liabilities measured at fair value on a recurring basis as of June 30:

<u>Description</u>	June 30, 2021			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Other - NAV</u>
Investment securities:				
Cash reserves	\$ 2,573,330	\$ 2,573,330	\$ -	\$ -
Mutual funds/sweep accounts	16,165,165	-	16,165,165	-
Other	5,528,256	-	-	5,528,256
Total assets measured at fair value	\$ 24,266,751	\$ 2,573,330	\$ 16,165,165	\$ 5,528,256

<u>Description</u>	June 30, 2020			
	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Other - NAV</u>
Investment securities:				
Cash reserves	\$ 1,853,305	\$ 1,853,305	\$ -	\$ -
Mutual funds/sweep accounts	13,183,303	-	13,183,303	-
Other	4,798,040	-	-	4,798,040
Total assets measured at fair value	\$ 19,834,648	\$ 1,853,305	\$ 13,183,303	\$ 4,798,040

**WEST VALLEY-MISSION COMMUNITY COLLEGE FOUNDATION  
(A CALIFORNIA NONPROFIT CORPORATION)  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021**

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**NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Foundation’s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside for program services that could be drawn upon if the Board of Directors approves that action.

	2021	2020
Financial assets, at year-end:		
Cash and cash equivalents	\$ 1,148,835	\$ 676,572
Investments	23,852,601	19,493,958
Promises to give	420,000	440,000
Charitable remainder trust	1,321,669	1,062,480
Other assets	414,150	340,690
Total Financial assets, at year-end	<u>\$ 27,157,255</u>	<u>\$ 22,013,700</u>
Donor restrictions for specific purposes	<u>\$ (27,130,616)</u>	<u>\$ (21,979,815)</u>
Total contractual or donor-imposed restrictions	<u>(27,130,616)</u>	<u>(21,979,815)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 26,639</u>	<u>\$ 33,885</u>

**NOTE 5 – PROMISES TO GIVE AND CONTRIBUTIONS**

Contributions receivable represent unconditional promises to give, which have been made by donors, but not received.

WVC- Fang Pei Promise Scholarship Fund	\$ 400,000
WVC -Talai Scholarships Fund	20,000
Total	<u>\$ 420,000</u>

**NOTE 6 – PERPETUAL TRUST**

The Organization is a beneficiary of a perpetual trust whose proceeds are restricted for providing scholarships to engineering students. Under the terms of the trust agreement 1/3 of the investment earnings of the trust are to be distributed to the Organization annually. The balance in the trust was approximately \$3,965,006 as of June 30, 2021. The present value of the estimated income stream was calculated at \$1,321,669 as of June 30, 2021.

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**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS**

The net assets with donor restrictions – non endowed funds as of June 30, 2021 and 2020 were as follows:

	2021	2020
College department funds	\$ 2,893,055	\$ 2,665,611

The net assets with donor restrictions – endowed funds as of June 30, as follows:

Endowment Funds - June 30, 2021	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 17,911,035	\$ 17,911,035
Allocation of interest and dividend income	-	532,416	532,416
Change in fair value of investments	-	3,464,901	3,464,901
Contributions	-	1,236,847	1,236,847
Fees	-	(79,097)	(79,097)
Scholarship distributions	-	(560,575)	(560,575)
Other expenses	-	(3,784)	(3,784)
Total	<u>\$ -</u>	<u>\$ 22,501,742</u>	<u>\$ 22,501,742</u>

Endowment Net Asset	\$ 22,501,742
Lenore and Curtis Mills Charitable remainder fund	1,321,670
California Community College Investment	414,150
Total Endowment	<u>\$ 24,237,561</u>

Endowment Funds - June 30, 2020	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 18,481,400	\$ 18,481,400
Allocation of interest and dividend income	-	778,451	778,451
Change in fair value of investments	-	(77,764)	(77,764)
Contributions	-	134,639	134,639
Fees	-	(73,046)	(73,046)
Scholarship distributions	-	(469,850)	(469,850)
Other expenses	-	(862,794)	(862,794)
Total	<u>\$ -</u>	<u>\$ 17,911,035</u>	<u>\$ 17,911,035</u>

Endowment Net Asset	\$ 17,911,035
Lenore and Curtis Mills Charitable remainder fund	1,062,480
California Community College Investment	340,690
Total Endowment	<u>\$ 19,314,204</u>

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**NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS, continued**

Net assets with donor restrictions summary – as of June 30, were as follows:

	2021	2020
Total net assets with donor restrictions - non endowed	\$ 2,893,055	\$ 2,665,611
Total net assets with donor restrictions - endowed	24,237,561	19,314,204
Total net assets with donor restrictions	<u>\$ 27,130,616</u>	<u>\$ 21,979,815</u>

**NOTE 8 – RELATED PARTIES**

The District provides office space to the Foundation. The fair market of this space is considered immaterial and has not been determined and, as such, is neither included as an expense to the Foundation, nor is the value included in the Foundation's income.

The Foundation awards financial support for various programs and general support to the District in accordance with donor instructions. There were no amounts payable to the District as of June 2021 and 2020. During the year ended June 30, 2021 and 2020, the Foundation transmitted payments to the District in the following amounts:

Transfers to the District	2021	2020
Grant to district - in kind items	\$ 16,000	\$ 113

The Mission – West Valley Land Corporation provided endowment funds to the foundation, the ending balance of which is included in Note 8 above. During the year ended June 30, 2021 and 2020, the activity in the Mission – West Valley Land Corporation endowment fund was as follows:

Land Corp Endowment	2021	2020
Beginning balance	\$ 9,907,975	\$ 9,924,523
Donations	330,305	-
Interest Income	256,072	409,241
Investment gains (losses)	1,954,180	(41,612)
Fees	(43,973)	(40,177)
Scholarships/other allowable uses	(354,000)	(344,000)
Ending Balance	<u>\$ 12,050,559</u>	<u>\$ 9,907,975</u>

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**NOTE 9 – CONCENTRATIONS**

During the year ended June 30, 2021, the Foundation received 19.34% of its donation revenue from one source, and 16.21% from a second source. The remainder of the donation revenue was diversified across multiple donors.

**NOTE 10 – SUBSEQUENT EVENTS**

The Organization's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through September 14, 2021, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact, on the current year financial statements.