

**COLLEGE OF THE SEQUOIAS FOUNDATION
(A California Nonprofit Corporation)**

Financial Statements

Visalia, CA

June 30, 2020 and 2019

COLLEGE OF THE SEQUOIAS FOUNDATION
(A California Nonprofit Corporation)
FOUNDATION BOARD
JUNE 30, 2020

Foundation Board

<i>Member</i>	<i>Office</i>
Tom Giampietro	President
Robert Ainley	Vice President
Stephanie Amaral	Past President
Gerry Schneider	Secretary
Marla Borges	Treasurer
Robert Aguilar	Board
Alexis Hayes Silveira	Board
Mariann Hedstrom	Board
Mary Johnston	Board
Josh McDonnell	Board
Richard Nunes	Board
Consuelo Romo	Board
JoeAnna Todd	Board

Administration

Brent Calvin	College Superintendent/President
Tim Foster	Foundation Director

Trustee Representative

Ken Nunes	Trustee Representative
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Financial Section

INDEPENDENT AUDITORS' REPORT

Board of Directors
College of the Sequoias Foundation
Visalia, California

We have audited the accompanying financial statements of College of the Sequoias Foundation (the "Foundation"), which comprise the statement of financial position as of June 30, 2020 and 2019 the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 of 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 College of the Sequoias Foundation as of June 30, 2020 and 2019, and the changes in 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Foundation has adopted the provisions of Financial Accounting Standards Board Accounting Standards Update No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* Accordingly, all contributions received have been reviewed and adjusted accordingly to adopt this standard. Our opinion is not modified with respect to this matter.

San Diego, California

December 30, 2020

COLLEGE OF THE SEQUOIAS FOUNDATION
(A California Nonprofit Corporation)
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 and JUNE 30, 2019

	2020	2019
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,897,463	\$ 259,519
Investments	8,897,672	10,557,698
TOTAL CURRENT ASSETS	10,795,135	10,817,217
Non-depreciable assets	-	-
TOTAL ASSETS	\$ 10,795,135	\$ 10,817,217
LIABILITIES		
TOTAL LIABILITIES	\$ -	\$ -
NET ASSETS		
Net assets without donor restrictions	8,405,785	8,449,747
Net assets with donor restrictions	2,389,350	2,367,470
TOTAL NET ASSETS	10,795,135	10,817,217
TOTAL LIABILITIES AND NET ASSETS	\$ 10,795,135	\$ 10,817,217

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

COLLEGE OF THE SEQUOIAS FOUNDATION
(A California Nonprofit Corporation)
STATEMENTS OF ACTIVITIES
JUNE 30, 2020

June 30, 2020	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS:			
Contributions:			
General contributions	\$ 340,320	\$ -	\$ 340,320
Endowed scholarships	-	79,224	79,224
Outside scholarships	-	171,008	171,008
Inside scholarships	-	256,411	256,411
Revenues:			
Investment income (interest, dividends, and realized gains)	280,825	-	280,825
Fundraisers	200,589	-	200,589
Program fees	194,180	-	194,180
Unrealized loss on value of investments	(55,255)	-	(55,255)
Net assets released from restrictions	484,763	(484,763)	-
TOTAL SUPPORT AND REVENUE	\$ 1,445,422	\$ 21,880	\$ 1,467,302
EXPENSES:			
Scholarships:			
Endowed scholarships	\$ 90,300	\$ -	\$ 90,300
Outside scholarships	171,463	-	171,463
Inside scholarships	281,821	-	281,821
College enhancement	648,434	-	648,434
General administrative	297,366	-	297,366
TOTAL EXPENSES	1,489,384	-	1,489,384
CHANGE IN NET ASSETS	(43,962)	21,880	(22,082)
NET ASSETS, BEGINNING OF YEAR	8,449,747	2,367,470	10,817,217
NET ASSETS, END OF YEAR	\$ 8,405,785	\$ 2,389,350	\$ 10,795,135

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

COLLEGE OF THE SEQUOIAS FOUNDATION
(A California Nonprofit Corporation)
STATEMENTS OF ACTIVITIES
JUNE 30, 2019

June 30 2019	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS:			
Contributions:			
General contributions	\$ 534,765	\$ -	\$ 534,765
Endowed scholarships	-	64,977	64,977
Outside scholarships	-	157,550	157,550
Inside scholarships	-	270,736	270,736
Revenues:			
Investment income (interest, dividends, and realized gains)	263,847	-	263,847
Fundraisers	223,505	-	223,505
Program fees	323,935	-	323,935
Unrealized gain on value of investments	311,717	-	311,717
Net assets released from restrictions	532,383	(532,383)	-
TOTAL SUPPORT AND REVENUE	\$ 2,190,152	\$ (39,120)	\$ 2,151,032
EXPENSES:			
Scholarships:			
Endowed scholarships	\$ 93,800	\$ -	\$ 93,800
Outside scholarships	175,915	-	175,915
Inside scholarships	262,668	-	262,668
College enhancement	718,152	-	718,152
General administrative	425,100	-	425,100
TOTAL EXPENSES	1,675,635	-	1,675,635
CHANGE IN NET ASSETS	514,517	(39,120)	475,397
NET ASSETS, BEGINNING OF YEAR	8,216,511	2,406,590	10,623,101
Adjustment - see note 8	(281,281)	-	(281,281)
ADJUSTED NET ASSETS, BEGINNING OF YEAR	7,935,230	2,406,590	10,341,820
NET ASSETS, END OF YEAR	\$ 8,449,747	\$ 2,367,470	\$ 10,817,217

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

COLLEGE OF THE SEQUOIAS FOUNDATION
(A California Nonprofit Corporation)
STATEMENTS OF CASH FLOWS
JUNE 30, 2020

	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (22,082)
Net cash provided by operating activities:	<u>(22,082)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net cash provided by (used in) investing	<u>1,660,026</u>
Net cash used in investing activities	<u>1,660,026</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	1,637,944
Cash and cash equivalents - beginning	<u>259,519</u>
Cash and cash equivalents - ending	<u>\$ 1,897,463</u>

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

COLLEGE OF THE SEQUOIAS FOUNDATION
(A California Nonprofit Corporation)
STATEMENTS OF CASH FLOWS
JUNE 30, 2019

	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 475,397
Net cash provided by operating activities:	<u>475,397</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Net cash provided by (used in) investing	<u>(483,582)</u>
Net cash used in investing activities	<u>(483,582)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,185)
Cash and cash equivalents - beginning	267,704
Cash and cash equivalents - ending	<u>\$ 259,519</u>

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

COLLEGE OF THE SEQUOIAS FOUNDATION
(A California Nonprofit Corporation)
STATEMENTS OF FUNCTIONAL EXPENSES
JUNE 30, 2020 and 2019

June 30, 2020

	Programs		Total	Support	Total	
	College		Program	General	Support	Total
Expenses	Scholarships	Enhancement	Services	Administrative	Services	Expenses
Scholarships	\$ 543,584	\$ -	\$ 543,584	\$ -	\$ -	\$ 543,584
College enhancement	-	648,434	648,434	-	-	648,434
General administrative	-	-	-	297,366	297,366	297,366
Total Expenses	\$ 543,584	\$ 648,434	\$ 1,192,018	\$ 297,366	\$ 297,366	\$ 1,489,384

June 30, 2019

	Programs		Total	Support	Total	
	College		Program	General	Support	Total
Expenses	Scholarships	Enhancement	Services	Administrative	Services	Expenses
Scholarships	\$ 532,383	\$ -	\$ 532,383	\$ -	\$ -	\$ 532,383
College enhancement	-	718,152	718,152	-	-	718,152
General administrative	-	-	-	425,100	425,100	425,100
Total Expenses	\$ 532,383	\$ 718,152	\$ 1,250,535	\$ 425,100	\$ 425,100	\$ 1,675,635

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

NOTE 1 – ORGANIZATION AND DESCRIPTION OF ACTIVITIES

The College of the Sequoias Foundation is a California nonprofit organization for the benefit of College of the Sequoias. The Foundation was organized for the purpose of providing Financial Aid to students in need. The Foundation provides opportunities for members of the community to donate property and money for the express purpose, through grants and scholarships, of helping deserving students receive a quality education.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method - Basis of Accounting

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as applicable to nonprofit organizations. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements as well as the timing of the measurement made, regardless of the measurement focus applied. The Foundation uses the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized in the beginning of the accounting period in which the liability is incurred.

Income Taxes

The Foundation is exempt from federal income and California franchise taxes under Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions. Accordingly, no provision for income taxes has been recorded in the financial statements. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. The Foundation annually files Forms 990, 199 and RRF-1 with the appropriate agencies.

Financial Statement Presentation

The accompanying financial statements are presented in accordance with Financial Accounting Standards Board (FASB) ASC 958-210-50. Under ASC 958-210-50, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets, net assets with donor restriction and net assets without donor restriction. 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 College of the Sequoias Foundation and the College of the Sequoias Community College 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Contributions

The Foundation records contributions received as net assets without donor restriction or net assets with donor restriction, restricted support depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in net assets with donor restriction, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

Investments

The Foundation records investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

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.

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 expenditures/expenses during the reported period. Actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Description of Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Scholarship - Scholarships are provided to the students of the College of the Sequoias Community College District thorough the fundraising efforts of the COS Foundation.

College Enhancement - College of the Sequoias Foundation is to cultivate and solicit support for programs, facilities, equipment, faculty and students of the College of the Sequoias Community College District.

General Administrative - College of the Sequoias Foundation is managed by an executive director to ensure an adequate working environment; cultivate and solicit support to include receipt of gifts, property, and funds to be used for the benefit of the College of the Sequoias Community College District.

Fundraising - Provides the structure necessary to encourage and secure financial support from the community, individuals, foundations, and corporations in order to supply supplemental resources for the entire College of the Sequoias Community College District.

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 Directors. 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 had no underwater endowment funds at June 30, 2020 or 2019.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

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.

The Foundation has implemented the provisions of this ASU as of June 30, 2020, because management believes it improves the Foundation's financial reporting.

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.

COLLEGE OF THE SEQUOIAS FOUNDATION
(A California Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 3 – 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.

	2020	2019
Financial assets, at year-end:		
Cash and cash equivalents	\$ 1,897,463	\$ 259,519
Investments	8,897,672	10,557,698
Total financial assets, at year-end	\$ 10,795,135	\$ 10,817,217
Restrictions for specific purposes:		
Donor designated	\$ 2,389,350	\$ 2,367,470
Total contractual or donor-imposed restrictions	2,389,350	2,367,470
Financial assets available to meet cash needs for general expenditure within one year	\$ 8,405,785	\$ 8,449,747

COLLEGE OF THE SEQUOIAS FOUNDATION
(A California Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 4 – INVESTMENTS

Authorized Investments

The Foundation is authorized to make direct investments in U.S. Treasury Bills; money market funds; State Treasurer's Investment Pool; commercial paper; banker's acceptances; repurchase agreements; certificates of deposit; securities of the U.S. Government, or its agencies; corporate notes and bonds; mortgage backed bonds; preferred stock; fixed income securities of foreign governments and corporations; collateralized mortgage obligations; common stock; convertible notes and bonds; convertible preferred stock; American Depositary Receipts (ARDs) of non-U.S. companies; stocks of non-U.S. Companies (ordinary shares); mutual funds which invest in securities; guaranteed investment contracts; and real estate.

Investment activity for the year ended June 30, 2020 and 2019:

	2020	2019
Unrealized gain on investment	\$ (55,255)	\$ 311,717
Interest and dividends	280,825	263,847
Total investments income	<u>\$ 225,570</u>	<u>\$ 575,564</u>

Investment Policies

Return Objectives and Risk Parameters - The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. In order to meet its needs, the investment strategy of the College of the Sequoias 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 Foundation 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 Foundation 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 Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

NOTE 4 – INVESTMENTS, continued

Investment Policies

Spending Policy and How the Investment Objectives Relate to Spending Policy -The Foundation may distribute up to 75 percent of accrued interest annually from scholarship endowments for intended scholarship awards. In establishing this policy, the Foundation 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.

Market Value of Financial Assets and Liabilities

The Foundation determines the fair market values of certain financial instruments based on the fair value hierarchy established in Statement of Financial Accounting Standards, *Fair Value Measurements*, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes 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 can 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 debt 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 or 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.

COLLEGE OF THE SEQUOIAS FOUNDATION
(A California Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 4 – INVESTMENTS, 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, 2020. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2020.

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 8,311,877	\$ -	\$ -	\$ 8,311,877
Equities and Options	585,795	-	-	585,795
Total	\$ 8,897,672	\$ -	\$ -	\$ 8,897,672

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2019. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2019.

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 9,699,205	\$ -	\$ -	\$ 9,699,205
Equities and Options	858,493	-	-	858,493
Total	\$ 10,557,698	\$ -	\$ -	\$ 10,557,698

The Foundation did not have any assets or liabilities recorded at fair value on a non-recurring basis for the years ending June 30, 2020 and 2019.

NOTE 5 – NET ASSETS

At June 30, 2020, net assets without donor restriction consist of the following:

Net Assets without donor restriction	Total
Without donor restriction	<u>\$ 8,405,785</u>

At June 30, 2020, net assets with donor restriction are available for the following purposes:

Net Assets with donor restriction	Total
Scholarships	<u>\$ 2,389,350</u>

COLLEGE OF THE SEQUOIAS FOUNDATION
(A California Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 5 – NET ASSETS, continued

At June 30, 2019, net assets without donor restriction consist of the following:

Net Assets without donor restriction	Total
Without donor restriction	<u>\$ 8,964,264</u>

At June 30, 2019, net assets with donor restriction are available for the following purposes:

Net Assets with donor restriction	Total
Scholarships	<u>\$ 2,328,350</u>

NOTE 6 – DONATED SERVICES

The Foundation receives donated services from the College for the general administration of the Foundation. For the year ended June 30, 2020, the value of the services received from the College was \$197,173 and has been recorded on the financial statements.

NOTE 7 – IN-KIND DONATIONS

The Foundation receives in-kind donations to be used or sold as the Board see fit. The Board's policy is to hold the items until such time as they can be sold, and the money placed in the appropriate fund or donate them to the College of the Sequoias. The value of the donated items held for sale on June 30, 2020, is immaterial to the financial statements, and as such, it is not shown.

NOTE 8 – SUBSEQUENT EVENTS

The Foundation'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 **December 30, 2020** 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.