

***Porterville College Foundation
Porterville, CA***

FINANCIAL STATEMENTS

For The Twelve Months Ended June 30, 2020

Rex A. Phinney

Certified Public Accountant

TABLE OF CONTENTS

	Page
General Information	
List of Officers and Directors	1
Financial Statements	
Independent Auditor's Report	2
Statement of Financial Position	3
Statement of Activities & Changes in Net Assets	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Supplemental Information	
Statement of Functional Expenses	9

**Porterville College Foundation
Officers & Board of Directors
June 30, 2020**

Name	Title
Gary Wallace	President
Greg King	1 st Vice President
Richard Osborne	2 nd Vice President
Dr. Arlitha Williams- Harmon	Treasurer
Dr. Claudia Lourido- Habib	Porterville College President
Ramona Chiapa	Executive Director
Geary Austin	Board Member
Jennifer Biagio	Board Member
Richard Christenson	Board Member
John Corkins	Board Member
Julissa Leyva	Board Member
Janice Castle	Board Member
Milt Stowe	Board Member
Rick Elkins	Board Member
Del Pengilly	Board Member
Dr. Joel Wiens	Faculty Representative
Gary Reed	Board Member
Roland Hill	Board Member
Paula Job	Board Member

Rex A. Phinney

Certified Public Accountant

INDEPENDENT AUDITOR'S REPORT

*To the Board of Directors
Porterville College Foundation*

I have audited the accompanying statement of financial position of Porterville College Foundation (a nonprofit organization) as of June 30, 2020, and the related statements of activities and cash flows for the twelve months then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that our audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Porterville College Foundation as of June 30, 2020, and the changes in its net assets and its cash flows for the twelve months then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Rex A. Phinney
Certified Public Accountant
February 13, 2021*

Porterville College Foundation
STATEMENT OF FINANCIAL POSITION
June 30, 2020

ASSETS

CURRENT ASSETS

<i>Cash and cash equivalents</i>	\$	242,752
<i>Accounts receivable</i>		70
<i>Investments</i>		7,696,889
<i>Current portion of notes receivable</i>		168,734
<i>Prepaid expenses</i>		1,179
Total Current Assets		8,109,624

FIXED ASSETS

<i>Property and equipment, net</i>		73,756
Total Fixed Assets		73,756

Total Assets \$ **8,183,380**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

<i>Accounts payable</i>	\$	9,379
<i>Scholarships payable</i>		36,500
Total Current Liabilities		45,879

LONG-TERM LIABILITIES

<i>Notes payable- SBA Loan</i>		32,281
Total Long-Term Liabilities		32,281

Total Liabilities 78,160

NET ASSETS

<i>Unrestricted</i>		2,835,453
<i>Temporarily restricted</i>		3,539,456
<i>Permanently restricted</i>		1,730,311
Total Net Assets		8,105,220

Total Liabilities and Net Assets \$ **8,183,380**

See Independent Auditor's Report and Accompanying Notes

Porterville College Foundation
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Twelve Months Ended June 30, 2020

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES AND SUPPORT				
Contributions/ donations	\$ 1,994	\$ 95,422	\$ -	\$ 97,416
Fundraising	2,141	9,740	-	11,881
Grants	-	104,545	-	104,545
Interest income	1,343	10,488	-	11,831
Investment income	146,133	142,408	-	288,541
Other revenues	329	1,350	-	1,679
Realized gain on investment	-	3,148	-	3,148
SMART lab	-	7,350	-	7,350
Swap meet	407,494	-	-	407,494
Ticket sales	-	5,616	-	5,616
Unrealized gain on investment	143,972	200,021	-	343,993
Net assets released from restriction- or transferred	14,489	(18,117)	3,628	-
Total Revenues and Support	<u>717,895</u>	<u>561,971</u>	<u>3,628</u>	<u>1,283,494</u>
EXPENDITURES				
Scholarship distributions	45,000	149,024	-	194,024
SMART lab	-	72,011	-	72,011
Swap meet	229,456	-	-	229,456
Other programs	-	64,546	-	64,546
General and administrative	231,676	-	-	231,676
Total Expenses	<u>506,132</u>	<u>285,581</u>	<u>-</u>	<u>791,713</u>
Changes in Net Assets	211,763	276,390	3,628	491,781
BEGINNING NET ASSETS	2,623,690	3,263,066	1,726,683	7,613,439
ENDING NET ASSETS	<u>\$ 2,835,453</u>	<u>\$ 3,539,456</u>	<u>\$ 1,730,311</u>	<u>\$ 8,105,220</u>

See Independent Auditor's Report and Accompanying Notes

Porterville College Foundation
STATEMENT OF CASH FLOWS
June 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

<i>Changes in net assets</i>	\$	491,781
<i>Adjustments to reconcile net income to net cash provided by operations:</i>		
<i>Depreciation</i>		18,857
<i>Unrealized (gain)/ loss in investments</i>		(343,993)
<i>(Increase) decrease in:</i>		
<i>Accounts receivable</i>		1,525
<i>Prepaid expenses</i>		(368)
<i>Increase (decrease) in:</i>		
<i>Accounts payable</i>		(8,741)
<i>Net Cash Provided (Used) by Operating Activities</i>		159,061

CASH FLOWS FROM INVESTING ACTIVITIES

<i>Investments in property & equipment</i>		(21,846)
<i>Investments in Foundation accounts</i>		(400,191)
<i>Investment incomes</i>		291,689
<i>Net Cash Provided (Used) by Investing Activities</i>		(130,348)

CASH FLOWS FROM FINANCING ACTIVITIES

<i>Proceeds from SBA financing</i>		32,281
<i>Proceeds from notes receivable</i>		11,088
<i>Net Cash Provided (Used) by Financing Activities</i>		43,369

Net Increase (decrease) in Cash 72,082

CASH, BEGINNING OF YEAR 170,670

CASH, END OF YEAR \$ 242,752

See Independent Auditor's Report and Accompanying Notes

**PORTERVILLE COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Porterville College Foundation (the Foundation) is a non-profit corporation organized under the laws of the State of California for the purpose of promoting the general welfare of Porterville College. This purpose is accomplished through instructional support, fund raising for the scholarship and grant programs, and providing support for other college related activities throughout the year.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Non-Profit Organizations. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: Unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

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 assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

The Foundation capitalizes property and equipment with a unit cost of \$5,000 or more. Lesser amounts are expensed. Property and equipment are carried at cost, or if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Public Support and Revenue

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of donor restrictions.

See Independent Auditor's Report

**PORTERVILLE COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Public Support and Revenue (continued)

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributed Services

The Foundation receives a substantial amount of administrative services provided by Porterville College under the auspices of the Kern Community College District. Those amounts for donated services that do not meet the criteria for recognition under SFAS No. 116 are not reflected in the financial statements.

Income Taxes

The Foundation is exempt from federal and state income taxes under Internal Revenue Code Section 501(c) (3) and California Revenue and Taxation Code. The organization files information tax returns in the United States and California governments. With few exceptions, the organization is no longer subject to US federal and California income tax examinations by tax authorities for years before 2016.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and high liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

Investments

The Foundation carries all investments in debt and equity and securities at fair value in the statement of financial position. Realized and unrealized gains and losses are reflected in the statement of activities and changes in net assets.

Fair Values of Financial Instruments

The fair value of financial instruments have been determined through quoted market prices or present value techniques to approximate the amounts recorded in the statement of financial position.

See Independent Auditor's Report

**PORTERVILLE COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE B: PROPERTY AND EQUIPMENT

Property and equipment on June 30, 2020 consisted of the following:

<i>Building</i>	\$ 72,233.00
<i>Equipment and machinery</i>	<u>110,994.00</u>
	\$ 183,227.00
<i>Less: Accumulated depreciation</i>	<u>(109,471.00)</u>
<i>Total Property and equipment, net</i>	<u>\$ 73,756.00</u>

NOTE C: INVESTMENTS

Investments are carried at fair market value on June 30, 2020:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<i>Charles Schwab Foundation for California Community College</i>	\$ 3,438,701	\$ 2,132,581	\$ 1,780,412	\$ 7,351,694
<i>Wells Fargo Advisors</i>	-	308,656	-	308,656
	-	36,539	-	36,539
<i>Total</i>	<u>\$ 3,438,701</u>	<u>\$ 2,477,776</u>	<u>\$ 1,780,412</u>	<u>\$ 7,696,889</u>

NOTE D: Related Party Transactions

The Porterville College Foundation Swap Meet has also entered into an agreement with the Kern Community College District whereby it pays the District rental fees for use of the stadium parking lot in conjunction with its weekly swap meet. These rental fees are paid monthly and include \$4 per participating vendor. The total rental expense paid by the Foundation Swap Meet to the District for the periods ending June 30, 2020 was \$41,286.

See Independent Auditor's Report

Porterville College Foundation
STATEMENT OF FUNCTIONAL EXPENSES
For the Twelve Months Ended June 30, 2020

	<u>Program Services</u>				<u>General and Administrative</u>	<u>Total</u>
	<u>Scholarships</u>	<u>SMART Lab</u>	<u>Swap Meet</u>	<u>Other Programs</u>		
Advertising	\$ -	\$ 250	\$ -	\$ -	\$ -	\$ 250
Depreciation	-	14,184	2,572	2,101	-	18,857
Dues and subscriptions	-	-	-	-	1,100	1,100
Educational measure support	-	-	-	-	-	-
Fundraising	-	-	-	1,946	5,074	7,020
Guest lecturers	-	-	-	3,750	-	3,750
Insurance	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Investment expense	26,896	2,292	-	10,879	26,726	66,793
License, fees and permits	-	-	7,467	-	1,783	9,250
Miscellaneous	-	-	162	-	1,171	1,333
Office supplies	-	-	-	-	-	-
Outside services	-	-	-	-	-	-
Payroll tax expense	-	4,279	7,339	-	1,844	13,462
Postage and shipping	-	-	-	-	448	448
Professional services	-	955	21,691	2,270	4,238	29,154
Reimbursements for services	-	-	42,696	-	162,145	204,841
Rent and lease expense	-	-	41,286	-	204	41,490
Reimbursed to KCCD	-	-	-	-	-	-
Repairs and maintenance	-	319	3,129	-	-	3,448
Salaries and wages	-	46,693	52,647	-	20,008	119,348
Scholarships and grants	135,924	-	-	13,100	45,000	194,024
Supplies	-	3,039	2,863	12,136	6,935	24,973
Taxes	-	-	-	-	-	-
Telephone	-	-	-	-	-	-
Travel	-	-	-	4,568	-	4,568
Utilities	-	-	47,604	-	-	47,604
Total Functional Expenses	162,820	72,011	229,456	50,750	276,676	791,713

See Independent Auditor's Report and Accompanying Notes