



Financial Statements
June 30, 2022

Southwestern College Foundation
(A California Nonprofit Corporation)

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Independent Auditor's Report

The Board of Directors
Southwestern College Foundation
Chula Vista, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Southwestern College Foundation (the Foundation) (a California nonprofit corporation), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2022, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 these 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 the Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities of 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 GAAS 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 GAAS, 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 the Foundation'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 the Foundation'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.

Eide Sully LLP

Rancho Cucamonga, California
October 19, 2022

Southwestern College Foundation
Statement of Financial Position
June 30, 2022

Assets

Current Assets

Cash and cash equivalents	\$ 1,992,388
Promises to give	30,789
Prepaid expenses	9,225
Other assets	15

Total current assets	2,032,417
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Noncurrent Assets

Investments	2,624,840
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Total assets	\$ 4,657,257
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Liabilities and Net Assets

Current Liabilities

Accounts payable	\$ 43
Deferred revenue	56,670

Total liabilities	56,713
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Net Assets

Without donor restrictions	
Undesignated	430,543
Board designated	264,498

Total without donor restrictions	695,041
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With donor restrictions	3,905,503
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Total net assets	4,600,544
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Total liabilities and net assets	\$ 4,657,257
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Southwestern College Foundation
Statement of Activities
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenues			
Contributions	\$ 36,025	\$ 3,954,607	\$ 3,990,632
Donated district services	611,530	-	611,530
In-kind contribution	3,000	-	3,000
Gross special event revenue			
Special event revenue	167,362	27,640	195,002
In-kind/underwriting	10,051	-	10,051
Less: cost of direct benefit to donor	(47,704)	-	(47,704)
Net special event revenue	129,709	27,640	157,349
Net assets released from restrictions	2,934,041	(2,934,041)	-
Total public support and revenues	3,714,305	1,048,206	4,762,511
Expenses			
Program			
Campus activities	2,672,024	-	2,672,024
Scholarship and awards	542,742	-	542,742
Support			
Operating	624,879	-	624,879
Fundraising	3,000	-	3,000
Total expenses	3,842,645	-	3,842,645
Other Loss			
Investment income and losses, net of investment expense	(26,537)	(336,988)	(363,525)
Change in Net Assets	(154,877)	711,218	556,341
Net Assets, Beginning of Year	849,918	3,194,285	4,044,203
Net Assets, End of Year	\$ 695,041	\$ 3,905,503	\$ 4,600,544

Southwestern College Foundation
Statement of Functional Expenses
Year Ended June 30, 2022

	Program		Support		Total
	Campus Activities	Scholarships and Awards	Operating	Fundraising	
District donated salaries and benefits	\$ -	\$ -	\$ 536,667	\$ -	\$ 536,667
District donated services and supplies	-	-	74,863	-	74,863
Mini-grants	30,283	-	-	-	30,283
Pass-through contributions	1,943,858	-	-	-	1,943,858
Student programs	697,883	-	-	-	697,883
Scholarship payments	-	289,593	-	-	289,593
Pass-through grants to students	-	253,149	-	-	253,149
Donor appreciation	-	-	1,088	-	1,088
Professional services	-	-	10,750	-	10,750
Office expense	-	-	1,123	-	1,123
License, tax, and fees	-	-	220	-	220
Miscellaneous	-	-	168	-	168
In-Kind	-	-	-	3,000	3,000
Special event in-kind/underwriting	-	-	-	10,051	10,051
Cost of direct benefit to donor	-	-	-	37,653	37,653
	<u>2,672,024</u>	<u>542,742</u>	<u>624,879</u>	<u>50,704</u>	<u>3,890,349</u>
Less expenses included with revenues on the statement of activities	-	-	-	(47,704)	(47,704)
Total expenses	<u>\$ 2,672,024</u>	<u>\$ 542,742</u>	<u>\$ 624,879</u>	<u>\$ 3,000</u>	<u>\$ 3,842,645</u>

Southwestern College Foundation
Statement of Cash Flows
Year Ended June 30, 2022

Operating Activities	
Change in net assets	\$ 556,341
Adjustments to reconcile change in net assets to net cash flows from operating activities	
Net unrealized loss on investments	402,506
Contributions restricted for long-term purposes	(67,558)
Changes in operating assets and liabilities	
Promises to give	(27,254)
Due from Southwestern College	1,095
Prepaid expenses	(8,600)
Deferred revenue	39,170
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Net Cash Flows From Operating Activities	895,700
Investing Activities	
Purchases of investments	(1,212,625)
Proceeds from sales of investments	1,080,059
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Net Cash Flows used for Investing Activities	(132,566)
Financing Activities	
Collections of contributions restricted for long-term purposes	67,558
	<hr/>
Net Change in Cash and Cash Equivalents	830,692
Cash and Cash Equivalents, Beginning of Year	1,161,696
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Cash and Cash Equivalents, End of Year	<u><u>\$ 1,992,388</u></u>

Note 1 - Nature of Organization and Significant Accounting Policies**Organization**

Southwestern College Foundation (the Foundation) is a nonprofit organization founded in 1982 for the purpose of receiving contributions for the support and advancement of education on behalf of Southwestern Community College District (the District). The primary purpose of the Foundation is to assist in the institutional development and encourage community support to the District.

Financial Statement Presentation

The Foundation and the District are financially interrelated organizations as defined by ASC Topic 958-605, *Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others*. Under ASC Topic 958-605, 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 the campus activities program.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The FASB has established the ASC as the source of authoritative accounting principles to be applied in the preparation of financial statements in accordance with GAAP. The financial statements include the accounts maintained by and directly under the control of the Foundation. In addition, the Foundation is required to present a statement of cash flows. The Foundation does not use fund accounting.

Net Assets

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for general use and not subject to donor restrictions. Net assets without donor restrictions also include the investment in property and equipment, net of accumulated depreciation. In addition, the Foundation's Board has also designated various balances of net assets without donor restrictions for certain uses, as described in Note 7.

Net Assets With Donor Restrictions - Net assets that are contributions and endowment investment earnings subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature that may or will be met, either by actions of the Foundation and/or the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents consist of cash held in checking and money market accounts. The Foundation maintains cash balances in financial institutions which are insured by the Federal Deposit Insurance Corporation.

Promises to Give

The Foundation records unconditional promises to give that are expected to be collected within one year at net realizable value. At June 30, 2022, the Foundation's balance of \$30,789 are considered current, and collectable within one year.

Allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2022, management deemed all promises to give as collectable.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Fair Value Measurements

The fair value of equity and debt securities with readily determinable fair values approximates their respective quoted market prices. Because of the inherent uncertainty of valuation methods, those estimated values might differ significantly from those used had a market existed. All other financial instruments' fair values approximate their carrying amounts due to the short maturities of these instruments.

Financial Instruments and Credit Risk

Deposit concentration risk is managed by placing cash, money market accounts, and certificates of deposit with financial institutions believed by the Foundation to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, no losses have been experienced in any of these accounts. Investments are made by diversified investment managers whose performance is monitored by the Foundation and the investment committee of the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Foundation and the investment committee believe that the investment policies and guidelines are prudent for the long-term welfare of the Foundation.

Deferred Revenue

At June 30, 2022, the Foundation reported \$56,670 of deferred revenue. This balance consists primarily of event sponsorships and ticket sales for the Foundation's Fall 2022 luncheon event. At the time the event occurs, the revenue will be recognized.

Revenue and Revenue Recognition

In May 2014, the FASB issued guidance ASC 606, *Revenue from Contracts with Customers*, which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. The Foundation adopted ASC 606 with a date of the initial application of July 1, 2020, using the full-retrospective method.

As part of the adoption of ASC 606, the Foundation elected to use the following transition practical expedients: (1) revenue from contracts which begin and end in the same fiscal year has not been restated; (2) hindsight was used when determining the transaction price for contracts that include variable consideration, rather than estimating variable consideration amounts in the comparative reporting period; (3) the amount of transaction price allocated to unsatisfied performance obligations and when those amounts are expected to be recognized, for the reporting periods prior to the date of initial application of the guidance, have not been disclosed; and (4) all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price have been reflected in the aggregate.

The Foundation recognizes contributions, including unconditional promises to give, as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the time of the gift.

Contributions are measured at their fair value at the date of contribution and are reported as an increase in net assets. The Foundation reports gifts of cash or other assets in the category designated by the donor. The Foundation reports gifts of goods and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulation about where the contributions are to be spent, the Foundation reports these contributions as net assets without donor restrictions.

The adoption of ASC 606 did not have a significant impact on the Foundation's statement of financial position, results of its activities, or cash flows. The Foundation's revenue arrangements generally consist of a single performance obligation to transfer services. There are no significant contract assets, accounts receivable, or contract liabilities associated with these revenue streams. Based on the Foundation's evaluation of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption.

Donated Services and Goods and In-Kind Contributions

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. In addition, a number of volunteers have donated time to the Foundation's fundraising campaigns, which have not been reflected in the accompanying financial statements because the recognition criteria were not met. Donated salaries, benefits, services, supplies and office space received from the District per the terms of the Master Agreement, are recorded as contributions at the estimated fair value that the Foundation would have otherwise paid for the same service. The value of those contributed items is recognized as both revenue and expense to the Foundation.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Foundation to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

Classification of Current and Noncurrent Assets and Liabilities

The Foundation considers assets and liabilities that can reasonably be expected, as part of its normal operations, to be converted to cash or liquidated within twelve months of the statement of financial position date to be current. All other assets and liabilities are considered noncurrent.

Income Taxes

The Foundation is a charitable, not-for-profit, tax-exempt organization qualified under provisions of Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions. Accordingly, no provision for income taxes has been provided in the financial statements. The Foundation annually files information returns, Forms 990, 199, and RRF-1, with the appropriate agencies. There was no unrelated business activity income.

The Foundation has adopted FASB 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.

Functional Allocation of Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, there are no shared cost among the programs and support services that require allocation.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date comprise the following:

Cash and cash equivalents	\$ 173,759
Investments	<u>261,353</u>
	<u>\$ 435,112</u>

Liquidity Management

To manage liquidity, the Foundation structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. District staff on behalf of the Foundation management monitor daily cash balances.

Additionally, on behalf of the Foundation, the District has implemented cash management procedures, that include the monthly reconciliation of banked and invested cash deposits and disbursements to receipts, disbursement records and donor accounts.

Note 3 - Concentration of Risk

Financial instruments that subject the Foundation to credit risk consist primarily of deposits held by financial institutions. The Foundation maintains cash and investment balances at financial institutions in excess of Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC) limits. At June 30, 2022, the Foundation had uninsured cash deposits of \$1,878,577 and uninsured investments of \$2,124,840. Deposit concentration risk is managed by placing cash and investment balances with financial institutions believed by the Foundation to be creditworthy. Management believes credit risk is limited.

Note 4 - Cash

For the statement of financial position and statement of cash flows, cash is defined as all monies in checking and money market accounts. The balances as of June 30, 2022, was as follows:

Without Donor Restrictions	
General checking account	\$ 151,840
Money market reserve account	<u>21,919</u>
Total cash without donor restrictions	<u>173,759</u>
With Donor Restrictions	
Cash balances held in investment account	<u>1,818,629</u>
Total cash	<u>\$ 1,992,388</u>

Note 5 - Investments

Investments are presented at fair value in the financial statements and are composed of the following at June 30, 2022:

	Adjusted Cost	Fair Market Value	Net Unrealized Loss
Fixed income - closed end funds and exchange traded products	\$ 2,945,134	\$ 2,542,628	\$ (402,506)
Fixed income - government money market	82,212	82,212	-
Total	<u>\$ 3,027,346</u>	<u>\$ 2,624,840</u>	<u>\$ (402,506)</u>

Investment activity for the year ended June 30, 2022:

Net unrealized loss on investments	\$ (402,506)
Interest and dividends	<u>50,044</u>
Total investment loss	(352,462)
Management fees	<u>(11,063)</u>
Total investment loss, net of expenses	<u>\$ (363,525)</u>

Note 6 - 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 U.S. GAAP under FASB ASC Topic 820, *Fair Value Measurements and Disclosures*. U.S. GAAP requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value and 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 has the ability to access at the measurement date.
- 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 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 III 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.

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, 2022. The Foundation did not have any assets measured at Level 2 or Level 3 as of June 30, 2022. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2022.

	<u>Level I</u>
Assets	
Fixed Income - closed end funds and exchange traded products	\$ 2,542,628
Fixed income - government money market	<u>82,212</u>
Total	<u>\$ 2,624,840</u>

The Foundation did not have any assets or liabilities measured on a non-recurring basis as of June 30, 2022.

Note 7 - Quasi and Donor Designated Endowment and Non-Endowment

The Foundation consists of various funds established for a variety of purposes. As required by generally accepted accounting principles (GAAP), net assets associated with endowments are classified and reported based on existence of donor-imposed restrictions as either without donor restrictions or with donor restrictions.

The Foundation operates under the guidance of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), enacted by the State of California in 2009, as requiring the preservation of fair value of the original gift, as of the date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of the interpretation, the Foundation retains in perpetuity (a) original value of gifts donated to permanent endowment (b) plus the original value of subsequent gifts to the endowments (c) plus accumulate to the permanent endowment made in accordance with the direction of the applicable donor gift. The remaining portion of the donor-restricted endowment fund that is not held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure.

Endowment assets are invested in a well-diversified mix including equity and fixed-income securities, intended to provide an inflation-protected rate of return satisfying the distribution requirements while protecting the corpus. Investment risk is measured in terms of the total endowment fund, not individual endowments.

Spending is subject to the intent of the donor set forth in express provisions of any applicable gift instrument, the Foundation may appropriate for expenditure, or accumulate, so much of an endowment fund as the Foundation determines is product for the uses, purposes, benefits, and duration for which the endowed fund was established. In order to preserve the real value of the Foundation's endowed assets, a spending payout rate may be selected that strikes a reasonable balance between current spending outlays and reinvestment of the remainder to support spending in the future. The desired investment objective is a long-term rate of return on assets that is at least 5.00 %. The target rate of return for the Portfolio has been based upon the assumption that future real returns will approximate the long-term rates of return experienced for each asset class in the IPS. In making a determination to appropriate or accumulate any endowed funds, the Foundation shall act in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and shall consider, if relevant, all of the following factors:

- the duration and preservation of the fund;
- the purposes of the Foundation and the fund;
- general economic conditions;
- possible effects of inflation or deflations;
- the expected total return from income and appreciation of investments;
- other resources of the Foundation; and
- the Foundation's Investment Policy.

Endowment net asset composition by type of fund as of June 30, 2022, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 264,498	\$ -	\$ 264,498
Donor-restricted endowment funds	-	2,203,951	2,203,951
Total	<u>\$ 264,498</u>	<u>\$ 2,203,951</u>	<u>\$ 2,468,449</u>

Changes in endowment net assets as of June 30, 2022, are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance at July 1, 2021	\$ 142,354	\$ 2,527,273	\$ 2,669,627
Contributions	150,000	67,558	217,558
Investment income, net	(5,704)	114,500	108,796
Investment depreciation	(20,842)	(424,730)	(445,572)
Amounts appropriated for expenditures	(1,310)	(80,650)	(81,960)
Endowment net assets, June 30, 2022	<u>\$ 264,498</u>	<u>\$ 2,203,951</u>	<u>\$ 2,468,449</u>

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). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2022, funds with original gift values of \$789,235, fair values of \$733,466, and deficiencies of \$55,769 were reported in net assets with donor restrictions.

Note 8 - Restrictions on Net Assets Balances

Donor restricted net assets with time and/or purpose restrictions consist of the following at June 30, 2022:

Scholarship funds	\$ 187,980
Other donor-restricted campus program funds	<u>1,513,571</u>
Total	<u>\$ 1,701,551</u>

Donor restricted net assets with restriction perpetual in nature, earning from which are subject to endowment spending policy appropriation consist of the following at June 30, 2022:

Scholarship funds	<u>\$ 2,203,952</u>
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Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2022:

Restricted-purpose distributions and appropriations	
Campus programs - pass-through contributions	\$ 1,943,858
Campus programs - other	447,441
Scholarship programs	<u>542,742</u>
Total	<u>\$ 2,934,041</u>

Note 9 - Transactions with Related Entities

There are significant administrative costs of the Foundation that are paid by the District in accordance with a Memorandum of Understanding between the District and the Foundation that provides that the District will pay salaries and benefits and most services and supplies in exchange for the Foundation stewarding gift assets on behalf of the College and for assisting with the College's fundraising efforts.

These services are provided by the Office of Development and Foundation, a department of Southwestern College, formed exclusively for the management and oversight of College Development and Foundation programs and resources. The cost incurred by the Office of Development and Finance are shown in the financial statements as services donated by the District.

Note 10 - In-kind Contributions

For the year ended June 30, 2022, in-kind contributions recognized within the statement of activities included the following:

Employee salary and benefits	\$ 611,530
Special event in-kind/underwriting	10,051
Donated professional services	<u>3,000</u>
 Total	 <u>\$ 624,581</u>

Foundation staff salary and benefits expenses are paid for by the District, in accordance with the most current Memorandum of Understanding and District Board approved salary schedules. See Note 9 for additional information.

Special event in-kind donations include various donated items and services for use during the Foundation's special events. Donated items and services include, but not limited to: DJ and emcee services, trophies and awards, printing services, canopies and tables, and food were recorded based on the fair value of comparable goods and services provided by a third-party.

Professional services include specialized branding materials for the Foundation's use in future marketing efforts were recorded based on the fair value of comparable services provided by a third-party.

Note 11 - Subsequent Events

The Foundation's management has evaluated events or transactions from June 30, 2022, through October 19, 2022, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that require additional disclosure in the Foundation's financial statements.