# FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

For The Year Ended June 30, 2013 With Comparative 2012 Totals

		*BIGOVIENTI MANAGES*
		g
		germanumataasa
		теричен компону добабать на при
		Wynaanan redusedyl
		A contract of cont
		Windowski and American
		(Exception)
		Signature accessing to
		White control of the
		laggarovine grane videlija
		Water Construction of the
		Management of the company of the com
		Secretaria de la constante de
		Sussessivations
		Secretary second
		Sem was to see a second
		**************************************
		1

# **CONTENTS**

	<u>Page</u>
Independent Accountants' Review Report	1
Financial Statements	
Statements of Financial Position	2-3
Statements of Activities	4-5
Statements of Cash Flows	6-7
Notes to the Financial Statements	8-18
Supplementary Information	
Schedule I - Schedule of Activities by Fund	19-20

Temananananananananananananananananananan
diction and the second and the secon
age to the control of
made Section 1997
recorded to the control of the contr
Separation of the separation o
Emanace and the second
Agrammagamana de la companya de la c
Springerical design of the springerical design o
The control of the co
Commonwealth of the common
harmona and harmon
To the control of the
**************************************
Yearner of the second s

#### INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Finance Committee	
Wenatchee Valley College Foundation, In	c.

We have reviewed the accompanying statement of financial position of Wenatchee Valley College Foundation, Inc. (a nonprofit organization) as of June 30, 2013, and the related statements of activities and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion. The prior year summarized comparative information has been derived from the Foundations's 2012 financial statements and, in our reported dated January 21, 2013, we indicated that we were not aware of any material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. The supplementary information included in the accompanying Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we did not become aware of any material modifications that should be made to such information.

April 9, 2014 Wenatchee, Washington Lender & Gaety, P.S.

Commence of the Commence of th
Communication of the Communica
Management of the second of th
Chramosoma de la constanta de
Maximum menozoodi
The state of the s
(managed and a second a second and a second
The control of the co
Remonence and the second secon
Statement of the statem
The second secon
The second secon
harvenere et al.
Channel of the control of the contro

Statements of Financial Position
For the Year Ended June 30, 2013
With Comparative Totals For The Year Ended June 30, 2012

<u>ASSETS</u>		Current Program Funds Funds		•
Cash and cash equivalents	\$	69,076	\$	288,605
Pledges and other receivables - net:	•	0,,0,0	*	_00,000
Pledges and other receivables		109,525		101,209
Pledges from board members				5,275
Total pledges and other receivables - net		109,525	•	106,484
Total pleuges and other receivables - net		107,323		100,404
Investments at fair value		396,679		568,185
Other		3,649		11,432
Equipment		7,469		-
Real estate		-		-
Accumulated depreciation		(2,536)		<u> </u>
Total Assets	\$	583,862	\$	974,706
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued liabilities	\$	1,626	\$	173
Accounts payable and accrued liabilities - related party		9,470		46,800
Scholarships and awards payable - related party		<u>-</u>		39,774
Total liabilities	•	11,096		86,747
Net Assets				
Unrestricted		572,766		43,751
Temporarily restricted		<u>.</u>		844,208
Permanently restricted		-		
Total net assets		572,766	Ministrativa de maior e e e e e e e e e e e e e e e e e e e	887,959
Total Liabilities and Net Assets	\$	583,862	\$	974,706

Endowment		Total of All Funds				
	Funds	2013			2012	
\$	(38,411)	\$	319,270	\$	1,146,712	
	2,533		213,267 5,275	<b>D</b>	216,594 23,875	
	2,533		218,542		240,469	
	5,874,873		6,839,737 15,081 7,469		6,363,197 5,025 7,469	
	58,781		58,781 (2,536)	<del></del>	58,781 (2,114)	
\$	5,897,776		7,456,344		7,819,539	
\$	-	\$	1,799 56,270	\$	6,795 8,377	
	151,923		191,697	<u></u>	275,702	
	151,923		249,766		290,874	
	-		616,517		539,260	
	1,164,420 4,581,433		2,008,628 4,581,433		3,089,885 3,899,520	
	5,745,853		7,206,578		7,528,665	
\$	5,897,776	<u> </u>	7,456,344	\$	7,819,539	

Mergene experience of the control of
Windowski and the second secon
de la
and the manufacture of the manuf
Annual An
The commence of the commence o
Imposarough Communication of the Communication of t
Encountered and the second and the s
Section of the sectio
Terrorense services de la constante de la cons
de constant de la con
** ** ** ** ** ** ** ** ** ** ** ** **
Among and the second
to the second se

grown				
			·	
Edward Communication Communica				
Recorded to the second				
Records to the second s				
The second secon				
Prince of the second of the se				
Province Control of the Control of t				
Employed Brown and Company of the Co				
ng men al				
ere List				

Statements of Activities
For the Year Ended June 30, 2013
With Comparative Totals For The Year Ended June 30, 2012

	Unrestricted	Temporarily Restricted
REVENUES, GAINS AND OTHER SUPPORT		
Gifts, contributions, and other grants - unrestricted	\$ 14,475	\$ 54,944
Gifts, contributions, and other grants - restricted	18,903	261,956
Scholarships	•	6,983
In-kind contributions-related party	158,159	~
In-kind contributions	584	97,936
Interest and dividends	12,310	11,091
Unrealized gain (loss) on investments	51,421	59,368
Realized gain on sale of investments	1,354	1,511
Realized (loss) on disposal of assets	-	-
Management fees	90,779	-
Rental income - related party	3,600	-
Rental income	-	-
Program income, events net of direct costs, and other income	27,242	41,215
Net assets released from restrictions:		·
Satisfaction of program restrictions	1,674,414	(1,674,414)
Satisfaction of donor restrictions		58,153
Total revenues, gains and other support	2,053,241	(1,081,257)
EXPENSES		
Management and general	165,401	
Programs	372,734	_
Scholarships - related party	142,801	<b>100</b>
Fundraising	61,166	-
Gifts, grants and awards - related party	1,233,882	
Total expenses	1,975,984	
Change in net assets	77,257	(1,081,257)
Net assets - beginning of year	539,260	3,089,885
Net Assets - End of Year	\$ 616,517	\$ 2,008,628

	Permanently Restricted		-			2012 Total	
\$	2,453	\$	71,872	\$	3,121		
•	3,775		284,634	•	559,286		
	500		7,483		28,800		
	-		158,159		73,099		
			98,520		12,551		
1	114,166		137,567		169,021		
	504,966		715,755		(187,319)		
	15,635		18,500		126,313		
	-		_		(358,096)		
	_		90,779		84,495		
	-		3,600		170,600		
	-		-		4,025		
	(1,429)		67,028		188,398		
	-		_		_		
<u></u>	(58,153)		-		-		
(	581,913		1,653,897		874,294		
	-		165,401		160,279		
	-		372,734		421,773		
	-		142,801		175,093		
	-		61,166		83,034		
			1,233,882	*****	2,934,524		
	_	-	1,975,984		3,774,703		
•	581,913		(322,087)		(2,900,409)		
3,8	399,520		7,528,665		10,429,074		
\$ 4,	581,433		7,206,578	\$	7,528,665		

Section Account of the Control of th
Schwarz (American American Ame
demonstrate the second
bhanasa-a-a-a-a-a-a-a-a-a-a-a-a-a-a-a-a-a-
The state of the s
the control of the co
Immonantial desired and the second se
Construction of the Constr
To concentrate of the concentrat
by Scoon and a second a second and a second
Turnes transported to the second seco

Particular Section 1			
parties of the state of the sta			
grank,			
entropy of the control of the contro			
Concession on the Concession of the Concession o			
\$ Parts			
Section 2			
The second secon			
Contraction of the Contraction o			
***			

Statements of Cash Flows
For the Year Ended June 30, 2013
With Comparative Totals For The Year Ended June 30, 2012

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Contributions received	\$ 635,112	\$ 2,392,287
Payments to suppliers and employees	(1,801,994)	(3,493,380)
Cash paid for interest during the year	-	(77,642)
Payments for scholarships and awards	(226,806)	(248,379)
Interest and dividends received	137,567	169,021
Other receipts	170,964	572,899
Net cash used by operating activities	(1,085,157)	(685,194)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of assets - related party	-	409,029
Net disbursements from investment account	257,715	158,110
Net cash provided by investing activities	257,715	567,139
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on mortgage		(385,111)
Net cash used by financing activities		(385,111)
NET DECREASE IN CASH	(827,442)	(503,166)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	1,146,712	1,649,878
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 319,270	\$ 1,146,712

	***************************************	2013	 2012
RECONCILIATION OF DECREASE IN NET ASSETS TO			
CASH FLOWS FROM OPERATING ACTIVITES			
Decrease in net assets	\$	(322,087)	\$ (2,900,409)
Non-operating income and losses -			
Net realized and unrealized investment (gain)/loss		(734,255)	61,006
Loss on disposal of assets		•	358,096
Noncash support and expenses -			
Depreciation		422	24,682
Decrease (increase) in operating assets -			
Pledges and other receivables - net		21,927	1,829,880
Other		(10,056)	10,931
Increase (decrease) in operating liabilities -			
Accounts payable and accrued liabilities		42,897	3,906
Scholarships and awards payable		(84,005)	 (73,286)
Net cash used by operating activities	\$	(1,085,157)	 (685,194)
SUPPLEMENTAL DISCLOSURE			
Cash paid for interest	\$		\$ 77,642
NONCASH INVESTING ACTIVITIES			
Cash paid directly to lender by title company			
for satisfaction of debt related to disposal of assets	\$		\$ 1,639,100

The second secon
Topology and the state of the s
Superintential Control of the Contro
Water Committee
© Control of the Cont
<b>&amp;</b>
Connectional desirable and the control of the contr
Waterman and the state of the s
SECONDA SECOND
Carrier of the Carrie
To the control of the
To the second se
© control of the con
Yeorinaan ragaala
THE PROPERTY OF THE PROPERTY O
gr
*Volume of the second of the s
ove

Notes to the Financial Statements June 30, 2013 and 2012

#### ORGANIZATION AND NATURE OF ACTIVITIES

The Wenatchee Valley College Foundation, Inc. (the Foundation) is a non-profit corporation founded in 1971 for the exclusive purpose of encouraging, promoting, and supporting educational programs, scholarly programs, and scholarly pursuits in connection with the Wenatchee Valley College located in Wenatchee, Washington. The Foundation receives its support from primarily contributions and gifts.

The Foundation provides supplemental funding for the Wenatchee Valley College, its programs, and students through scholarships and other financial support. The Wenatchee Valley College, through its campus in Wenatchee and community out-reach programs in other communities, serves the citizens of Chelan, Douglas and Okanogan counties.

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Presentation**

The Foundation's financial statements are presented on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2013, from which the summarized information was derived.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC). The Foundation is required to report information regarding its financial position and activities according to three classes of net assets. The net assets of the Foundation are classified and reported as follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. The use of these funds is determined by the Board of Directors.

Temporarily Restricted - Net assets that are subject to donor-imposed stipulations that may or will be met either by action of the Foundation and/or the passage of time are classified as temporarily restricted net assets. When a donor restriction expires, a stipulated time restriction ends, or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted or permanently restricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted assets are made up of program funds.

**Permanently Restricted** - Net assets that are required by donor-imposed stipulations to be maintained permanently by the Foundation are classified as permanently restricted net assets.

The comment of the co
The contract of the contract o
The control of the co
Superior of the contract of th
tunumanangai
September of the septem
Aggerinamina de la companya de la co
Surremannessed
International Control of the Control
**************************************
timescassed to the state of the
Secretary and stay
Secretary and the secretary an
orange (management) (management) (management)
Contractional Viv
by-managed definition of the state of the st

Notes to the Financial Statements June 30, 2013 and 2012

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Income Tax Status**

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income generated by activities that would be considered unrelated to the Foundation's exempt purpose would be subject to unrelated business income tax (UBIT). The Foundation did not engage in any unrelated business activities during the years ending June 30, 2013 and 2012. Therefore, no provision for UBIT tax has been recorded.

The most significant tax positions of the Foundation are its assertions that it is exempt from income taxes and its determination of whether any amounts are subject to unrelated business tax (UBIT). All significant tax positions have been considered by management. It has been determined that it is more likely than not that all tax positions would be sustained upon examination by taxing authorities. Generally, the Foundation's tax returns for the past three years are subject to examination by the tax authorities, and may change upon examination.

#### 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 initial maturity of three months or less to be cash equivalents.

#### **Investments**

At June 30, 2013, the Foundation's investment portfolio is managed by the Community Foundation of North Central Washington as part of its total "pooled portfolio". The investments are managed by the Community Foundation of North Central Washington in accordance with the guidelines established by the Investment Committee of the Board of Directors. The Investment Committee has established and communicated to the Community Foundation of North Central Washington, policies relating to the nature of permitted investment instruments, diversification, and the use of derivatives.

All long-term investments have been reported in the financial statements at their current market value as reported by the Community Foundation of North Central Washington. The net increase (decrease) in realized and unrealized appreciation (depreciation) in the market value of such investments has been included in the statements of activities in the appropriate net asset classification.

Management is not aware of any derivative financial instruments through the investment management strategy employed by the Community Foundation of North Central Washington and its investment advisors and any mutual funds held in the pooled investment balances.

#### **Advertising Costs**

Advertising costs are expensed in the year incurred and totaled \$6,145 and \$3,350 for the years ended June 30, 2013 and 2012, respectively.

Security of the second
by the second se
Signature and the state of the
**************************************
Electronic control of the control of
State and a state of the state
decommendada)
ф
Committee of the commit
Recurrence of the second of th
Included the second of the sec
Typeraceanal Typeraceanaceanal Typeraceanaceanaceanaceanaceanaceanaceanace
Section Control of the Control of th
The state of the s
Reterenses
* Englishment was all the second
foreren en e
Norman and a second a second and a second and a second and a second and a second an
A contraction of the contraction

Notes to the Financial Statements June 30, 2013 and 2012

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Foundation chooses to show restricted contributions whose restrictions are met in the same reporting period as restricted contributions and a reclassification.

Unconditional promises to give expected to be collected within one year are recorded at estimated net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their net realizable value, using interest rates applicable to the years in which the promises are to be received. Conditional promises to give are not recognized in revenue until such time as the conditions are substantially met.

Donations of assets are recorded as support and reported at their estimated fair value at the date of the gift. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose.

#### **Estimates**

The preparation of financial statements in conformity FASB ASC requires management to use estimates and assumptions that affect reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Accordingly, actual results could vary from the estimates that were used.

#### **Functional Allocation of Expenses**

The cost of providing various programs and related supporting services have been allocated to the appropriate programs and services in the Statements of Activities and Changes in Net Assets.

#### Depreciable Assets

Property and equipment are capitalized at cost, if purchased or constructed by the Foundation, or at the fair market value at the date contributed, if donated. Depreciation is provided using the straight-line method over estimated useful lives ranging from twelve to forty years. Amounts paid for repairs that do not significantly increase the useful life of the related asset are expensed as incurred.

#### Reclassifications

Certain reclassifications have been made to the 2012 financial statement presentation to correspond to the current year's format. Total net assets and changes in net assets are unchanged due to these reclassifications.

and the control of th
The second secon
Stronger and the strong
And the second s
Rainment and the second
de constantina de la constantina del constantina del constantina de la constantina de la constantina del constantina d
(fegramassam)
The state of the s
ggid Impagnaman
The contraction of the contracti
Symmetry and the second of the
American and a second a second and a second and a second and a second and a second
The control of the co
hazerearenda de la
Kennermal Kennerman
Transmission of the control of the c
one and the second seco

Notes to the Financial Statements June 30, 2013 and 2012

#### INVESTMENTS

Financial Accounting Standards Board Accounting Standards Codification 820-10-50, Fair Value Measurements. establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets for liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10-50 are described below:

> Inputs to the valuation methodology are unadjusted quoted Level 1

prices for identical assets or liabilities in active markets that

the Foundation has the ability to access.

Level 2 Inputs to the valuation methodology include:

> - Quoted prices for similar assets or liabilities in active markets:

-Quoted prices for identical or similar assets or liabilities in inactive markets;

-Inputs other than quoted prices that are observable for the asset or liability;

-Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Inputs to the valuation methodology are unobservable and significant Level 3

to the fair value measurement.

All investments in marketable and debt securities reported in the statements of financial position are valued at the closing price reported on the active market on which the individual security is traded (Level 1).

The Foundation records purchased securities at quoted market value and contributed securities at their fair value on the date of receipt. Other contributed assets are recorded at appraised value at the time of donation. Unrealized gains and losses are reflected in the statements of activities.

The Foundation's investments are held at the Community Foundation of North Central Washington. The Community Foundation of North Central Washington invests the Foundation's funds with other funds under its management on a pooled basis. The income from such investments and the realized and unrealized gains and losses on the investments are allocated to the participating funds based on book value of the fund groups. Participation units in the investment funds are determined monthly based on the fair value of investments at the calculation date.

function and the second
**************************************
Win - of Management of Managem
Granwaranga da
ggid
Against ann an Against ann ann an Against ann ann an Against ann ann ann ann ann ann ann ann ann an
made (monosporance)
manual (manual manual m
general George Control of the Contro
Terrorina de la constanta de l
The contraction of the contracti
Communicación de la commun
The second secon
American and Ameri
**************************************
Programmer and a second of the
Voce meetings and
Very construction of the c

Notes to the Financial Statements June 30, 2013 and 2012

#### INVESTMENTS (CONTINUED)

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

	***************************************	2013	 2012
Government and corporate securities Common stocks	\$	3,761,855 3,077,882	\$ 3,422,934 2,940,263
Total investments held for the Foundation	\$	6,839,737	 6,363,197

The cost of investments and unrealized gain approximated \$5,632,701 and \$1,207,036 respectively for the year ended June 30, 2013. The cost of investments and unrealized gain approximated \$5,790,814 and \$572,383 respectively at June 30, 2012.

Investment income is summarized as follows:

	2013		2012	
Interest and dividends	\$	137,567	\$	169,021
Net realized gains		18,500		126,313
Net unrealized gain (loss)		715,755	<del></del>	(187,319)
	\$	871,822	\$	108,015

The Foundation charges an annual administrative fee of 1.35% of the market value of the various funds and endowments under its control. The fee is charged monthly and is reflected as an administrative fee expenses to the various funds and as unrestricted support to the operating fund. Total fees assessed were \$90,779 and \$84,495 for fiscal years ended June 30, 2013 and 2012, respectively.

All funds are invested in accordance with the Foundation's investment policy.

	**************************************
	% or any
	(Special Control Contr
	**************************************
	Upper conservation of the
	To the second se
	Contraction of the Contraction o
	Control of the Contro
	William continue (a)
	**************************************
	tana wanawa a
	Control of the Contro
	Wingston of the Control of the Contr
	\$ (muconatural)
	(et er en
	The American Action of the Control o
	The processor and the second of the second o
	Section of the sectio
	The state of the s

Notes to the Financial Statements June 30, 2013 and 2012

#### **CONCENTRATIONS**

Operating costs of the Foundation are paid for through the assessment of management fees on investments and unrestricted donations. Continued operation of the Foundation is highly dependent on unrestricted funds and the generation of unrestricted donations.

Cash balances at any one financial institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At various times during the fiscal year, the Foundation's cash in bank balances may exceed the federally insured limits. The uninsured balance was approximately \$69,270 and \$896,712 at June 30, 2013 and June 30, 2012, respectively.

#### PLEDGES AND OTHER RECEIVABLES - NET

	 2013	2012
Pledges and other receivables consisted of the following at June 30:		
Unconditional promises to give -		
Receivable in less than one year	\$ 69,460	\$ 84,776
Receivable in one to five years	 41,696	 101,488
Total unconditional promises to give	111,156	186,264
Less discounts to net present value	(7,223)	(15,113)
Less allowance for uncollectible promises	 -	 (2,478)
Net unconditional promises to give	103,933	168,673
Other receivables -		
Administrative fee	7,969	6,997
Other receivables	 106,640	 64,799
Total pledges and other receivables - net	\$ 218,542	\$ 240,469

The discount rate used for long-term promises to give was 5.00%.

Pledge receivables at June 30, 2013 and 2012 included \$5,275 and \$23,875 from Foundation Board members.

Tenah merinakan di Ambara merinakan di Ambara merinakan di Ambara merinakan di Ambara menjada di Ambar
*Congression of the Congression
Tapouropapahada
Apparation with the second sec
Grant American Application of the Control of the Co
Epitronomon and an analysis of the state of
Windows and the second
Territoria de la constanta de
Approximation of the state of t
Europa and an annual an annual and an annual an annual and an annual and an annual and an annual and an annual an annual and an annual and an annual and an annual and an annual an annual and an annual an annu
Supposed American Marie Control of the Control of t
(%) in recommended by
Supervision of the state of the
Establish and the state of the
Special control of the control of th
*** Appropriate Contraction of the Contraction of t
Incommendation of the second s
replacement of the second of t
Parameters
<b></b>

Notes to the Financial Statements June 30, 2013 and 2012

#### **ENDOWMENTS**

The Foundation's endowment consists of approximately 47 individual funds established for a variety of purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors of function as endowments. As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

On May 11, 2009, the Governor of the State of Washington signed into law the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA eliminates the historic dollar value rule with respect to endowment fund spending, updates the prudence standard for the management and investment of charitable funds, and amends the provisions governing the release and modification of restrictions on charitable funds.

#### Interpretation of relevant law:

For donor-restricted endowment funds, the Board of Trustees of the Foundation have interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classify as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund.
- (2) The purposes of the Foundation and the donor-restricted endowment fund.
- (3) General economic conditions.
- (4) The possible effect of inflation and deflation.
- (5) The expected total return from income and the appreciation of investments.
- (6) Other resources of the Foundation.
- (7) The investment policies of the Foundation.

		Agrees to amount of engage
		Majornea executatively
		was a property of the second s
		(Streets worth
		Alternature recommendate
		Spinowwww.
		Million and the second
		Вышен иссиналия (ф
		Mary control of the c
		Minney areas was 1999
		Service Management of the Control of
		Spanner Consessor Of
		None Special S
		Without Management (6)
		ltps.waaeeeeeronal
		William Control of the Control of th
		iggamman and in the state of th
		* · · · · · · · · · · · · · · · · · · ·
		manage <sup>4</sup>

Notes to the Financial Statements June 30, 2013 and 2012

<b>ENDOWMENTS (CONTINUED)</b>
-------------------------------

Endowment net assets by type of fund consist of the following at June 30, 2013:

	Unrestri	icted	emporarily Restricted	ermanently Restricted	 Total
Donor-restricted funds Board-designated funds	\$	<b></b>	\$ 652,275 512,145	\$ 4,581,433	\$ 5,233,708 512,145
	\$	_	\$ 1,164,420	\$ 4,581,433	\$ 5,745,853

Changes in endowment net assets as of June 30, 2013:

	Unr	estricted		emporarily Restricted		ermanently Restricted		Total
En deviment not oppore								
Endowment net assets, beginning of year	\$		\$	1,661,861	\$	3,899,520	\$	5,561,381
Investment return:	Ψ		Ψ	1,001,001	Ψ	3,077,520	Ψ	2,301,301
Interest and dividends		-		11,091		114,166		125,257
Net gain - realized								
and unrealized		-		60,879		620,601		681,480
Total investment return				1,733,831		4,634,287		6,368,118
Gifts, contributions, and other support		-		421,819		6,728		428,547
Program income		-		41,215		(1,429)		39,786
Reclassifications and appropriations				(1,032,445)		(58,153)		(1,090,598)
Endowment net assets,	•				•	4 504 400	•	5.545.050
end of year	\$		\$	1,164,420	<u>\$</u>	4,581,433	\$	5,745,853

		max
		The state of the s
		formers and the second
		Gazennamondali (Gazennamondali (Gazennamonda) (Gazennamo
		Statement and
		Same and the same
		Security of the security of th
		Speniment and the speniment an
		gaerenaage
		Reprofessional design of the second s
		generatives of the control of the co
		gparameter and g
		ton manual and the second
		to manufacture and the second

Notes to the Financial Statements June 30, 2013 and 2012

### ENDOWMENTS (CONTINUED)

Endowment net assets by type of fund consist of the following at June 30, 2012:

	Unre	estricted	emporarily Restricted		ermanently Restricted	 Total
Donor-restricted funds Board-designated funds	\$		\$ 1,617,276 44,585	\$	3,899,520	\$ 5,516,796 44,585
	\$		\$ 1,661,861	_\$_	3,899,520	 5,561,381

Changes in endowment net assets as of June 30, 2012:

	Unre	stricted		emporarily Restricted		ermanently Restricted	 Total
Endowment net assets,							
beginning of year	\$	-	\$	2,905,284	\$	4,438,387	\$ 7,343,671
Investment return:							-
Interest and dividends		•		12,827		125,894	138,721
Net (loss) - realized							
and unrealized				(10,627)		(404,247)	 (414,874)
Total investment return	<u> </u>		<u></u>	2,907,484	_	4,160,034	 7,067,518
Gifts, contributions, and other support		-		530,305		18,288	548,593
Rental income		_		-		171,025	171,025
Program and other income		-		127,983		550	128,533
Reclassifications and appropriations	*	-		(1,903,911)		(450,377)	 (2,354,288)
Endowment net assets, end of year	\$	-	\$	1,661,861	\$	3,899,520	\$ 5,561,381

was transmit
Control of the contro
de de la composition della com
International Control of the Control
Townson
Commented and the second and the sec
The second secon
International Control of the Control
Statement of the statem
Concentration of the Concentra
**************************************
· ·
The second secon
Contraction of the Contraction o
Construction and the second of

Notes to the Financial Statements June 30, 2013 and 2012

#### ENDOWMENTS (CONTINUED)

#### Funds with deficiencies:

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. There were no funds with deficiencies for years ending June 30, 2013 and 2012.

#### RELATED PARTY TRANSACTIONS

The following related party transactions occurred between the Foundation and Wenatchee Valley College (College) during the years ending June 30, 2013 and 2012:

#### In-Kind Contributions

The Foundation received a total of \$158,159 and \$73,099 of in-kind contributions from the College during the years ending June 30, 2013 and 2012, respectively. These contributions consist of salaries, payroll taxes, goods, services, office space, and other miscellaneous items.

#### Rental Income

The Foundation rented property to the College and received total rent of \$3,600 and \$170,600 for the years ending June 30, 2013 and 2012, respectively.

#### Disposition of Old Music & Art Center

During the period ending June 30, 2012, Foundation entered into an agreement with the College and Wenatchee School District which stated that this property would be gifted to the College and then exchanged with Wenatchee School District for the Westside High School and other property adjacent to other College property. This agreement was finalized in March of 2012 and the Foundation recognized a loss of \$(355,177) as a result of this transaction. Prior to the finalization of this agreement, the Foundation paid off the Eagle's promissory note and was subsequently reimbursed by the College in the amount of \$409,029.

#### Scholarships, Gifts, Grants, and Awards

The Foundation provides supplemental funding for the College, its programs, and students through scholarships and other financial support. The Foundation has liabilities recorded for scholarships and awards payable to the College as of June 30, 2013 and 2012 in the amount of \$191,967 and \$275,702, respectively. Total expense recognized by the Foundation related to scholarships, awards, gifts, grants, that were paid or given to the College totaled \$1,376,683 and \$3,109,617 for the years ending June 30, 2013 and 2012, respectively.

The second secon
The second secon
The second secon
and the second s
the control of the co
manus de la companya
and becomes the second
unad Perezastrona Manamentalista
annel (correction of the correction of the corre
consider to the control of the contr
general de la company de la co
Commencement Egyptics (Commencement Egyptics
International State of the Stat
transmental les
Contraction of the state of the

Notes to the Financial Statements June 30, 2013 and 2012

### RELATED PARTY TRANSACTIONS (CONTINUED)

#### Compensation and Related Costs

The College employed all the Foundation's staff for the years ending June 30, 2013 and 2012. For the current year ending, the Foundation reimbursed the College employment costs for only one employee as the other employee costs were donated by the College. The donated costs have been properly reflected as in-kind contributions in these financial statements. Compensation and related costs totaled \$190,376 and \$206,564 for the years ending June 30, 2013 and 2012.

#### IN-KIND CONTRIBUTIONS

Donated goods and facilities are valued at their fair value. Donated services are recognized in the financial statements at their fair value if both of the following criteria are met:

- The services require specialized skills and are provided by individuals possessing those skills.
- The services would typically need to be purchased if not donated.

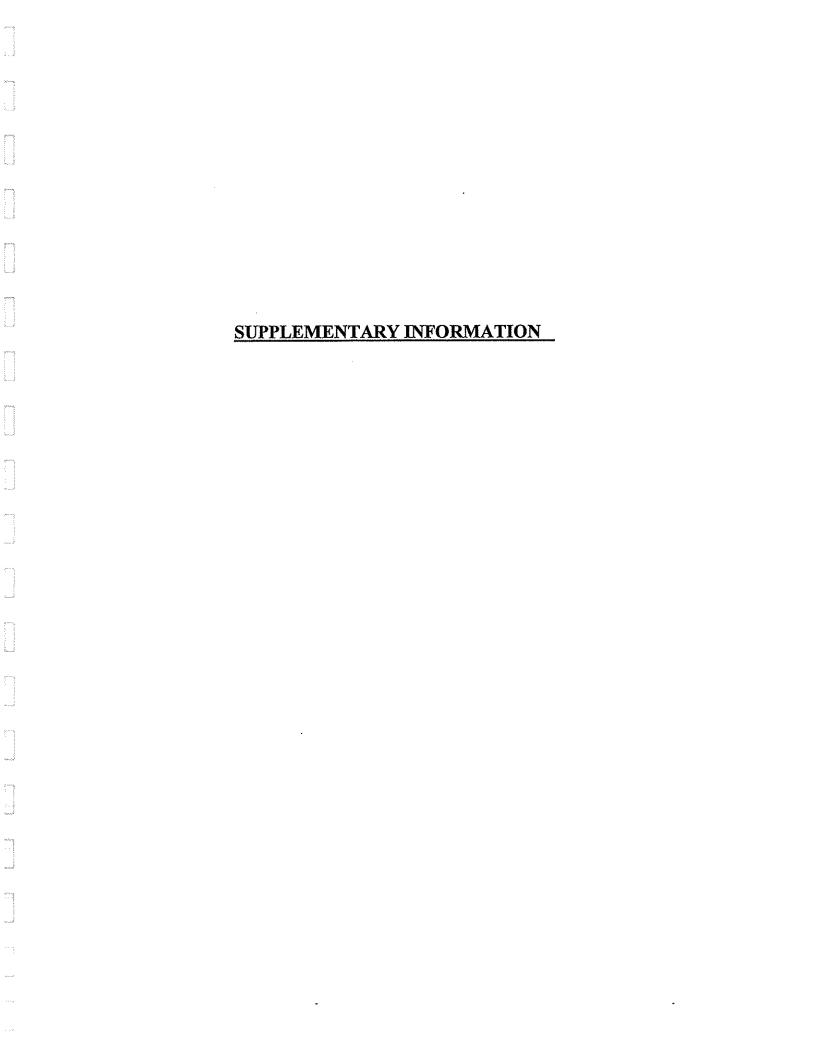
Although the Foundation may utilize the services of outside volunteers, the fair value of many of these services have not been recognized in the accompanying financial statements since they do not meet the criteria for recognition under generally accepted accounting principles.

The Foundation received total in-kind contributions of \$256,679 and \$85,650 for the years ending June 30, 2013 and June 30, 2012, respectively.

#### SUBSEQUENT EVENTS

Subsequent events were evaluated through April 9, 2014, which is the date the financial statements were available to be issued.

	Tennana ana ang ga
	depresentation of the second o
	Biomonopouros applications of the control of the co
	Manager and a second a second and a second a
	Marrace constraints of the const
	General Research
	frienz.
	Managemental
	Approximation of the control of the
	Standard Sta
	Supervision (Sept. 1997)
	Contraction control of
	Chammer and Chamme
	Europe service de la constante
	\text{\tince{\text{\text{\text{\text{\text{\text{\text{\text{\text{\texi{\text{\texi{\text{\texi}\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\ti}\text{\text{\text{\text{\text{\text{\text{\text{\text{\text{\ti}\tint{\text{\text{\text{\text{\text{\tin}}\tint{\text{\text{\ti}}}\tint{\text{\text{\text{\text{\text{\tin}}\tint{\text{\text{\text{\text{\text{\text{\text{\texit{\text{\texi}\text{\text{\text{\text{\text{\texi}\text{\text{\texi}\text{\texit{\text{\
	Standard Sta
	**************************************
	Vorest and the second s
	Transcription



Incommentation of
Samuel Control of the
Supermorrendame (September 2018)
Secretary (Association of the Control of the Contro
they manage ramado?
al transmission
Representation of the second o
Immorrance of the control of the con
the contract of the contract o
Ingranous control of the control of
With a second and a second a second and a second a second and a second a second and
decementation of the community of the co
Secretary of the Control of the Cont
and the control of th
Announcement of the state of th
(managed and a second a second and a second
burnessund
Verzenten en e

ymn				
Storage				
Section 1				
Marine Section				
Portrained A second				
group				
,				
<u>.,</u>				
A				
and the second				
And the second s				
Access				
And the state of t				
/				
e per				

Schedule I - Schedule of Activities by Fund For the Year Ended June 30, 2013 With Comparative Totals For The Year Ended June 30, 2012

PUBLIC SUPPORT AND REVENUE	Current Funds	Program Funds
Public Support -		P
Gifts, contributions, and other grants - unrestricted	\$ 14,475	\$ 54,944
Gifts, contributions, and other grants - restricted	18,903	261,956
Scholarships		6,983
In-kind contributions-related party	158,159	-
In-kind contriubtions	584	97,936
Revenue -		•
Interest and dividends	12,310	11,091
Unrealized gain (loss) on investments	51,421	59,368
Realized gain on sale of investments	1,354	1,511
Realized (loss) on disposal of assets	, <u>-</u>	-
Management fees	90,779	-
Rental income - related party	3,600	_
Rental income	, <u>-</u>	-
Program income, events net of direct costs, and other income	27,242	41,215
Total public support and revenue	378,827	535,004
EXPENSES		
Compensation and related costs	190,376	500
Real estate taxes and assessments	48	-
Insurance	3,647	-
Legal and accounting	10,206	297
Administrative fee	10,438	11,877
Alumni relations	3,939	400
Investment expenses	2,587	2,969
Interest expense	-	-
Travel, meals, and entertainment	7,616	15,157
Office and general	8,952	795
Miscellaneous	4,380	2,887
Advertising	2,482	3,663
Maintenance lease expense	-	-
General program expenses	18,852	114,022
Depreciation expense	422	-
President's and Executive Director's discretionary fund	2,839	-
Gifts, grants and awards - related party	38,853	1,090,832
In-kind gifts - related party	720	80,885
Mailings, recognition, and special events	12,292	2,799
Education, conferences, training	1,999	10,054
Scholarships awarded - related party	3,334	24,095
Total expenses	323,982	1,361,232
CHANGE IN NET ASSETS	\$ 54,845	\$ (826,228)

En	dowment Funds	2013 Total	2012 Total
\$	2,453	\$ 71,872	\$ 3,121
	3,775	284,634	559,286
	500	7,483	28,800
	••	158,159	73,099
	-	98,520	12,551
	114,166	137,567	169,021
	604,966	715,755	(187,319)
	15,635	18,500	126,313
	•••	-	(358,096)
	_	90,779	84,495
	-	3,600	170,600
	**	-	4,025
	(1,429)	67,028	188,398
	740,066	1,653,897	874,294
		190,876	206,564
	-	48	95
	_	3,647	2,582
	**	10,503	11,100
	122,248	144,563	134,409
•	-	4,339	_
	30,558	36,114	33,707
	· -		77,642
	_	22,773	37,102
		9,747	3,204
	-	7,267	1,926
	-	6,145	3,350
		-	20,000
	_	132,874	68,849
	**	422	24,682
	_	2,839	976
	22,592	1,152,277	2,860,336
	_	81,605	74,188
	_	15,091	35,862
	•	12,053	3,036
	115,372	142,801	175,093
	290,770	1,975,984	3,774,703
\$	449,296	\$ (322,087)	\$ (2,900,409)

Type management of the state of
The second secon
The second secon
man processor and processor an
The contract of the contract o
and Control Co
made Wittensoonal
anada septemberas
The control of the co
decommended to the control of the co
special control contro
Control of the Contro
Sommon and a second sec
Construction of the Constr