



**Arizona Western College Foundation**  
**Financial Statements**  
For the Year Ended June 30, 2020

Arizona Western College Foundation

Financial Statements  
Year Ended June 30, 2020

**ARIZONA WESTERN COLLEGE FOUNDATION  
YEAR ENDED JUNE 30, 2020  
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## INDEPENDENT AUDITOR'S REPORT

The Board of Directors  
Arizona Western College Foundation

### **Report on Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2020, 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.

*Heinfeld Meech & Co. PC*

Heinfeld, Meech & Co., P.C.  
Tucson, Arizona  
November 16, 2020

**ARIZONA WESTERN COLLEGE FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2020**

**Assets**

Current assets:

Cash and cash equivalents	\$	259,048
Accounts receivable		384
Contributions receivable		5,000
Other assets		3,482
Total current assets		267,914

Noncurrent assets:

Contributions receivable		15,000
Investments		6,645,658
Total assets	\$	6,928,572

**Liabilities**

Current liabilities:

Accounts payable	\$	37,078
Total current liabilities		37,078

Noncurrent liabilities:

Compensated absences		6,414
Total liabilities		43,492

**Net assets**

Without donor restrictions:

Undesignated		1,305,709
Designated by the Board		371,053

With donor restrictions:

Time restricted		419,521
Purpose restricted		2,880,680
Perpetual in nature		1,908,117

Total net assets		6,885,080
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Total liabilities and net assets	\$	6,928,572
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**See accompanying notes to financial statements.**

**ARIZONA WESTERN COLLEGE FOUNDATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, support, and gains:</b>			
Contributions	\$ 1,178	\$ 199,580	\$ 200,758
Contributions - in kind	243,505		243,505
Investment return, net	(20,466)	(181,216)	(201,682)
Net assets released from restrictions	308,583	(308,583)	
<b>Total revenue, support, and gains</b>	<b>532,800</b>	<b>(290,219)</b>	<b>242,581</b>
 <b>Expenses and losses:</b>			
Program services			
Scholarships	365,955		365,955
Instruction	100,752		100,752
<b>Total program expenses</b>	<b>466,707</b>		<b>466,707</b>
Supporting services			
Management and general	48,769		48,769
Fundraising	32,620		32,620
<b>Total supporting services</b>	<b>81,389</b>		<b>81,389</b>
 <b>Total expenses and losses</b>	<b>548,096</b>	<b>(290,219)</b>	<b>548,096</b>
 <b>Change in net assets</b>	<b>(15,296)</b>	<b>(290,219)</b>	<b>(305,515)</b>
 <b>Net assets, beginning of year</b>	<b>1,692,058</b>	<b>5,498,537</b>	<b>7,190,595</b>
 <b>Net assets, end of year</b>	<b>\$ 1,676,762</b>	<b>\$ 5,208,318</b>	<b>\$ 6,885,080</b>

**See accompanying notes to financial statements.**

**ARIZONA WESTERN COLLEGE FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020**

	Supporting Services			Total
	Program Services	Management and General	Fundraising	
Scholarships	\$ 172,808	\$	\$	\$ 172,808
Instructional supplies	14,483			14,483
Library project	23,520			23,520
Professional development	647	216	54	917
Salaries and wages	178,339	32,729	23,452	234,520
Printing and copying	547		61	608
Insurance	232	15	43	290
Travel and meetings	4,597	91		4,688
Office supplies and technology	11,073	2,786	2,235	16,094
Postage	706			706
Rent	23,520	5,040	5,040	33,600
Bank/credit card charges	542			542
Professional services	32,950	7,675	562	41,187
Memberships and subscriptions	1,668	187	230	2,085
Miscellaneous expenses	1,075	30	323	1,428
Special events			620	620
Total expenses	<u>\$ 466,707</u>	<u>\$ 48,769</u>	<u>\$ 32,620</u>	<u>\$ 548,096</u>

**See accompanying notes to financial statements.**



**ARIZONA WESTERN COLLEGE FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2020**

<b>Cash flows from operating activities:</b>	
Change in net assets	\$ (305,515)
Adjustments to reconcile change in net assets to net cash provided by/used for operating activities:	
Net loss on investments	468,660
Changes in assets and liabilities:	
Accounts receivable	(384)
Contributions receivable	(20,000)
Other assets	(976)
Accounts payable	10,502
Compensated absences	<u>(2,657)</u>
<b>Net cash provided by/used for operating activities</b>	<u>149,630</u>
<b>Cash flows from investing activities:</b>	
Proceeds from sale of investments	8,180,790
Purchases of investments	<u>(8,321,920)</u>
<b>Net cash provided by/used for investing activities</b>	<u>(141,130)</u>
<b>Net increase/decrease in cash and cash equivalents</b>	8,500
<b>Cash and cash equivalents, beginning of year</b>	<u>250,548</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>\$ 259,048</u></u>

**See accompanying notes to financial statements.**

**ARIZONA WESTERN COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Arizona Western College Foundation (the Foundation) provides funding for educational needs and individual scholarships through Arizona Western College and other special projects. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader. The Foundation's offices are located on the campus of Arizona Western College in Yuma, Arizona. The Foundation provides services to residents of Yuma and La Paz counties. The Foundation's primary source of revenue is from contributions.

**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**

The financial statements of the Foundation have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to not-for-profit entities. The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for establishing not-for-profit accounting and financial reporting principles. The Foundation is required to report information regarding its financial position and activities according to two classes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified as follows:

*Net assets without donor restrictions* – Net assets that are not subject to donor-imposed stipulations. The Governing Board has designated, from net assets without donor restrictions, net assets for the purpose of matching donated contributions for the Dreams to Reality Program. These assets are held in investments in a board designated endowment fund.

*Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of the Foundation and/or the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds must be maintained in perpetuity.

Donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

**ARIZONA WESTERN COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Use of Estimates**

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Investments**

The Foundation reports investments at fair value. Net investment income return is reported in the Statement of Activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment expense.

**Concentrations of Credit and Market Risk**

Financial instruments that potentially expose the Foundation to concentrations of credit and market risk consist primarily of cash equivalents and investments. The Foundation maintains its cash and cash equivalents in bank deposit accounts, which, for short periods of time, may exceed federally insured limits. There was no uninsured cash at year end. To minimize risk, cash accounts are maintained at high-quality financial institutions and credit exposure is limited to any one institution. The Foundation's investments do not represent significant concentrations of market risk inasmuch as the Foundation's investment portfolio is adequately diversified among issuers.

**Revenue Recognition**

*Contributions.* The Foundation recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. The Foundation did not have any conditional promises to give at June 30, 2020.

**Contributions Receivable**

Unconditional promises to give that are expected to be collected in less than one year are reported at net realizable value. Unconditional promises to give that are expected to be collected in periods greater than one year are recorded at net realizable value due to the insignificant difference to the net present value of expected cash flows. Management does not believe an allowance for uncollectible amounts is necessary based on historical experience with donors, and accordingly has made no allowance for doubtful accounts.

**ARIZONA WESTERN COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Property and Equipment**

All acquisitions of property and equipment with a cost in excess of \$5,000 and all expenses for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the respective asset. No assets met the Foundation's capitalization threshold, and therefore, depreciation expense for the current fiscal year was \$0.

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Management does not believe impairment indicators are present.

**Compensated Absences**

Employees are entitled to personal time off (PTO), depending on job classification, length of service, and other factors. It is the Foundation's policy to recognize the cost of compensated absence when leave is earned by employees.

**In-Kind Contributions**

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Foundation reclassifies net assets with donor restrictions to net assets without restrictions at that time.

**Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

**ARIZONA WESTERN COLLEGE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and wages	Time and effort
Professional services	Time and effort
Rent	Time and effort
Office supplies and technology	Time and effort
Travel and meetings	Time and effort
Memberships and subscriptions	Time and effort
Professional development	Time and effort
Printing and copying	Time and effort
Insurance	Time and effort

**Advertising**

The Foundation uses advertising to promote its programs among the audiences it serves. The production costs of advertising are expensed as incurred. During the current fiscal year, advertising costs totaled \$0.

**Income Tax Status**

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and similar State of Arizona tax provisions. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Foundation’s Form 990, *Return of Organization Exempt from Income Taxes* is generally subject to examination by the Internal Revenue Service for three years after the date filed.

**New Accounting Pronouncements**

During the fiscal year, the Foundation adopted Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606). The update clarifies the principles for recognizing contract revenue and enhances disclosures sufficient to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

During the fiscal year, the Foundation adopted Accounting Standards Update (ASU) 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). The update clarifies and improves the scope and accounting guidance for contributions received and contributions made. The amendments in this update should assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

**ARIZONA WESTERN COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Analysis of the provisions of these standards resulted in no significant changes in the way the Foundation recognizes revenue, and therefore no changes to the previously issued audited statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

**Date of Management’s Review**

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through November 16, 2020, which is the date the financial statements were available to be issued.

**NOTE 2 – LIQUIDITY AND AVAILABILITY**

The following represents the Foundation’s financial assets at fiscal year end:

Financial assets at year end:	
Cash and cash equivalents	\$ 259,048
Contributions receivable	5,000
Accounts receivable	384
Investments	<u>6,645,658</u>
Total financial assets	<u>6,910,090</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	(5,208,318)
Quasi-endowment established by the Board	<u>(371,053)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,330,719</u>

The Foundation does not have a formal policy regarding operating reserves, however the Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Although the Foundation does not intend to spend from its quasi-endowment, amounts could be made available if necessary. The Foundation did not have any lines of credit during the current fiscal year.

**NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Fair value is defined as the price that the Foundation would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date.

**ARIZONA WESTERN COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 3 – INVESTMENTS AND FAIR VALUE MEASUREMENTS**

Accounting standards establish a three-tier fair value hierarchy that prioritizes the inputs to valuation techniques. Inputs refer broadly to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Observable inputs are those that reflect the assumptions that market participants would use in pricing the asset and are based on market data obtained from independent sources. Unobservable inputs reflect the Foundation’s assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

- Level 1: Quoted prices in active markets for identical investments.
- Level 2: 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.
- Level 3: Unobservable inputs for the asset or liability.

The level of fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Fair Values Measured on Recurring Basis

Fair values of assets measured on a recurring basis at year end are as follows:

	Hierarchy Level	Fair Value
Cash and cash equivalents		
Money market funds	Level 1	\$ 156,274
Investments		
Fixed income investments	Level 1	2,565,691
Equities	Level 1	4,079,967
Total assets		<u>\$ 6,801,932</u>

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value.

*Investments* – Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

The Foundation recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels during the current fiscal year.

**ARIZONA WESTERN COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 4 – CONTRIBUTIONS RECEIVABLE**

Unconditional contributions receivable consist of the following:

Contributions receivable	\$ 20,000
Amounts due in:	
Less than one year	5,000
One to five years	<u>15,000</u>
Total	<u>\$ 20,000</u>

**NOTE 5 – ENDOWMENTS**

The Foundation's endowment consists of approximately 140 individual funds established for student scholarships. Its endowment includes both donor-restricted funds and funds designated by the Board to meet matching requirements. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law**

The Board of Directors of the Foundation has interpreted the State of Arizona's version of 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 of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gifts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added.

Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditures by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- a. The duration and preservation of the fund
- b. The purpose of the donor-restricted endowment fund
- c. General economic conditions
- d. The possible effect of inflation and deflation
- e. The expected total return from income and the appreciation of investments
- f. Other resources of the Foundation
- g. The investment policies of the Foundation



**ARIZONA WESTERN COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 5 – ENDOWMENTS**

Endowment Net Asset Composition by Type of Fund as of year end:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Donor-restricted endowment funds:			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$	\$ 1,908,117	\$ 1,908,117
Accumulated investment gains and contributions		1,425,623	1,425,623
Board-designated endowment funds:			
Title V match	<u>371,053</u>		<u>371,053</u>
Total funds	<u>\$ 371,053</u>	<u>\$ 3,333,740</u>	<u>\$ 3,704,793</u>

**Investment Return Objectives, Risk Parameters and Strategies**

The Foundation has adopted investment and spending policies, approved by the Board, for endowment assets that attempt to provide a predictable stream of funding for scholarships supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of three to four percent, while growing the funds if possible.

Therefore, the Foundation expects its endowment assets, over time, to produce an average rate of return of approximately six to eight percent annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

**ARIZONA WESTERN COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 5 – ENDOWMENTS**

**Spending Policy**

The Foundation has a policy of appropriating for distribution each year between three and four percent of its endowment funds' average fair value, provided that the value of the particular endowment is at least 105 percent of its principal. Any income in excess of annual spending is to be reinvested in the endowment account. Money reinvested in the endowment account shall not be considered principal of that account unless so designated by the Board or as stipulated by the donor. In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Foundation expects the current spending policy to be consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

Changes in Endowment Net Assets as of year end:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	\$ 392,240	\$ 3,505,681	\$ 3,897,921
Contributions		153,918	153,918
Reclassification		11,499	11,499
Investment return, net	(13,284)	(118,725)	(132,009)
Amounts appropriated for expenditure	(7,903)	(218,633)	(226,536)
Endowment net assets, end of year	<u>\$ 371,053</u>	<u>\$ 3,333,740</u>	<u>\$ 3,704,793</u>

**NOTE 6 – NET ASSETS**

Net assets without donor restrictions are as follows:

Designated for Title V match	\$ 371,053
Undesignated	<u>1,305,709</u>
Total	<u>\$ 1,676,762</u>

**ARIZONA WESTERN COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2020**

**NOTE 6 – NET ASSETS**

Net assets with donor restrictions were as follows:

Perpetual and Specific Purpose	
Endowments	\$ 3,333,740
Title V Dreams to Reality	23,126
Instruction	1,431,931
Passage of Time	
Title V Dreams to Reality	419,521
Total	<u>\$ 5,208,318</u>

Net assets released from donor restrictions are as follows:

Satisfaction of purpose restrictions	
Scholarships	\$ 218,633
Instruction	89,950
Total	<u>\$ 308,583</u>

**NOTE 7 – IN-KIND CONTRIBUTIONS**

In-kind contributions are comprised of personnel and facility related costs provided by Arizona Western College. The fair value of these contributions was \$221,797 for the current fiscal year.

During the current fiscal year the Foundation also received donated equipment valued at \$21,708.

**NOTE 8 – CONCENTRATIONS**

The Foundation relies on support from Arizona Western College for a significant portion of its operating expenses for services performed by the Foundation. The loss of such support could have a material impact on the operations of the Foundation.