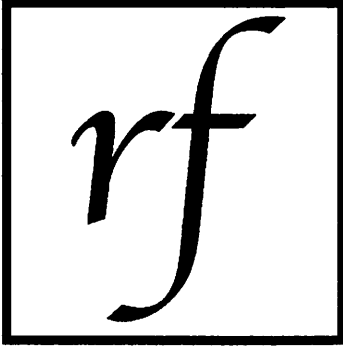




Lamar Community College Foundation  
Auditor's Report and Financial Statements  
June 30, 2024 and 2023

**Lamar Community College Foundation  
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June 30, 2024 and 2023**

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*Independent Auditor's Report*

Board of Directors  
Lamar Community College Foundation

***Opinion***

We have audited the financial statements of Lamar Community College Foundation (the "Foundation"), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audits 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 audits. 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 the 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 issued.

*r*farmer, llc

a certified <sup>1</sup>public accounting and consulting firm

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po box 1173   203 east oak street   lamar, colorado 81052   719.336.7428   719.336.2982

### *Auditor's Responsibilities for 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.

*rfarmer, llc*  
November 11, 2024

Lamar Community College Foundation  
 Statements of Net Assets  
 June 30, 2024 and 2023

	2024	2023
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 888,169	\$ 195,537
Investments-Short Term	362,888	857,337
<b>TOTAL CURRENT ASSETS</b>	<b>1,251,057</b>	<b>1,052,874</b>
Property, Plant, and Equipment		
Land	560,000	560,000
Building	987,238	878,915
<b>TOTAL PROPERTY, PLANT, and EQUIPMENT</b>	<b>1,547,238</b>	<b>1,438,915</b>
<b>TOTAL ASSETS</b>	<b>2,798,295</b>	<b>2,491,789</b>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	247,439	69,767
Deferred revenues	120,036	-
Current portion of notes payable	73,439	70,806
<b>TOTAL CURRENT LIABILITIES</b>	<b>440,914</b>	<b>140,573</b>
Long-term Liabilities		
Notes payable net of current portion	566,413	639,188
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>566,413</b>	<b>639,188</b>
<b>NET ASSETS</b>		
Without Donor Restrictions	415,419	234,386
With Donor Restrictions	1,375,549	1,477,642
<b>TOTAL NET ASSETS</b>	<b>1,790,968</b>	<b>1,712,028</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,798,295</b>	<b>\$ 2,491,789</b>

The accompanying notes are an integral part  
of these financial statements.

Lamar Community College Foundation  
Statements of Activities  
For the years ended June 30, 2024 and 2023

	Without Donor Restrictions	With Donor Restrictions	2024	2023
<b>SUPPORT AND REVENUE</b>				
Support:				
Contributions	\$ -	\$ 304,179	\$ 304,179	\$ 828,691
Revenue:				
Grants	102,633	-	102,633	-
Other income (loss)	(10,849)	-	(10,849)	2,282
Rental income	59,609	-	59,609	59,284
Special event (net of expenses)	(4,536)	-	(4,536)	42,725
Investment income	44,723	-	44,723	37,545
	191,580	304,179	495,759	970,527
<b>RELEASE FROM RESTRICTIONS</b>	406,272	(406,272)	-	-
<b>EXPENSES</b>				
Program Services				
Scholarships awarded	223,772	-	223,772	154,497
Program costs for Lamar Community College curriculum	1,781	-	1,781	161,936
Support Services				
Grant expense	148,934	-	148,934	-
Interest expense	26,095	-	26,095	27,739
General and administrative	16,237	-	16,237	13,910
	416,819	-	416,819	358,082
Changes in net assets	181,033	(102,093)	78,940	612,445
Net assets, beginning	234,386	1,477,642	1,712,028	1,099,583
<b>NET ASSETS, End of Year</b>	\$ 415,419	\$ 1,375,549	\$ 1,790,968	\$ 1,712,028

The accompanying notes are an integral part  
of these financial statements.

Lamar Community College Foundation  
 Statements of Functional Expenses  
 For the years ended June 30, 2024 and 2023

	2024	2023
<b>SUPPORT AND REVENUE</b>		
Support:		
Contributions	\$ 304,179	\$ 828,691
Grant income	102,633	-
Other Income	(10,849)	2,282
Investment income (loss)	44,723	37,545
Rental income	59,609	59,284
Special event (net of expenses)	(4,536)	47,074
<b>TOTAL SUPPORT AND REVENUE</b>	<b>495,759</b>	<b>974,876</b>
 <b>EXPENSES</b>		
Program Services		
Insurance	1,837	848
Telephone	-	248
Official functions	1,111	199
Software	2,175	3,024
Dues	2,158	20
Postage	396	327
Office supplies	1,141	110
Copies	1,515	122
Professional fees	4,410	9,012
Scholarships awarded	223,772	154,497
Interest expense	26,095	27,739
Special events	1,494	4,349
Grant expenses	148,934	-
Community College curriculum	1,781	161,936
<b>TOTAL EXPENSES</b>	<b>416,819</b>	<b>362,431</b>
Changes in net assets	78,940	612,445
Net assets, beginning	1,712,028	1,099,583
 <b>NET ASSETS, End of Year</b>	<b>\$ 1,790,968</b>	<b>\$ 1,712,028</b>

The accompanying notes are an integral part  
of these financial statements.

Lamar Community College Foundation  
Statements of Cash Flows  
For the years ended June 30, 2024 and 2023

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Contributions	\$ 304,179	\$ 638,387
Grant income	222,669	-
Rental income	59,609	59,284
Investment income	44,723	37,545
Other Income (loss)	(10,849)	2,282
Special event (net of expenses)	(4,536)	42,725
Cash paid for scholarships & special events	(47,881)	(316,433)
Cash paid for grant expenses	(148,934)	-
Cash paid for general and administrative support	(16,237)	(26,627)
Cash paid for interest	(26,095)	(27,739)
Net Cash Provided (Used) by Operating Activities	376,648	409,424
<b>CASH FLOWS FROM CAPITAL ACTIVITIES</b>		
Purchase of fixed assets	(108,323)	(319,964)
Net Cash Provided (Used) by Operating Activities	(108,323)	(319,964)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payment on borrowings	(70,142)	(68,717)
Net Cash Provided (Used) by Financing Activities	(70,142)	(68,717)
Net Increase (Decrease) in Cash	198,183	20,743
Cash, Beginning of Year	1,052,874	1,032,131
Cash, End of Year	1,251,057	1,052,874
<b>RECONCILIATION OF OPERATING INCOME</b>		
<b>TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating Income (Loss)	78,940	612,445
Changes in assets and liabilities related to operations:		
Accounts Payable (Decrease) Increase	177,672	(12,717)
Deferred revenue (Decrease) Increase	120,036	(190,304)
Net Cash provided (used) by operating activities	\$ 376,648	\$ 409,424

Cash includes Cash and Investments-short term

The accompanying notes are an integral part  
of these financial statements.

**Lamar Community College Foundation**  
**Notes to Financial Statements**  
**June 30, 2024 and 2023**

**Note 1**      **Summary of Significant Accounting Policies**

This summary of significant accounting policies for Lamar Community College Foundation (the "Foundation"), is presented to assist in understanding the Foundation's financial statements. The financial statements and notes are representations of the Foundation's management, which is responsible for their integrity and objectivity. These accounting policies conform to the generally accepted accounting principles as promulgated by the AICPA Industry Audit and Accounting Guide for Not-for-Profit Entities.

**Nature of Operations**

The Foundation was formed in 1973 as Lamar Community College Development Corporation. The name was changed in 1977 to the Lamar Community College Foundation. The primary activities of the Foundation are to raise funds and distribute them to promote the educational purpose of the Lamar Community College and purchase, lease, or improve real and personal property for Lamar Community College.

For financial reporting purposes, the Foundation is a component unit of Lamar Community College, which is a Colorado governmental unit.

**Basis of Accounting**

The accrual basis of accounting is employed where support and revenue are recorded when earned and expenses are recognized when incurred.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Foundation considers all highly liquid investment securities purchased with an original maturity of three months or less to be cash equivalents.

**Contributions and Promises to Give**

The Foundation has adopted the Statement of Financial Accounting Standards, FASB ASC 958 relating to contributions received and contributions made. Contributions received are recorded as an increase in net assets without restrictions or net assets with restrictions depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or when the purpose of the restriction is accomplished), net assets with restrictions are reclassified to net assets without restriction and are reported in the Statement of Activities as net assets released from restrictions. All contributions that are restricted are recorded as net assets with restrictions unless the restriction is met or expires in the year of the contribution. If the restriction is met or expires in the year received, the contribution is recorded as an increase in net assets without restrictions.

Unconditional promises to give are recognized as receivables in the period in which the Foundation is notified by the donor of his or her commitment to contribute. Conditional promises to give are recognized when the conditions on which they are dependent are substantially met.

The Foundation did not have any unconditional or conditional promises to give as of June 30, 2024 or 2023.

### **Donated Materials and Services**

The Foundation records the value of donated goods or services when there is an objective basis available to measure their value. Donated services of a professional or skilled nature are presented at the estimated value of such services. Donated materials and equipment are reflected in the accompanying statements at their estimated value at date of receipt.

The Foundation's Board of Directors and its officers serve without compensation. The value of these services is not recorded in the financial statements. Additionally, several volunteers periodically donate significant amounts of time to the Foundation. No amounts have been reflected in the statements for these contributed services since the contribution of these services did not create or enhance non-financial assets or require specialized skills.

### **Income Taxes**

The Foundation was granted tax-exempt status from federal income taxes by the Internal Revenue Service under the Internal Revenue Code Section 501(c)(3).

### **Accounting for Income Taxes**

The Foundation has adopted FASB ASC 740-10, *Accounting for Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The interpretation prescribed a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Based on analyses of various federal and state filing positions of the Foundation, management believes that its income tax filing positions and deductions are well documented and supported.

As of June 30, 2024 and 2023, the Foundation had no temporary differences relating to the recognition of income and expenses for financial and tax reporting purposes. Accordingly, no deferred tax assets or liabilities are recorded. Additionally, as of June 30, 2024 and 2023, the Foundation had no uncertain tax positions that would qualify for either recognition or disclosure in the financial statements. Therefore, no reserves for uncertain income tax positions have been recorded pursuant to FASB ASC 740-10. In addition, no cumulative effect adjustment related to the adoption of FASB ASC 740-10 was recorded.

There have been no increases or decreases in unrecognized tax benefits for current or prior years since the date of adoption. Furthermore, no interest or penalties have been included since no reserves were recorded and no significant increases or decreases are expected to occur within the next 12 months. When applicable, such interest and penalties will be reported as income tax expense.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Foundation's tax returns will not be challenged by the taxing authorities and that the Foundation will not be subject to additional tax, penalties, and interest as a result of such challenge. On June 30, 2024, the periods that remain open to examination under federal statute are for the tax years ended June 30, 2021 through 2023.

## **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates are based upon the management's best estimates, after considering past and current events and assumptions about future events. Actual results could differ from those estimates.

## **Building**

Assets are stated at cost or, if donated, at the appropriate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives on the assets, normally 30 to 40 years. As of June 30, 2024 and 2023, there were no donated fixed assets.

## **Classification of Net Assets**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its ASC 958-205. Under FASB ASC 958-205, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: Net assets without donor restrictions and Net asset with donor restrictions.

The assets, liabilities, and net assets of the Foundation are reported in net assets classes as follows:

- a) Net Assets without donor restrictions: Net assets without donor restrictions are resources over which the Board of Directors (the "Board") has discretionary control including those net assets invested in property and equipment at the direction of the Board. These net assets are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation.
- b) Net Assets with donor restrictions: Net assets with donor restrictions are subject to donor-imposed stipulation that may or will be met by actions of the Foundation and/or the passage of time. After the donor-imposed time or purpose restriction is satisfied, restricted net assets are reclassified to unrestricted net assets and reported within the statement of activities as net assets released from restrictions. Other net assets with donor restrictions are limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the Foundation. Depending upon the restrictions of the donor, some net assets with donor restrictions may be maintained in perpetuity.

## **Fair Value of Financial Instruments**

All financial instruments are carried at amounts that approximate estimated fair value. FASB ASC 820, *Fair Value Measurement*, 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 or liabilities (Level 1

measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation can access at the measurement date.

Level 2

Inputs to the valuation methodology are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the assets or liability.

Level 3

Inputs to the valuation methodology are unobservable for the asset or liability. Unobservable inputs are defined as inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing the asset or liability.

For the years ended June 30, 2024 and 2023, all financial instruments were Level 1 inputs under the fair value hierarchy.

**Note 2      Marketable Investment Securities**

Investments in marketable securities are reported at their fair market values. Earnings, including realized and unrealized gains and losses from the investment of contributed funds, are treated as unrestricted resources, unless such earnings have been specifically restricted by donors.

As of June 30, 2024, and June 30, 2023 respectively, \$362,888 and \$857,337 were invested in various securities. The investments are not FDIC insured and are not insured by any government agency.

Investments consist of the following:

	June 30, 2024		June 30, 2023	
	Cost	Market	Cost	Market
Deposit Accounts	\$ 10,368	\$ 10,368	\$ 18,500	\$ 18,500
Exchange Traded Funds	324,997	352,520	359,912	371,519
Other Investments	-	-	467,318	467,318
Total	<u>\$ 335,365</u>	<u>\$ 362,888</u>	<u>\$ 845,730</u>	<u>\$ 857,337</u>

**Note 3      Endowments**

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as generally requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent donor stipulations to the contrary. As a result of this

interpretation, the Foundation generally classifies 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. In accordance with UPMIFA, the Foundation considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund.
- 2) The purposes of the organization 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 organization.
- 7) The investment policies of the organization.

The endowment funds may be invested in high quality, publicly traded common and preferred stocks, convertible bonds, bank common funds, mutual funds, fixed income securities and other assets as authorized by the Board of Directors of the Foundation from time to time. The nature of the assets involved, and the long-term objectives of the Foundation suggest utilizing a total return approach to investment management.

The Foundation endowment seeks preservation of principal and to provide a dependable and reasonable rate of long-term investment return consistent with moderate investment risk. The primary investment objective of the endowment is to achieve a total annual return measured on a five-year moving average basis, at least equal to the rate of inflation plus four percent (4%).

The Foundation has a policy of appropriating for distribution each year up to 4% of the average of the permanent endowment's market values on June 30<sup>th</sup> for each of the five immediately preceding years, as approved by the Foundation Board, in accordance with the endowment mission and purpose.

If the spending allocation amount of the permanent endowment would cause the Foundation's permanent endowment's value to fall below its original gift value level, then the annual spending allocation amount is limited to the amount in excess of the original gift value.

The following are the changes in endowment net assets for the year ended June 30, 2024:

	Net Assets with Restrictions
Endowment net assets, beginning of year	\$ 50,714
Contributions	-
Removal of restrictions by donors	(27,338)
Investment (losses)	(88)
Endowment net assets, end of year	<u>\$ 23,288</u>

The following are the changes in endowment net assets for the year ended June 30, 2023:

	Net Assets with Restrictions
Endowment net assets, beginning of year	\$ 51,214
Contributions and earnings	-
Withdrawal	(500)
Endowment net assets, end of year	<u>\$ 50,714</u>

**Note 4 Net Assets with Donor Restrictions**

Net assets with donor restrictions are available for the following purpose:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Unappropriated endowment funds	<u>\$ 1,617,658</u>	<u>\$ 1,477,642</u>

The funds will be used as determined by the donors.

**Note 5 Subsequent Events**

Subsequent events have been evaluated through the date of the financial statements and there are not any subsequent events to disclose.

**Note 6 Related Parties**

The Foundation is provided services by Lamar Community College (the "College"). During 2023-24 the Foundation provided \$223,772 in scholarships, \$136,199 towards programs, and \$16,237 in general, administrative, and fund raising. The Foundation receives grants that are used specifically to provide goods and services for the benefit of the College. The Foundation accounts for the grant receipts as contributions and for the expenses as program costs. During 2022-23 the Foundation provided \$154,497 in scholarships, \$161,936 towards programs, and \$13,910 in general, administrative, and fund raising.

The College will bill the Foundation every two months with the Foundation approving the bill for payment at its next board meeting. As of June 30, 2024, the Foundation owed the College \$201,800 and \$69,767 as of June 30, 2023.

**Note 7 Information Regarding Liquidity**

The Foundation's liquidity management is structured to make its financial assets available as general expenditures and obligations come due. Annually, an analysis of the expected inflows/outflows for the next 12 months is prepared, and all funds anticipated to be expended that year are held as cash in checking accounts. Funds not anticipated to be expended in the fiscal year are either invested or deposited in certificates of deposit in order to maximize gains on those funds. If, at any time during a fiscal year, the

Foundation is required to draw on reserves, it can access funds held in investment accounts and short-term CD's (12 and 24 month) with Lamar Community College Foundation Investment Committee approval. As certificates of deposits come due, and investment returns are analyzed, these considerations are used in an on-going decision-making process to extend or renew those investments.

The following reflects the Foundation's financial assets as of the statement of net assets date, reduced by the amounts not available for use within one year of the statement of financial position date because of contractual or donor-imposed restricted or internal designations. Amounts available include unrestricted funds as well as donor-restricted amounts that are available for general expenditure in the following year. Amounts not available include donor-restricted endowments.

	2024	2023
Cash	\$ 888,169	\$ 195,535
Investments – Short Term	362,888	857,337
Less Endowments	(23,289)	(50,714)
Available	<u>\$ 1,227,768</u>	<u>\$ 1,002,158</u>

## Note 8

### Notes Payable

The Foundation undertook a project which would provide students at Lamar Community College, with additional dorm space. The Foundation purchased a motel and is the process of remodeling it. As a result of this undertaking two notes were taken out to finance the project.

On May 13, 2022, a \$300,000 note was signed which matures on April 25, 2032. The interest rate is 4.25%, semi-annual payments, due April, and October, including interest are \$18,586. Below is the amortization of the note to maturity.

	Principal	Interest	Total
2025	\$ 26,876	\$ 10,296	\$ 37,172
2026	28,030	9,142	37,172
2027	29,234	7,938	37,172
2028	30,489	6,683	37,172
2029	31,799	5,373	37,172
2030	33,165	4,007	37,172
2031	34,589	2,583	37,172
2032	35,337	1,835	37,172
	<u>249,519</u>	<u>\$ 47,857</u>	<u>\$ 297,376</u>
Less Current	(26,876)		
	<u>\$ 222,643</u>		

Also on October 29, 2021, the Foundation signed a note with the bank for \$500,00. The note's interest rate is 3.36%, with semi-annual principal and interest of \$29,642, due April and October. Below is the amortization through maturity.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 46,563	\$ 12,721	\$ 59,284
2026	48,141	11,143	59,284
2027	49,772	9,512	59,284
2028	51,458	7,826	59,284
2029	53,202	6,082	59,284
2030	55,004	4,280	59,284
2031	56,867	2,417	59,284
2032	29,326	316	29,642
	<u>390,333</u>	<u>\$ 54,297</u>	<u>\$ 444,630</u>
Less Current	<u>(46,563)</u>		
	<u>\$ 343,770</u>		

The Foundation has initiated a sale lease back with the State of Colorado for the Residence Hall. The lease period is for ten years with annual lease payments of \$59,284. After the ten years has concluded, the property will be transferred to the College with no further amounts due.

#### Note 9 Fixed Assets

During 2021-22, the Foundation acquired property which will be used as a dormitory for the students attending the College.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Residence Hall	\$ 127,270	\$ -	\$ -	\$ 127,270
Residence Hall Remodeling*	751,645	108,323	-	859,968
Total property subject to depreciation	<u>878,915</u>	<u>108,323</u>	<u>-</u>	<u>987,238</u>
Less: accumulated depreciations	-	-	-	-
Net Depreciable Property	<u>878,915</u>	<u>108,323</u>	<u>-</u>	<u>987,238</u>
Property not subject to depreciation				
Land	<u>560,000</u>	<u>-</u>	<u>-</u>	<u>560,000</u>
Total Net Fixed Assets	<u>\$ 1,438,915</u>	<u>\$ 108,323</u>	<u>\$ -</u>	<u>\$ 1,547,238</u>

\*Property is construction in progress. Depreciation will start when the project is complete.