



Board of Directors
San Diego Mesa College Foundation.
San Diego, CA

We have audited the financial statements of San Diego Mesa College Foundation (the Foundation) as of and for the year ended June 30, 2020, and have issued our report thereon dated May 27, 2021. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Foundation are described in Note 2 to the financial statements.

Management adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. The update clarified the guidance in evaluating whether transactions should be accounted for as contributions or exchange transactions and determining whether a contribution is conditional. Management has also early adopted ASU No. 2014-09 *Revenue from Contracts with Customers (Topic 606)*. Analysis of various 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 financial statements were required on a retrospective basis.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

- Fair Value of Investments – Investments are reported at fair value based on the priority of the inputs to the valuation technique and classified based on a three-level fair value hierarchy.

- Donated Services, Facilities and In-Kind Donations – The Foundation records the value of donated services and facilities, and donated items as in-kind donations on the statement of activities and statement of functional expense when there is an objective basis available to measure their value.
- Functional Expense Allocation - Management’s estimate of the functional allocation of expenses shared between programs, management and general, and fundraising is based on a reasonable and consistent basis using data entered into the general ledger system. We evaluated the key factors and assumptions used to develop the allocation in determining that it is reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing our audit; however, the completion of our audit was delayed in part because certain audit evidence and documentation was not provided in accordance with our audit timeline.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

Corrected misstatements

The attached schedule summarizes all misstatements (material and immaterial) detected as a result of audit procedures that were corrected by management.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors’ report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the management representation letter dated May 27, 2021.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Foundation’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

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This communication is intended solely for the information and use of the board of directors and management of the Foundation, and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Glendora, CA
May 27, 2021

San Diego Mesa College Foundation
Schedule of Corrected Misstatements
For the Fiscal Year Ended June 30, 2020

Account	Description	Debit	Credit	Net Effect on Ending Net Assets INC (DEC)
Journal Entry # 1				
To record the correct balance of the Vanguard Investment Account				
12010	Vanguard - Other - 2477	\$ 46,210	\$	
50040	Investment Gain/loss - UR		46,210	
Total		\$ 46,210	\$ 46,210	\$ 46,210
Journal Entry # 2				
To record the donation of 29 pieces of Museum Quality Artwork				
17005	Wold's Culture Collection	\$ 50,595	\$	
41015	Contrib in Kind - TR Gift Card		50,595	
Total		\$ 50,595	\$ 50,595	\$ 50,595
Journal Entry #3				
To record the donated salaries in the CY.				
62120	Program - In kind	\$ 355,076	\$	
41010	Contrib In Kind - Other		355,076	
Total		\$ 355,076	\$ 355,076	\$ -
Journal Entry # 4				
To record the correct balance of the funds held with Osher at 6/30/2020				
50040	Investment Gain/loss - UR	\$ 3,434	\$	
16005	Beneficial int in CCSS endow		2,237	
50010	Interest and Dividends		1,197	
Total		\$ 3,434	\$ 3,434	\$ (2,237)
	Total increase in net assets			\$ 94,568