

YAKIMA VALLEY COMMUNITY FOUNDATION

Report for Agreed-Upon Procedures on
The Scholarship Program of the Yakima Valley Rotary Trust

Independent Accountant's Report on Applying Agreed-Upon Procedures

**To the Board of Directors
Yakima Valley Community Foundation
Yakima, Washington**

We have performed the procedures enumerated on pages 2 through 5, on the 2020-21 award year scholarship program and 2020 article 10.B.1 payments. The Yakima Valley Rotary Trust is responsible for administering the 2020-21 award year scholarship program in accordance the First Amendment to Third Restated Living Trust of Mary Monroe Davis.

The Yakima Valley Community Foundation has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting Yakima Valley Community Foundation with monitoring the 2020-21 scholarship program intended for residents of Yakima County, funded by the Davis Educational Fund and administered by Yakima Valley Rotary Trust. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are found on pages 2 through 5.

We were engaged by the Yakima Valley Community Foundation to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the 2020-21 award year scholarship program and 2020 article 10.B.1 payments were in accordance with the First Amendment to Third Restated Living Trust of Mary Monroe Davis. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Yakima Valley Rotary Trust to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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

Clark Nuber PS

Certified Public Accountants
April 5, 2021



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YAKIMA VALLEY COMMUNITY FOUNDATION

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For the Scholarship Award Year 2020-21 and 2020 Article 10.B.1 Payments**

ARTICLE	PROCEDURE PERFORMED	RESULTS	RECOMMENDATIONS AND OBSERVATIONS
<p><u>Article 10.B.1</u> Of the amounts received from YVCF annually or otherwise, the Rotary Trust may deduct 3% thereof as a charitable contribution.</p>	<p>Recalculate the 3% the YRT was paid for the year ended June 30, 2020 and determine its compliance with the Gifting Document requirement.</p>	<p>We recalculated the amounts paid to the YRT as a charitable contribution for the year ended June 30, 2020 to be \$27,645 noting this was the amount paid to the YRT in accordance with article 10.B.1.</p>	<p>None.</p>
<p><u>Article 10.B.1 and First Amendment to Third Restated Living Trust of Mary Monroe Davis</u></p> <p>The YRT may deduct an amount equal to the net amount raised by it during the preceding calendar year from a publicized fundraising event, but not to exceed 5% of the amount received from YVCF annually.</p>	<p>Recalculate the additional amount YRT was paid for the year ended June 30, 2020 as unrestricted funds available for its charitable purpose based on the underlying accounting records of YRT and verification that the associated recording of unrestricted funds did not exceed 5% of the total annual grant received from YVCF.</p>	<p>We reviewed the YRT’s 2020 golf event revenue and expense spreadsheet noting the reported net proceeds were \$60,136. Further, we obtained the YRT fiscal year ending June 30, 2020 Form 990 Schedule G Part II that detailed the revenue and expense for the 2020 fundraising event noting the total net proceeds from the event of \$62,811. We recalculated the 5% cap on the annual golf match to be \$46,074. We noted the amount paid to the YRT agreed to the YRT reported net proceeds of \$46,074. The amounts were calculated consistently with Article 10.B.1 of the Gifting Document.</p> <p>We also reviewed annual marketing for the golf event noting the event is advertised as the “Mollie Davis Golf Tournament.”</p>	<p>None.</p>

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ARTICLE	PROCEDURE PERFORMED	RESULTS	RECOMMENDATIONS AND OBSERVATIONS
<p><u>Article 10.B.2</u> The YRT shall maintain scholarship funds in a separate account from its other funds. Such funds and the earnings are to be used to pay scholarships and the YRT's expenses in administering the scholarship program.</p>	<p>Review accounting and banking records during the fiscal year 2020 for compliance with the Gifting Document's requirement of maintaining separate accounts for restricted scholarship funds and the earnings from unexpended restricted funds.</p>	<p>We reviewed the general ledger activity and bank statements for the YRT's scholarship accounts for the year ended June 30, 2020, noting the activity related to scholarship administration related expenses and earnings on the unexpended restricted funds were maintained in accounts separate from the YRT's other accounts and separate from the golf event bank account. We noted that interest earnings on the scholarship funds remained in the Yakima Federal Savings or Morgan Stanley accounts during the year ended June 30, 2020.</p>	<p>None.</p>
<p><u>Article 10.B.2</u> The YRT's reserve shall not exceed applicable restrictions under the IRS code and regulations.</p>	<p>Review the YRT's most recent tax return (Form 990) and workpapers confirming the proper calculation of its public support ratio for its public charity status.</p>	<p>We reviewed the YRT's tax return for the year ended June 30, 2020 (Form 990) and public support test calculation workpapers noting the YRT reported a public support of 96.55%, which meets the required percentage to be considered a publicly supported charitable organization.</p>	<p>None.</p>
<p><u>Article 10.B.3</u> The YRT shall maintain a record of all receipts, expenses, and expenditures in accordance with generally accepted accounting practices and principles utilizing a double entry bookkeeping system.</p>	<p>Review the YRT's accounting records and bookkeeping system for the year ended June 30, 2020 related to the scholarship program and its compliance with the Gifting Document's requirement.</p>	<p>We reviewed the YRT's financial statements for the year ended June 30, 2020 which appeared to be maintained in accordance with accounting principles generally accepted in the United States of America.</p>	<p>None.</p>

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ARTICLE	PROCEDURE PERFORMED	RESULTS	RECOMMENDATIONS AND OBSERVATIONS
<p><u>Article 10.B.4</u> The YRT shall publicize the scholarship program.</p>	<p>Review the YRT’s materials to publicize the scholarship program during the year ended June 30, 2020.</p>	<p>We noted the YRT has a page within its website titled Mary Monroe Davis Scholarship.</p>	<p>None.</p>
<p><u>Article 10.C</u> Comply with criteria for awarding and disbursing scholarships.</p>	<p>Review reports provided by the YRT and its subcontractor, International Scholarship and Tuition Services, on scholarship recipients during the year ended June 30, 2020 and compliance with the Gifting Document’s requirements with the criteria as outlined in Article 10.C of the Gifting Document.</p>	<p>We selected 25 scholarship recipients from the 2020-21 scholarship award year. 9 students were new scholarships and 16 students were renewals. For each student we verified that International Scholarship and Tuition Services performed procedures to ensure the scholarship recipient was a resident of Yakima County WA at the time of initial application, was accepted to a community college or university, was enrolled as a full time student, was a US citizen, met the minimum GPA of 2.75, did not receive the scholarship beyond their 4th year of college (unless they met special requirements for a 5th year), scholarship funds were used only for purposes specified in the Gifting Document, recipients did not receive the scholarship funds directly, and recipients signed a contract with the YRT.</p> <p>Additionally, for all scholarship recipients selected for testing who were renewed during the year ended June 30, 2020, we tested that the student still met the GPA requirement during the 2019-20 school year and was therefore eligible for the 2020-21 school year.</p> <p>All 25 students appeared to be in compliance with article 10.C.</p>	<p>None.</p>

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ARTICLE	PROCEDURE PERFORMED	RESULTS	RECOMMENDATIONS AND OBSERVATIONS
<u>Not Applicable</u>	Issue a report including results of all findings from the specified procedures. The report shall include a reporting of the reserve fund, sources of funds and uses of funds for the 2020-21 scholarship award year.	See appendix A.	None.

APPENDIX

YAKIMA VALLEY COMMUNITY FOUNDATION

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Appendix A**

Summary of Scholarship Activity for the 2020 - 2021 Scholarship Award Year

Opening Reserve Balance	\$ 37,414
Sources:	
Annual distribution from Davis Educational Fund at YVCF	1,028,535
Interest earnings	<u>11,050</u>
	1,039,585
Uses:	
YVCF annual fee	(107,051)
Golf match	(46,074)
Charitable contribution (3%) to YRT	(27,645)
International Scholarship and Tuition Services fee	(23,440)
Approved and paid scholarships	(840,502)
YRT scholarship program expense	<u>(1,669)</u>
	<u>(1,046,381)</u>
Ending Reserve Balance	<u><u>\$ 30,618</u></u>