

EDVANCE COLLEGE, INC.
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022



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INDEPENDENT AUDITORS' REPORT

Board of Directors
EDvance College, Inc.
Modesto, California

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of EDvance College, Inc., which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of EDvance College, Inc. as of June 30, 2022, and the results of its operations 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of EDvance College, Inc. 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 EDvance College, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' 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 auditors' 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 EDVance College, Inc.'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 EDVance College, Inc.'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.



CliftonLarsonAllen LLP

Glendora, California
November 29, 2022

EDVANCE COLLEGE, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

ASSETS

Cash and Cash Equivalents	\$ 611,403
Accounts Receivable, Net	2,178
Prepaid Expenses and Other Assets	<u>5,328</u>
Total Assets	<u><u>\$ 618,909</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ 44,879
Accrued Expenses and Other Liabilities	<u>13,567</u>
Total Liabilities	58,446

NET ASSETS

Without Donor Restrictions	\$ 95,695
With Donor Restrictions:	<u>464,768</u>
Total Net Assets	<u><u>560,463</u></u>
Total Liabilities and Net Assets	<u><u>\$ 618,909</u></u>

See accompanying Notes to Financial Statements.

**EDVANCE COLLEGE, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, SUPPORT, AND GAINS			
Contributions	\$ 357,828	\$ 682,500	\$ 1,040,328
Interest and Dividends	12	-	12
Net Assets Released from Restriction	217,732	(217,732)	-
Total Revenue, Support, and Gains	575,572	464,768	1,040,340
EXPENSES AND LOSSES			
Program	320,840	-	320,840
General and Administrative	92,928	-	92,928
Fundraising	66,109	-	66,109
Total Supporting Services Expenses	479,877	-	479,877
CHANGE IN NET ASSETS	95,695	464,768	560,463
Net Assets - Beginning of Year	-	-	-
NET ASSETS - END OF YEAR	\$ 95,695	\$ 464,768	\$ 560,463

See accompanying Notes to Financial Statements.

EDVANCE COLLEGE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	Program	Management and General	Fundraising	Total
Personnel Costs	\$ 133,048	\$ 72,289	\$ 49,094	\$ 254,431
Professional & Contract Service	123,707	13,450	17,015	154,172
Accreditation, Dues and Other	40,197	5,791	-	45,988
Information Technology	9,310	415	-	9,725
Travel and Meetings	6,787	-	-	6,787
Conferences, Conventions, and Meetings	2,324	-	-	2,324
Insurance	4,440	888	-	5,328
Occupancy	943	95	-	1,038
Marketing & Promotion	84	-	-	84
Total Expenses by Function	<u>\$ 320,840</u>	<u>\$ 92,928</u>	<u>\$ 66,109</u>	<u>\$ 479,877</u>

See accompanying Notes to Financial Statements.

**EDVANCE COLLEGE, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 560,463
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided (Used) by Operating Activities:	
Changes in Operating Assets and Liabilities:	
Accounts Receivable, Net	(2,178)
Prepaid Expenses and Other Assets	(5,328)
Accounts Payable	44,879
Accrued Expenses and Other Liabilities	13,567
Net Cash Provided (Used) by Operating Activities	<u>611,403</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS

611,403

Cash and Cash Equivalents - Beginning of Year

-

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 611,403

See accompanying Notes to Financial Statements.

EDVANCE COLLEGE, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 1 ORGANIZATION

EDvance College, Inc. (EDvance) is an independent institution established in August 2021. Our work began in 2009 as an embedded program at San Francisco State University to serve the existing early childhood education workforce in degree attainment. Today, EDvance's bachelor's degree program is fully remote and built specifically for working early childhood educators.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and cash held with financial institutions.

Receivables and Credit Policies

Accounts receivable are stated at their net realizable value. The allowance for doubtful accounts is developed based upon the age of the receivable, as well as any known specific issues or disputes which exist as of the financial statement date. At June 30, 2022, the allowance was \$0.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

EDvance reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

EDVANCE COLLEGE, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, or an unconditional promise to give, is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. There are no unrecognized conditional promises to give at June 30, 2022.

Advertising Costs

Advertising costs are expensed as incurred and approximated \$84 during the year ended June 31, 2022.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, personnel costs have been allocated among the programs and supporting services benefited based on the percentage of effort.

Income Taxes

EDvance College, Inc. is organized as a California nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under IRC Section 501(a) as organizations described in Internal Revenue Code (IRC) Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and has been determined not to be a private foundation under IRC Sections 509(a)(1) and (3), respectively. EDvance is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, EDvance is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. Management has been determined that EDvance is not subject to unrelated business income tax and does not need filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Financial Instruments and Credit Risk

EDvance manages deposit concentration risk by placing cash with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, EDvance has not experienced losses in any accounts. Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from organizations supportive of our mission.

Subsequent Events

EDvance has evaluated subsequent events through November 29, 2022, the date the financial statements were available to be issued.

EDVANCE COLLEGE, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

NOTE 3 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and Cash Equivalents	\$ 611,403
Accounts Receivable	2,178
Total	<u>\$ 613,581</u>

NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30:

Satisfaction of Purpose Restrictions:	
Organizational Development	\$ 75,000
Marketing Outreach	7,500
Other	3,000
Total Net Assets Released from Donor Restrictions	<u>\$ 85,500</u>

NOTE 5 RELATED PARTY

The College receives various gifts from trustee. The College received approximately \$10,960 in gifts from trustees for year ended June 30, 2022.

SUPPLEMENTARY INFORMATION



CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
EDvance College, Inc.
Modesto, California

We have audited the financial statements of EDvance College, Inc. as of and for the year ended June 30, 2022, and our report thereon dated November 29, 2022, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The financial responsibility calculation supplemental schedule is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

CliftonLarsonAllen LLP

Glendora, California
May 25, 2023

EDVANCE COLLEGE, INC.
SUPPLEMENTAL DISCLOSURE – U.S. DEPARTMENT OF EDUCATION
YEAR ENDED JUNE 30, 2022

PRIMARY RESERVE RATIO

95,695	Net assets without donor restrictions
<u>464,768</u>	Net assets with donor restrictions
560,463	Expendable Net Assets
479,877	Total operating expenses
<u>479,877</u>	Total Expenses/Losses
1.1679	Primary Reserve Ratio

EQUITY RATIO

95,695	Net assets without donor restrictions
<u>464,768</u>	Net assets with donor restrictions
560,463	Modified Net Assets
618,909	Total assets
<u>618,909</u>	Modified Assets
0.9056	Equity Ratio

NET INCOME RATIO

95,695	Change in net assets without donor restrictions
1,040,340	Total operating revenue
<u>1,040,340</u>	Total Revenues/Gains
0.0920	Net Income Ratio

RATIO	Ratio	Strength Factor	Weight	Composite Scores
Primary Reserve	1.1679	3.0000	40%	1.2
Equity	0.9056	3.0000	40%	1.2
Net Income	0.0920	3.0000	20%	0.6
				<u>3.0</u>

Round the composite score to one digit after the decimal point to determine the final score

TOTAL Composite Score - Rounded

3.0

PASS

