



Financial Statements
June 30, 2024

ATEP Facilities Corporation

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Independent Accountant's Review Report

Board of Directors
ATEP Facilities Corporation
Mission Viejo, California

We have reviewed the accompanying financial statements of the ATEP Facilities Corporation (the Corporation) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Corporation management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Eide Bailly LLP

Rancho Cucamonga, California
November 4, 2024

ATEP Facilities Corporation
Statement of Financial Position
June 30, 2024

Assets	
Current assets	
Investments	\$ 61,293
Accounts receivable	2,285
Due from South Orange County Community College District	<u>147,318</u>
Total Current Assets	<u>210,896</u>
Total Assets	<u><u>\$ 210,896</u></u>
Liabilities	
Current liabilities	
Due to South Orange County Community College District	<u>\$ 210,896</u>
Total Current Liabilities	<u>210,896</u>
Total Liabilities	<u>210,896</u>
Net Assets	
Without donor restrictions	
Undesignated	<u>-</u>
Total Liabilities and Net Assets	<u><u>\$ 210,896</u></u>

ATEP Facilities Corporation
Statement of Activities
Year Ended June 30, 2024

	Without Donor Restrictions
Revenues	
Common area maintenance charges	\$ 18,892
Contribution from South Orange County Community College District	146,204
Total Revenues	165,096
Expenses	
Management and general	
Utilities	25,206
Security	139,890
Total Expenses	165,096
Change in Net Assets	-
Net Assets, Beginning of Year	-
Net Assets, End of Year	\$ -

ATEP Facilities Corporation
Statement of Cash Flows
Year Ended June 30, 2024

Operating Activities	
Change in net assets	\$ -
Changes in operating assets and liabilities	
Accounts receivable	(2,285)
Due from South Orange County Community College District	(147,318)
Due to South Orange County Community College District	<u>110,896</u>
Net Cash from Operating Activities	<u>(38,707)</u>
Financing Activities	
Proceeds from South Orange County Community College District	<u>100,000</u>
Net Cash from Financing Activities	<u>100,000</u>
Net Increase in Cash	61,293
Cash and Cash Equivalents, Beginning of Year	<u>-</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 61,293</u></u>

Note 1 - Nature of Organization and Significant Accounting Policies**Organization**

The ATEP Facilities Corporation (the Corporation) is a California, nonprofit public benefit corporation founded on July 6, 2018, to promote the public purposes of the South Orange County Community College District (the District) and to lessen the burdens of the District by operating, maintaining, and managing the Advanced Technology Education Park (ATEP) located in Tustin, California. The purpose of ATEP is to offer applied education and training programs in current and emerging technological careers driven by innovative business, industry, and education partnerships to further the educational purposes of the District.

Financial Statement Presentation

The Corporation and the District are financially interrelated organizations as defined by Accounting Standards Codification (ASC) Topic 958-605, *Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others*.

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). The Financial Accounting Standards Board (FASB) has established the ASC as the source of authoritative accounting principles to be applied in the preparation of financial statements in accordance with GAAP. The financial statements include the accounts maintained by and directly under the control of the Corporation. In addition, the Corporation is required to present a statement of cash flows.

The Corporation is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Currently, the Corporation does not have any net assets with donor restrictions.

Investments

The Corporation's investment in the County Treasury is measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in this investment pool are not required to be categorized within the fair value hierarchy. For the purposes of our statement of cash flows, the Corporation's investment in the County Treasury is classified as cash.

Accounts Receivable

Accounts receivable is comprised of interest receivable and amounts due from tenants of ATEP for common area maintenance charges net of an allowance for credit losses. The Corporation determines its allowance by considering a number of factors, including the length of time receivables are past due, a customer's current ability to pay their obligations, as well as forecasted economic conditions that could impact future collections. Management believes that the information it has compiled is a reasonable base on which to determine expected credit losses for accounts receivable held at June 30, 2024. Receivables are written off when they become uncollectible. At June 30, 2024, management had determined that all outstanding receivables were fully collectable.

Revenue and Revenue Recognition

Common area maintenance and other services charges are recognized in the year in which performance obligations are satisfied, typically when the activity or services are rendered.

Estimates

The preparation of financial statements in conformity with GAAP 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 revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates, and those estimates could be material.

Income Taxes

The Corporation is a charitable, not-for-profit, tax-exempt organization qualified under provisions of Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions. Accordingly, no provision for income taxes has been provided in the financial statements. For the year ended June 30, 2024, there was no unrelated business activity income.

Note 2 - 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:

	<u>2024</u>
Investments	\$ 61,293
Accounts receivable	2,285
Due from South Orange County Community College District	<u>147,318</u>
 Total Financial Assets Available Within One Year	 <u><u>\$ 210,896</u></u>

Liquidity Management

To manage liquidity, the Corporation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. District staff on behalf of the Corporation's management monitor daily cash balances.

Additionally, on behalf of the Corporation, the District has implemented cash management procedures, that include the monthly reconciliation of banked and invested cash deposits and disbursements to receipts and disbursement records.

Note 3 - Related Parties

During the year ended June 30, 2024, the District loaned \$100,000 to the Corporation to allow them the cash flow to cover operational expenses as the Corporation began to generate revenue. This amount is included in the liabilities to the District on the statement of net position. In addition, during the year, the District also assisted the Corporation by paying for operational expenses which the Corporation will reimburse to the District. During the year ended June 30, 2024, the District paid the Corporation for common area maintenance charges in the amount of \$16,832 and made an additional contribution to the Corporation in the amount of \$146,204. As of June 30, 2024, the Corporation had outstanding payables due to the District in the amount of \$210,896 and an outstanding receivable from the District in the amount of \$147,318.

Note 4 - Subsequent Events

The Corporation's management has evaluated events or transactions from June 30, 2024, through November 4, 2024, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that require additional disclosure in the Corporation's financial statements.