



Victor
Valley
College
Foundation
Their dreams, your passion, our mission!



**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED
JUNE 30, 2015 AND JUNE 30, 2014**

VICTOR VALLEY COLLEGE DISTRICT FOUNDATION, INC.
FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

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Board of Directors
Victor Valley College District Foundation, Inc.
Victorville, CA

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of Victor Valley College District Foundation, Inc. (a nonprofit organization) which comprise the statements of financial position as of June 30, 2015 and 2014 and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Victor Valley College District Foundation, Inc. as of June 30, 2015 and 2014, and changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

November 13, 2015

FINANCIAL STATEMENTS

VICTOR VALLEY COLLEGE DISTRICT FOUNDATION, INC.

(A Non-Profit Organization)

STATEMENTS OF FINANCIAL POSITION**JUNE 30, 2015 AND 2014**

	2015	2014
ASSETS		
Current Assets		
Cash	\$ 489,296	\$ 503,831
Short-term investments	18,767	1,000,002
Investment - scholarship endowment	224,000	224,000
Investment - other	15,000	15,000
Pledges and grants receivable, net	49,177	1,028,244
Nursing loans receivable, net	5,650	5,650
Accrued interest receivable	602	-
Total Current Assets	802,492	2,776,727
Long-Term Assets		
Long-term investments	2,134,344	2,119,334
Investment - donated property	20,873	-
Property and equipment (net)	2,308,348	2,308,348
Total Long-Term Assets	4,463,565	4,427,682
TOTAL ASSETS	\$ 5,266,057	\$ 7,204,409
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 24,170	\$ 12,575
Joseph B. Campbell Scholarship	600	600
Total Current Liabilities	24,770	13,175
Net Assets		
Unrestricted	3,216,400	3,171,965
Temporarily restricted	764,592	2,758,974
Permanently restricted	1,260,295	1,260,295
Total Net Assets	5,241,287	7,191,234
TOTAL LIABILITIES AND NET ASSETS	\$ 5,266,057	\$ 7,204,409

VICTOR VALLEY COLLEGE DISTRICT FOUNDATION, INC.

(A Non-Profit Organization)

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**FOR THE YEAR ENDED JUNE 30, 2015**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND GAINS				
Donations	\$ 172,196	\$ 493,372	\$ -	\$ 665,568
In-kind donations	23,369	176,502	-	199,871
Event and other revenue (net)	77,912	-	-	77,912
Membership dues	69,770	-	-	69,770
Interest and dividend income	14,861	41,738	-	56,599
Realized gain (loss)	(3,640)	(10,224)	-	(13,864)
Unrealized gain (loss)	(2,195)	(6,163)	-	(8,358)
Subtotal Revenues and Gains	352,273	695,225	-	1,047,498
Net Assets Released From Restrictions				
Net assets released from restrictions	2,689,607	(2,689,607)	-	-
TOTAL REVENUES AND GAINS	3,041,880	(1,994,382)	-	1,047,498
EXPENSES				
Program services	2,608,161	-	-	2,608,161
Management and general	374,008	-	-	374,008
Fundraising	15,276	-	-	15,276
TOTAL EXPENSES	2,997,445	-	-	2,997,445
Change in Net Assets	44,435	(1,994,382)	-	(1,949,947)
Beginning Net Assets	3,171,965	2,758,974	1,260,295	7,191,234
ENDING NET ASSETS	\$ 3,216,400	\$ 764,592	\$ 1,260,295	\$ 5,241,287

VICTOR VALLEY COLLEGE DISTRICT FOUNDATION, INC.

(A Non-Profit Organization)

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**FOR THE YEAR ENDED JUNE 30, 2014**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND GAINS				
Donations	\$ 203,843	\$ 2,611,181	\$ 2,500	\$ 2,817,524
In-kind donations	17,152	197,870	-	215,022
Event and other revenue (net)	22,907	-	-	22,907
Membership dues	44,591	-	-	44,591
Interest and dividend income	51,825	2,418	-	54,243
Realized gain (loss)	-	-	-	-
Unrealized gain (loss)	118,870	-	-	118,870
Subtotal Revenues and Gains	459,188	2,811,469	2,500	3,273,157
Net Assets Released From Restrictions				
Net assets released from restrictions	674,667	(674,667)	-	-
TOTAL REVENUES AND GAINS	1,133,855	2,136,802	2,500	3,273,157
EXPENSES				
Program services	793,388	-	-	793,388
Management and general	112,684	-	-	112,684
Fundraising	31,929	-	-	31,929
TOTAL EXPENSES	938,001	-	-	938,001
Change in Net Assets	195,854	2,136,802	2,500	2,335,156
Beginning Net Assets	2,976,111	622,172	1,257,795	4,856,078
ENDING NET ASSETS	\$ 3,171,965	\$ 2,758,974	\$ 1,260,295	\$ 7,191,234

VICTOR VALLEY COLLEGE DISTRICT FOUNDATION, INC.

(A Non-Profit Organization)

STATEMENT OF FUNCTIONAL EXPENSES**FOR THE YEAR ENDED JUNE 30, 2015**

	Program Services	Support Services		Total
		Management and General	Fundraising	
Accounting	\$ -	\$ 3,480	\$ -	\$ 3,480
Admission/entry fees	2,365	1,988	-	4,353
Advertising	-	25,114	-	25,114
Awards and recognition	25,013	4,041	-	29,054
Bad debt	250	32,450	11,605	44,305
Bank and broker charges	70	1,347	-	1,417
Catering	2,405	9,504	-	11,909
Commissions	-	-	-	-
Consultants	-	-	-	-
Contributions and donations	1,160	-	-	1,160
Depreciation	-	-	-	-
Dues and subscriptions	1,455	4,405	-	5,860
Education and training	2,739	12,874	-	15,613
Equipment and supplies	73,008	3,288	2,561	78,857
Event entertainment	-	-	-	-
Facilities and decorations	6,549	4,821	-	11,370
Grants awarded	2,172,498	24,203	-	2,196,701
Hospitality	4,407	4,826	-	9,233
Insurance	-	2,085	-	2,085
Licenses and fees	-	51	-	51
Meals	2,574	3,843	477	6,894
Office staffing	7,676	1,304	-	8,980
Office expense	4,323	14,666	357	19,346
Outside labor	11,115	-	-	11,115
Postage	129	3,024	276	3,429
Printing	4,670	14,468	-	19,138
Professional fees	2,980	36,642	-	39,622
Program development	-	330	-	330
Refund	-	-	-	-
Repairs and maintenance	1,269	-	-	1,269
Scholarships	259,599	-	-	259,599
Taxes	-	7,034	-	7,034
Telephone	-	1,325	-	1,325
Travel	21,907	6,615	-	28,522
Rent & utilities	-	150,280	-	150,280
	<u>\$ 2,608,161</u>	<u>\$ 374,008</u>	<u>\$ 15,276</u>	<u>\$ 2,997,445</u>

VICTOR VALLEY COLLEGE DISTRICT FOUNDATION, INC.

(A Non-Profit Organization)

STATEMENT OF FUNCTIONAL EXPENSES**FOR THE YEAR ENDED JUNE 30, 2014**

	Program Services	Support Services		Total
		Management and General	Fundraising	
Accounting	\$ -	\$ 4,750	\$ -	\$ 4,750
Admission/entry fees	3,515	2,350	-	5,865
Advertising	5,422	7,605	-	13,027
Awards and recognition	9,619	4,971	-	14,590
bad debt	4,500	4,550	3,000	12,050
Bank and broker charges	-	1,475	-	1,475
Catering	282	10,006	-	10,288
Commissions	-	2,250	12,799	15,049
Consultants	3,448	3,449	-	6,897
Contributions and donations	496	-	-	496
Depreciation	1,340	-	-	1,340
Dues and subscriptions	580	6,879	-	7,459
Education and training	14,390	3,451	-	17,841
Equipment and supply expenditures	99,954	963	9,751	110,668
Event entertainment	-	-	-	-
Facilities and decorations	145,819	5,844	-	151,663
Grants awarded	188,887	-	-	188,887
Hospitality	715	2,414	-	3,129
Insurance	-	1,823	1,388	3,211
Licenses and fees	274	458	373	1,105
Meals	1,981	3,693	1,105	6,779
Office staffing	5,239	4,753	465	10,457
Office expense	418	8,608	1,021	10,047
Outside labor	17,260	250	-	17,510
Postage	30	1,338	368	1,736
Printing	10,728	1,759	-	12,487
Professional fees	17,201	13,422	-	30,623
Program development	-	2,188	-	2,188
Refund	599	-	-	599
Repairs and maintenance	931	-	-	931
Scholarships	229,194	-	-	229,194
Taxes	-	7,004	-	7,004
Telephone	-	1,952	-	1,952
Travel	30,566	4,479	1,659	36,704
Rent & utilities	-	-	-	-
	<u>\$ 793,388</u>	<u>\$ 112,684</u>	<u>\$ 31,929</u>	<u>\$ 938,001</u>

VICTOR VALLEY COLLEGE DISTRICT FOUNDATION, INC.

(A Non-Profit Organization)

STATEMENTS OF CASH FLOWS**FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,949,947)	\$ 2,335,156
<i>Adjustment to reconcile changes in net assets to net cash provided by operating activities:</i>		
<i>Non-Cash Items:</i>		
Depreciation	-	1,340
Unrealized (gain) loss	8,358	(118,870)
Donated investment property	(20,873)	-
<i>Increase (Decrease) in:</i>		
Pledges and grants receivables	979,067	(959,955)
Nursing loans receivable	-	50
Accrued interest receivable	(602)	-
<i>(Increase) Decrease in:</i>		
Accounts payable	11,595	15,059
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(972,402)</u>	<u>1,272,780</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in investment-scholarship endowment	-	(5,000)
Realized (gain) loss	13,864	-
Reinvestment of interest and dividends	(56,599)	(54,243)
Proceeds from sale of investments	1,000,602	-
Purchase of investments	-	(1,303,741)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>957,867</u>	<u>(1,362,984)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash	(14,535)	(90,204)
Beginning Cash	<u>503,831</u>	<u>594,035</u>
ENDING CASH	<u><u>\$ 489,296</u></u>	<u><u>\$ 503,831</u></u>
Supplemental Data		
In-kind revenues	<u>\$ 199,871</u>	<u>\$ 215,022</u>
In-kind expenses	<u>\$ 199,871</u>	<u>\$ 215,022</u>
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Taxes paid	<u>\$ -</u>	<u>\$ -</u>

VICTOR VALLEY COLLEGE DISTRICT FOUNDATION, INC.

(A Non-Profit organization)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Victor Valley College District Foundation, Inc. (the "Foundation") is a not-for-profit organization whose purpose is to support the operations and the students of Victor Valley Community College. The Foundation elicits donations for scholarships and loans to needy and deserving college students. The Foundation also develops resources and makes grants to support college educational programs.

Basis of Accounting

The Foundation maintains its accounting records on the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when the obligation is incurred.

Basis of Presentation

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

- (1) *Unrestricted Net Assets* – these generally result from revenues generated by receiving unrestricted contributions, providing services, and receiving interest from investments less expenses incurred in providing program related services, raising contributions, and performing administrative functions.
- (2) *Temporarily Restricted Net Assets* – the Foundation reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are classified to unrestricted net assets and reported in the Statement of Activities as net assets released from program or capital restrictions.
- (3) *Permanently Restricted Net Assets* – these net assets are received from donors who stipulate that resources are to be maintained permanently, but permits the Foundation to expend all of the income (or other economic benefits) derived from the donated assets.

Contributions

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence and/or nature of any donor restrictions. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

In-Kind Contributions

The Foundation recognizes the estimated value of in-kind contributions when received and the transfer of most of the items received for the use of the College at the same value. In-kind contributions of items that the Foundation ultimately puts to use are recorded as expenses, or, if they qualify, are capitalized as fixed assets.

Functional Allocation of Expenses

Costs of providing Victor Valley College District Foundation, Inc.'s programs and activities are presented in the Statement of Functional Expenses. The Foundation classifies portions to general and administrative and fundraising based on the costs associated with the respective categories.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

Investments are carried at fair value.

Property and Equipment

Property and equipment are reported at cost if purchased or at fair value at the date of donation. Property and equipment is capitalized if the cost of an asset is greater than or equal to \$1,000 and the useful life is over one year. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets as follows:

Office equipment	5-10 years
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Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Foundation is a not-for-profit organization that is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. It is exempt from state taxes under Revenue and Taxation Code Section 23701(d).

Management believes that all of the positions taken by the Foundation, in its federal and state income tax returns, are more likely than not to be sustained upon examination. Victor Valley College District Foundation, Inc. files returns in the U.S. Federal jurisdiction and the State of California. The Organization's federal income tax returns for the prior three tax years remain subject to examination by the Internal Revenue Service. The Organization's California income tax returns for the prior four tax years remain subject to examination by the Franchise Tax Board.

Disclosure About Fair Value of Assets and Liabilities

Victor Valley College District Foundation, Inc. adopted the standard for Fair Value Measurements. The Accounting principle for fair value measurements defines fair value, establishes a framework for measuring fair value and expands disclosure about fair value measurements.

The Foundation defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standards three levels of inputs that may be used to measure fair value:

Level 1: Observable prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full-term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

2. RECEIVABLES**Pledges and Grants Receivable**

Pledges and grants receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probably uncollectable amounts through reduction in revenues related to those uncollectible amounts.

Pledges receivable consisted of the following:

	<u>6/30/15</u>	<u>6/30/14</u>
Receivables	\$ 51,687	\$ 1,082,413
Allowance for uncollectible pledges	<u>(2,510)</u>	<u>(54,169)</u>
Total pledges receivable	<u><u>\$ 49,177</u></u>	<u><u>\$ 1,028,244</u></u>

Nursing Loans Receivable

Nursing loans receivable were as follows:

	<u>6/30/15</u>	<u>6/30/14</u>
Receivables	\$ 5,950	\$ 5,950
Allowance for uncollectible loans	<u>(300)</u>	<u>(300)</u>
Total loans receivable	<u><u>\$ 5,650</u></u>	<u><u>\$ 5,650</u></u>

3. INVESTMENTS

At June 30, 2015 and 2014, investments consisted of the following:

	<u>6/30/15</u>	<u>6/30/14</u>
Mutual funds and bonds	\$ 2,134,344	\$ 2,119,334
Cash and cash equivalents	<u>18,767</u>	<u>1,000,002</u>
Total investments	<u><u>\$ 2,153,111</u></u>	<u><u>\$ 3,119,336</u></u>

4. CONCENTRATION OF CREDIT RISK

From time to time, the Foundation maintains bank balances in excess of the federally insured limits. This risk is mitigated by utilizing only highly rated financial institutions. At June 30, 2015 and 2014, the Foundation had approximately \$2,507,147 and \$254,000, respectively, in excess of the federally insured limits.

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5. PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2015 consisted of the following:

	6/30/14	Additions	Deletions	6/30/15
Property and Equipment				
Land	\$ 1,845,000	\$ -	\$ -	\$ 1,845,000
Donated assets	460,000	-	-	460,000
Equipment	40,138	-	-	40,138
Total Property and Equipment	<u>2,345,138</u>	<u>-</u>	<u>-</u>	<u>2,345,138</u>
 Accumulated Depreciation	 (36,790)	 -	 -	 (36,790)
Property and Equipment (net)	<u>\$ 2,308,348</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,308,348</u>

Depreciation expense for the year ended June 30, 2015 was:

\$ -

Property and equipment as of June 30, 2014 consisted of the following:

	6/30/13	Additions	Deletions	6/30/14
Property and Equipment				
Land	1,845,000	\$ -	\$ -	\$ 1,845,000
Donated assets	460,000	-	-	460,000
Equipment	40,138	-	-	40,138
Total Property and Equipment	<u>2,345,138</u>	<u>-</u>	<u>-</u>	<u>2,345,138</u>
 Accumulated Depreciation	 (35,450)	 (1,340)	 -	 (36,790)
Property and Equipment (net)	<u>\$ 2,309,688</u>	<u>\$ (1,340)</u>	<u>\$ -</u>	<u>\$ 2,308,348</u>

Depreciation expense for the year ended June 30, 2014 was:

\$ (1,340)

6. ENDOWMENT FUNDS

Victor Valley College District Foundation, Inc. Board of Directors has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA), as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. Accordingly, the Foundation classifies as permanently restricted net assets a) the original value of the gifts donated to 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. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by The Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA. In accordance with SPMIFA, The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: 1) the duration and preservation of the various funds, 2) the purposes of the donor-restricted endowment funds, 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 Foundation, and 7) The Foundation's investment policies.

6. ENDOWMENT FUNDS (CONTINUED)

Investment Return Objectives, Risk Parameters and Strategies. Victor Valley College District Foundation, Inc.'s investment policy stipulates that a prudent portion of monies are to be placed in interest-bearing accounts, to maximize the potential earnings on the gifts. The general rule for acceptable investments for the aggregated endowment funds (federal and non-federal) are savings accounts or in low-risk securities in which a regulated insurance company may invest under the law of the State in which the institution is located. This typically includes "savings accounts" such as a federally insured bank savings account, a comparable interest bearing account offered by a bank, or a money market fund. "Low-risk securities" includes certificates of deposit, mutual funds, stocks, or bonds.

Spending Policy. Income from the endowment may be spent for costs necessary to operate the Foundation, including general operating and maintenance costs, costs to administer and manage the endowment fund, and costs associated with buying and selling securities, such as stockbroker commissions and fees to "load" mutual funds. Income from the endowment cannot be spent for a school or department of divinity or any religious worship or sectarian activity, an activity that is inconsistent with a State plan for desegregation applicable to the grantee, or an activity that is inconsistent with a State plan applicable to the grantee.

Endowment net assets composition by type of fund as of June 30, 2015 and 2014 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
June 30, 2015:			
Endowment Funds	\$ 208,882	\$ 1,260,295	\$ 1,469,177
June 30, 2014:			
Endowment Funds	\$ 183,531	\$ 1,260,295	\$ 1,443,826

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6. ENDOWMENT FUNDS (CONTINUED)

The changes in endowment net assets for the years ended June 30, 2015 and 2014 are as follows:

	Temporarily Restricted	Permanently Restricted	Total
June 30, 2015:			
Endowment net assets, beginning of year	\$ 183,531	\$ 1,260,295	\$ 1,443,826
Contributions	-	-	-
Transfer of funds	-	-	-
Investment return:			
Investment income	41,738	-	41,738
Net depreciation of investment	(16,387)	-	(16,387)
Total investment return	25,351	-	25,351
Amounts appropriated for expenditure	-	-	(16,387)
Endowment net assets, end of year	<u>\$ 208,882</u>	<u>\$ 1,260,295</u>	<u>\$ 1,469,177</u>
June 30, 2014:			
Endowment net assets, beginning of year	\$ 162,981	\$ 1,257,795	\$ 1,420,776
Contributions	-	2,500	2,500
Transfer of funds	-	-	-
Investment return:			
Investment income	2,418	-	2,418
Net depreciation of investment	18,132	-	18,132
Total investment return	20,550	-	20,550
Amounts appropriated for expenditure	-	-	-
Endowment net assets, end of year	<u>\$ 183,531</u>	<u>\$ 1,260,295</u>	<u>\$ 1,443,826</u>

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7. RESTRICTIONS ON NET ASSETS

The detail of temporarily and permanently restricted net assets as of June 30, 2015 is as follows:

Net assets released from restrictions during year ending June 30, 2015 were comprised of the following:

Funds available for the year	\$ 179,104
Purchase of equipment and supplies	55,838
Scholarships provided	259,599
Grants awarded	2,195,066
	<u>\$ 2,689,607</u>

Temporarily restricted net assets at June 30, 2015, are available for the following purposes:

Available for future periods	\$ 534,943
Available for scholarships	204,298
Investment return on permanently restricted net assets not yet appropriated for expenditure	25,351
	<u>\$ 764,592</u>

Permanently restricted net assets consisted of the following at June 30, 2015:

Endowment funds	\$ 1,260,295
	<u>\$ 1,260,295</u>

The detail of temporarily and permanently restricted net assets as of June 30, 2014 is as follows:

Net assets released from restrictions during year ending June 30, 2014 were comprised of the following:

Funds available for the year	\$ 203,953
Purchase of equipment and supplies	45,235
Scholarships provided	229,404
Grants awarded	196,075
	<u>\$ 674,667</u>

Temporarily restricted net assets at June 30, 2014, are available for the following purposes:

Available for future periods	\$ 2,408,475
Available for scholarships	166,968
Investment return on permanently restricted net assets not yet appropriated for expenditure	183,531
	<u>\$ 2,758,974</u>

Permanently restricted net assets consisted of the following at June 30, 2014:

Endowment funds	\$ 1,260,295
	<u>\$ 1,260,295</u>

8. FAIR VALUE MEASUREMENTS

Fair value measurements for assets reported at fair value on a recurring basis at June 30, 2015 were based on:

Description	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level3)
Short-term investments				
Certificates of deposit	\$ 18,767	\$ 18,767	\$ -	\$ -
Total short-term investments	<u>\$ 18,767</u>	<u>\$ 18,767</u>	<u>\$ -</u>	<u>\$ -</u>
Long-term investments				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Equity securities				
Domestic	1,114,600	1,114,600	-	-
Debt securities				
Corporate bonds	<u>1,019,744</u>	<u>1,019,744</u>	<u>-</u>	<u>-</u>
Total long-term investments	<u>\$ 2,134,344</u>	<u>\$ 2,134,344</u>	<u>\$ -</u>	<u>\$ -</u>

Fair value measurements for assets reported at fair value on a recurring basis at June 30, 2014 were based on:

Description	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level3)
Short-term investments				
Certificates of deposit	\$ 1,000,002	\$ 1,000,002	\$ -	\$ -
Total short-term investments	<u>\$ 1,000,002</u>	<u>\$ 1,000,002</u>	<u>\$ -</u>	<u>\$ -</u>
Long-term investments				
Cash and cash equivalents	\$ 293,225	\$ 293,225	\$ -	\$ -
Equity securities				
Domestic	1,135,443	1,135,443	-	-
Debt securities				
Corporate bonds	<u>690,666</u>	<u>690,666</u>	<u>-</u>	<u>-</u>
Total long-term investments	<u>\$ 2,119,334</u>	<u>\$ 2,119,334</u>	<u>\$ -</u>	<u>\$ -</u>

9. FUNDS RAISED ON BEHALF OF VICTOR VALLEY COLLEGE

The amount of grants, contract and community education funds raised on behalf of Victor Valley College that did not go directly through our books and went straight to Victor Valley College is \$2,348,978 and \$17,899,727 for the fiscal years ended June 30, 2015 and June 30, 2014, respectively.

10. EVENT AND OTHER REVENUE (NET)

The following identifies the gross event revenue and direct event expenses:

	6/30/15	6/30/14
Event Revenue	\$ 139,531	\$ 126,563
Less: Direct Expenses	61,619	103,656
Event Revenue (Net)	<u>\$ 77,912</u>	<u>\$ 22,907</u>

11. SUBSEQUENT EVENTS

Management has evaluated activity of the Association through November 13, 2015, the date on which the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

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