Victor Valley College Foundation

Their dreams, your passion, our mission!

Financial Statements

and

Independent Auditors' Report

For the Years Ended

June 30, 2019 and 2018

SM&Co

Smith Marion & Co. · Certified Public Accountants
Redlands Office · 1940 Orange Tree Lane, Suite 100 · Redlands, CA 92374 · (909) 307-2323

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, 2019 and 2018 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.

Auditors' 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, 2019 and 2018, 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.

Smith Marion & Co.

November 13, 2019

	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	$ 1,114,659	$ 878,832
Short-term investments	55,381	18,606
Investment - scholarship endowment	224,233	234,725
Investment - other	33,105	25,388
Pledges and grants receivable, net	102,854	441,876
Accrued interest receivable	870	870
Total Current Assets	1,531,102	1,600,297
Long-Term Assets		
Long-term investments	2,673,730	2,451,779
Investment - donated property	24,706	24,706
Property and equipment (net)	2,308,348	2,308,348
Total Long-Term Assets	5,006,784	4,784,833
TOTAL ASSETS	$ 6,537,886	$ 6,385,130
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	$ 107,455	$ 400,176
Joseph B. Campbell Scholarship	600	600
Total Current Liabilities	108,055	400,776
Net Assets		
Without donor restrictions		
Undesignated	2,961,100	3,109,796
With donor restrictions		
Purpose restictions	2,058,086	1,588,913
Perpetual in nature	1,410,645	1,285,645
Total Net Assets	6,429,831	5,984,354
TOTAL LIABILITIES AND NET ASSETS	$ 6,537,886	$ 6,385,130

Victor Valley College District Foundation, Inc.
(A Non-Profit Organization)
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND GAINS			
Donations	$ 201,337	1,616,073	$ 1,817,410
In-kind donations	23,389	262,454	285,843
Event and other revenue (net)	113,332	-	113,332
Membership dues	47,439	-	47,439
Interest and dividend income	2,315	-	2,315
Realized gain (loss)	-	-	-
Unrealized gain (loss)	15,082	155,645	170,727
Subtotal Revenues and Gains	402,894	2,034,172	2,437,066
Net Assets Released From Restrictions			
Net assets released from restrictions	1,439,999	(1,439,999)	-
TOTAL REVENUES AND GAINS	1,842,893	594,173	2,437,066
EXPENSES			
Program services	1,723,444	-	1,723,444
Management and general	157,920	-	157,920
Fundraising	110,225	-	110,225
TOTAL EXPENSES	1,991,589	-	1,991,589
Change in Net Assets	(148,696)	594,173	445,477
Beginning Net Assets	3,109,796	2,874,558	5,984,354
ENDING NET ASSETS	$ 2,961,100	$ 3,468,731	$ 6,429,831

The accompanying notes are an integral part of these financial statements.

Victor Valley College District Foundation, Inc.
(A Non-Profit Organization)
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2018

	Without Donor Restriction	With Donor Restriction	Total
REVENUES AND GAINS			
Donations	$ 222,049	$ 1,505,985	$ 1,728,034
In-kind donations	10,579	297,618	308,197
Event and other revenue (net)	29,411	-	29,411
Membership dues	58,167	-	58,167
Interest and dividend income	-	1,966	1,966
Realized gain (loss)	-	12,530	12,530
Unrealized gain (loss)	1,278	60,775	62,053
Subtotal Revenues and Gains	321,484	1,878,874	2,200,358
Net Assets Released From Restrictions			
Net assets released from restrictions	1,511,638	(1,511,638)	-
TOTAL REVENUES AND GAINS	1,833,122	367,236	2,200,358
EXPENSES			
Program services	1,793,754	-	1,793,754
Management and general	91,054	-	91,054
Fundraising	71,743	-	71,743
TOTAL EXPENSES	1,956,551	-	1,956,551
Change in Net Assets	(123,429)	367,236	243,807
Beginning Net Assets	3,233,225	2,507,322	5,740,547
ENDING NET ASSETS	$ 3,109,796	$ 2,874,558	$ 5,984,354

The accompanying notes are an integral part of these financial statements.

Victor Valley College District Foundation, Inc.
(A Non-Profit Organization)
Statement of Functional Expenses
For the Year Ended June 30, 2019

		Support Services		
	Program Services	Management and General	Fundraising	Total
Accounting	$ -	$ 9,605	$ 350	$ 9,955
Admission/entry fees	35,513	-	5,472	40,985
Advertising	360	12,905	2,459	15,724
Awards and recognition	5,803	132	16,747	22,682
Bad debt	-	-	5,233	5,233
Bank and broker charges	1,523	2,641	-	4,164
Catering	3,688	-	44,028	47,716
Commissions	-	-	27,159	27,159
Consultants	-	1,080	-	1,080
Contributions and donations	215	300	500	1,015
Depreciation	-	-	-	-
Dues and subscriptions	25	11,478	1,922	13,425
Education and training	763	4,989	570	6,322
Equipment and supplies	110,366	12,340	7,729	130,435
Event entertainment	-	-	7,500	7,500
Facilities and decorations	2,893	-	27,187	30,080
Grants awarded	772,812	-	-	772,812
Hospitality	3,429	2,507	3,581	9,517
Insurance	-	-	1,799	1,799
Licenses and fees	-	-	800	800
Meals	2,122	1,123	984	4,229
Office staffing	491	8,255	-	8,746
Office expense	3,406	20,740	1,326	25,472
Outside labor	32,285	549	29,344	62,178
Postage	144	1,860	775	2,779
Printing	4,817	1,416	5,774	12,007
Professional fees	5,583	44,374	6,200	56,157
Program development	-	-	-	-
Refund	1,901	100	350	2,351
Repairs and maintenance	11,660	-	-	11,660
Scholarships	456,882	14,572	-	471,454
Taxes	-	932	7,928	8,860
Telephone	-	4,025	-	4,025
Travel	58,493	1,997	1,307	61,797
Rent & utilities	208,270	-	-	208,270
Total expenses by function	1,723,444	157,920	207,024	2,088,388
Less: Direct fundraising expenses	-	-	(96,799)	(96,799)
Total expenses included in the expense section on the statement of activities	$ 1,723,444	$ 157,920	$ 110,225	$ 1,991,589

		Support Services		
	Program Services	Management and General	Fundraising	Total
Accounting	$ -	$ 9,675	$ (250)	$ 9,425
Admission/entry fees	9,400	115	5,922	15,437
Advertising	-	9,630	614	10,244
Awards and recognition	5,847	367	16,218	22,432
Bad debt	-	-	2,000	2,000
Bank and broker charges	97	1,548	-	1,645
Catering	1,208	-	35,734	36,942
Commissions	16,500	-	28,340	44,840
Consultants	-	-	-	-
Contributions and donations	300	500	200	1,000
Depreciation	-	-	-	-
Dues and subscriptions	150	4,437	1,602	6,189
Education and training	1,069	1,689	650	3,408
Equipment and supply expenditures	130,948	481	4,893	136,322
Event entertainment	-	-	-	-
Facilities and decorations	2,972	18	9,457	12,447
Grants awarded	970,545	-	11,458	982,003
Hospitality	7,441	1,247	2,842	11,530
Insurance	-	-	3,912	3,912
Licenses and fees	16	20	1,056	1,092
Meals	2,613	884	2,608	6,105
Office staffing	7,086	1,810	-	8,896
Office expense	1,895	4,320	2,937	9,152
Outside labor	6,590	1,278	15,819	23,687
Postage	129	1,072	58	1,259
Printing	4,665	2,354	10,001	17,020
Professional fees	1,322	31,597	2,620	35,539
Program development	-	-	-	-
Refund	-	10	-	10
Repairs and maintenance	55	-	-	55
Scholarships	358,840	12,274	-	371,114
Taxes	-	-	7,769	7,769
Telephone	-	3,500	-	3,500
Travel	33,380	2,228	2,102	37,710
Rent & utilities	230,686	-	-	230,686
Total expenses by function	1,793,754	91,054	168,562	2,053,370
Less: Direct fundraising expenses	-	-	(96,819)	(96,819)
Total expenses included in the expense section on the statement of activities	$ 1,793,754	$ 91,054	$ 71,743	$ 1,956,551

Victor Valley College District Foundation, Inc.
(A Non-Profit Organization)
Statements of Cashflows
For the Years Ended June 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 445,477	$ 243,807
Adjustment to reconcile changes in net assets to net cash provided by operating activities:		
Non-Cash Items:		
Unrealized (gain) loss	(170,727)	(62,053)
(Increase) Decrease in:		
Pledges and grants receivables	339,022	(363,861)
Increase (Decrease) in:		
Accounts payable	(292,721)	400,176
Deferred revenue	-	(166,211)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	321,051	51,858
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease(Increase) in investment-scholarship endowment	10,492	5,275
Realized (gain) loss	-	(12,530)
Purchase of investments	(1,322,627)	(1,966)
Proceeds from sale of investments	1,234,628	(36,034)
Sale/(Purchase) of investments	(7,717)	(5,152)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(85,224)	(50,407)
CASH FLOWS FROM FINANCING ACTIVITIES		
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	-	-
Net Increase (Decrease) in Cash	235,827	1,451
Beginning Cash	878,832	877,381
ENDING CASH	$ 1,114,659	$ 878,832
Supplemental Data		
In-kind revenues	$ 285,843	$ 308,197
In-kind expenses	$ 285,843	$ 308,197
Property taxes paid	$ 8,860	$ 7,769

The accompanying notes are an integral part of these financial statements.

Note 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 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.

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 and cash equivalents. Cash and highly liquid financial instruments restricted to endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

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

Property and Equipment
Property and equipment are reported at cost if purchased or at fair value at the date of donation. Property and equipment are capitalized if the cost of an asset is greater than or equal to $1,000 and the useful life is over one year. Depreciable property and equipment are depreciated to 10% of its cost. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets as follows:

Office equipment	5-10 years

Investments
Investments are recorded at cost at the time of purchase, or if donate, at fair value on the date of donation. Thereafter investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized an unrealized capital gains and losses, less external and direct internal investment expenses.

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 (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) 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. 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.

Contributions
Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

In-Kind Contributions
Contributed goods are recorded at fair value at the date of donation. Donated professional services are recoded at the respective fair values of the services received. 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
The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expense present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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). In addition, the entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes.

Victor Valley College District Foundation, Inc. files returns in the U.S. Federal jurisdiction and the State of California. Victor Valley College District Foundation, Inc. has determined that the Foundation is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

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.

Reclassifications
Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

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 balance sheet date, comprise the following:

Cash	$	1,114,659
Short-term investments		55,381
Pledges and grants receivable		102,854
Financial assets available for general expenditure within one year, net	$	1,272,894

Our endowment funds consist of donor-restricted endowments Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

Note 3 - Receivables
For the year ended June 30, 2018 the Foundation had a receivable and payable at year end of $400,000 for grant funds to be passed through to the Victor Valley Community College.

Receivables at June 30, 2019 and 2018 consisted of the following:

	6/30/19		6/30/18	
Pledges and grant receivables	$	108,254	$	444,080
Allowance for uncollectible receivables		(5,400)		(2,204)
Pledges and grant receivables, net	$	102,854	$	441,876

Note 4 – Investments
At June 30, 2019 and 2018, investments consisted of the following:

	6/30/19		6/30/18	
Mutual funds and bonds	$	2,673,730	$	2,451,779
Cash and cash equivalents		55,381		18,606
Total investments	$	2,729,111	$	2,470,385

Note 5 - 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. Bank accounts with California Business Bank are fully insured, under Title 5, Division 2, Part1, Chapter 4, article 2 of the Government Code of the State of California. The Foundation at June 30, 2019 and 2018, had no uninsured bank balances.

Note 6 - Property and Equipment

Property and equipment as of June 30, 2019 consisted of the following:

	6/30/18	Additions	Deletions	6/30/19
Property and Equipment				
Non-depreciable assets				
Land	$ 1,845,000	$ -	$ -	$ 1,845,000
Donated assets	460,000	-	-	460,000
Depreciable assets				
Equipment	40,138	-	-	40,138
Total Property and Equipment	2,345,138	-	-	2,345,138
Accumulated Depreciation	(36,790)	-	-	(36,790)
Property and Equipment (net)	$ 2,308,348	$ -	$ -	$ 2,308,348
Depreciation expense for the year ended June 30, 2019 was:				$ -

Property and equipment as of June 30, 2018 consisted of the following:

	6/30/17	Additions	Deletions	6/30/18
Property and Equipment				
Non-depreciable assets				
Land	1,845,000	$ -	$ -	$ 1,845,000
Donated assets	460,000	-	-	460,000
Depreciable assets				
Equipment	40,138	-	-	40,138
Total Property and Equipment	2,345,138	-	-	2,345,138
Accumulated Depreciation	(36,790)	-	-	(36,790)
Property and Equipment (net)	$ 2,308,348	$ -	$ -	$ 2,308,348
Depreciation expense for the year ended June 30, 2018 was:				$ -

Note 7 - 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 retains in perpetuity 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 as perpetual in nature is classified as purpose 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.

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.

THIS SECTION WAS INTENTIONALLY LEFT BLANK

	Purpose Restricted	Perpetual in Nature	Total
June 30, 2019:			
Endowment net assets, beginning of year	$ 430,086	$ 1,285,645	$ 1,715,731
Contributions	-	125,000	125,000
Transfer of funds	-	-	-
Investment return:			
Investment income	-	-	-
Net appreciation of investment	155,645	-	155,645
Total investment return	155,645	-	155,645
Amounts appropriated for expenditure	-	-	155,645
Endowment net assets, end of year	$ 585,731	$ 1,410,645	$ 1,996,376
June 30, 2018:			
Endowment net assets, beginning of year	$ 354,815	$ 1,284,645	$ 1,639,460
Contributions	-	1,000	1,000
Transfer of funds	-	-	-
Investment return:			
Investment income	1,966	-	1,966
Net depreciation of investment	73,305	-	73,305
Total investment return	75,271	-	75,271
Amounts appropriated for expenditure	-	-	-
Endowment net assets, end of year	$ 430,086	$ 1,285,645	$ 1,715,731

Note 8 - Restrictions on Net Assets

The detail of purpose restricted and perpetual in nature net assets as of June 30, 2019 is as follows:

Net assets released from restrictions during year ending June 30, 2019 were comprised of the following:

Funds available for the year	175,114
Purchase of equipment and supplies	110,366
Scholarships provided	456,882
Grants awarded	697,637
	$ 1,439,999

Purpose restricted net assets at June 30, 2019, are available for the following purposes:

Available for future periods	$ 1,435,440
Available for scholarships	467,001
Investment return on permanently restricted net assets not yet appropriated for expenditure	155,645
	$ 2,058,086

Perpetual in nature net assets consisted of the following at June 30, 2019:

Endowment funds	$ 1,410,645
	$ 1,410,645

The detail of purpose restricted and perpetual in nature net assets as of June 30, 2018 is as follows:

Net assets released from restrictions during year ending June 30, 2018 were comprised of the following:

Funds available for the year	$ 102,735
Purchase of equipment and supplies	130,948
Scholarships provided	358,840
Grants awarded	919,115
	$ 1,511,638

Purpose restricted net assets at June 30, 2018, are available for the following purposes:

Available for future periods	$ 1,252,924
Available for scholarships	260,718
Investment return on permanently restricted net assets not yet appropriated for expenditure	75,271
	$ 1,588,913

Perpetual in nature net assets consisted of the following at June 30, 2018:

Endowment funds	$ 1,285,645
	$ 1,285,645

Note 9 - Fair Value Measurements

Fair value measurements for assets reported at fair value on a recurring basis at June 30, 2019 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	$ 55,378	$ 55,378	$ -	$ -
Total short-term investments	$ 55,378	$ 55,378	$ -	$ -
Long-term investments				
Cash and cash equivalents	$ -	$ -	$ -	$ -
Equity securities				
Domestic	1,246,117	1,246,117	-	-
Debt securities				
Corporate bonds	1,427,616	1,427,616	-	-
Total long-term investments	$ 2,673,733	$ 2,673,733	$ -	$ -

Fair value measurements for assets reported at fair value on a recurring basis at June 30, 2018 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	$ 18,606	$ 18,606	$ -	$ -
Total short-term investments	$ 18,606	$ 18,606	$ -	$ -
Long-term investments				
Cash and cash equivalents	$ -	$ -	$ -	$ -
Equity securities				
Domestic	947,120	947,120	-	-
Debt securities				
Corporate bonds	1,504,659	1,504,659	-	-
Total long-term investments	$ 2,451,779	$ 2,451,779	$ -	$ -

Note 10 - 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 $4,974,350 and $3,020,117 for the fiscal years ended June 30, 2019 and June 30, 2018, respectively.

Note 11 - Event and Other Revenue
The following identifies the gross event revenue and direct event expenses:

	6/30/19	**6/30/18**
Event Revenue	$ 210,131	$ 126,230
Less: Direct Expenses	96,799	96,819
Event Revenue (net)	$ 113,332	$ 29,411

Note 12 - In-Kind Contributions
The association received the following in-kind contributions for the year:

	6/30/19	6/30/18
Donated Advertising	$ 11,330	$ 9,598
Donated Professional services	606	500
Donated Equipment / Supplies	60,720	62,496
Donated Hospitality	4,917	4,917
Donated Rent	91,010	170,606
Donated Utilities	117,260	60,080
	$ 285,843	$ 308,197

Note 13 - Functionalized Expenses
The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include advertising, awards and recognition, catering, facilities and decorations, meals, outside labor, printing and professional fees which are allocated on the basis of estimates of time and effort.

Note 14 - Subsequent Events
Management has evaluated activity of the Association through November 13, 2019, 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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