

**THE LOS ANGELES VALLEY COLLEGE
FOUNDATION**

(A California Nonprofit Public Benefit Corporation)

FINANCIAL STATEMENTS

JUNE 30, 2019



Gurseley | Schneider LLP
CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

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Independent Accountant's Review Report

To the Board of Directors
The Los Angeles Valley College Foundation
Valley Glen, California

We have reviewed the accompanying financial statements of The Los Angeles Valley College Foundation (a California nonprofit public benefit corporation), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and changes in net assets, functional expenses 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 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.

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.

Gursey | Schneider LLP

October 23, 2019
Los Angeles, California

THE LOS ANGELES VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)
Statement of Financial Position
June 30, 2019

ASSETS

Cash and cash equivalents	\$	738,461
Pledges receivable		26,640
Mortgage note receivable		86,696
Investments		5,705,938
Fixed assets (pianos), net		<u>323,883</u>
TOTAL ASSETS	\$	<u>6,881,618</u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable	\$	13,916
Funds held for others		<u>769,799</u>
TOTAL LIABILITIES		<u>783,715</u>

NET ASSETS

Without donor restrictions		611,857
Without donor restrictions - board designated reserves		303,722
With donor restrictions		<u>5,182,324</u>
TOTAL NET ASSETS		<u>6,097,903</u>

TOTAL LIABILITIES AND NET ASSETS	\$	<u>6,881,618</u>
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THE LOS ANGELES VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2019

	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES AND SUPPORT:			
Contributions	\$ 22,057	\$ 1,153,932	1,175,989
In-kind donations	112,312	-	112,312
Investment Income, net	<u>88,186</u>	<u>101,346</u>	<u>189,532</u>
Subtotal	222,555	1,255,278	1,477,833
Transfers and net assets released from restrictions:	<u>572,514</u>	<u>(572,514)</u>	<u>-</u>
TOTAL REVENUE AND SUPPORT	<u>795,069</u>	<u>682,764</u>	<u>1,477,833</u>
EXPENSES:			
Program services	330,983	-	330,983
General and administrative	165,118	-	165,118
Fundraising	<u>79,557</u>	<u>-</u>	<u>79,557</u>
TOTAL EXPENSES	<u>575,658</u>	<u>-</u>	<u>575,658</u>
CHANGE IN NET ASSETS	219,411	682,764	902,175
NET ASSETS, BEGINNING OF YEAR	<u>696,168</u>	<u>4,499,560</u>	<u>5,195,728</u>
NET ASSETS, END OF YEAR	<u><u>\$ 915,579</u></u>	<u><u>\$ 5,182,324</u></u>	<u><u>\$ 6,097,903</u></u>

See Independent Accountant's Review Report and Accompanying Notes to Financial Statements

THE LOS ANGELES VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)
Statement of Functional Expenses
For the Year Ended June 30, 2019

	Program Services	General and Administrative	Fundraising	Total Expenses
Accounting	\$ -	\$ 7,275	\$ -	\$ 7,275
Bank and credit card fees	-	2,901	-	2,901
Catering	-	2,475	1,332	3,807
Conferences	-	1,970	1,061	3,031
Consultants	904	3,315	1,808	6,027
Department and projects	101,241	-	-	101,241
Depreciation	6,678	-	-	6,678
Donor and board relations	-	5,308	2,858	8,166
Foundation auxiliary groups	2,802	-	-	2,802
Insurance	-	4,272	-	4,272
Interest	23,653	-	-	23,653
Memberships	-	3,253	-	3,253
Occupancy (in-kind)	-	620	334	954
Office equipment	-	465	-	465
Office supplies	-	1,297	698	1,995
Personnel	16,704	61,247	33,407	111,358
Personnel (in-kind)	16,704	61,247	33,407	111,358
Printing	-	805	434	1,239
Publications	-	-	1,825	1,825
Scholarships and awards	159,759	-	-	159,759
Student workers	1,197	4,388	2,393	7,978
Subscriptions	-	2,844	-	2,844
Taxes and licenses	-	95	-	95
Trophies and awards	1,341	1,341	-	2,682
TOTAL FUNCTIONAL EXPENSES	\$ 330,983	\$ 165,118	\$ 79,557	\$ 575,658
<i>Percent of Total Expenses</i>	<i>57.5%</i>	<i>28.7%</i>	<i>13.8%</i>	<i>100.0%</i>

See Independent Accountant's Review Report and Accompanying Notes to Financial Statements

THE LOS ANGELES VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)
Statement of Cash Flows
For the Year Ended June 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 902,175
Adjustments to reconcile change in net assets to net cash used for operating activities:	
Depreciation expense	6,678
Realized and unrealized losses on investments	(93,093)
(Increase) decrease in assets:	
Pledges receivable	(26,430)
Increase (decrease) in liabilities:	
Accounts payable and accrued interest	5,626
Funds held for others	31,243
	<u>826,199</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	
CASH FLOWS FROM INVESTING ACTIVITIES	
Mortgage note receivable proceeds	12,827
Proceeds from sales and maturities of investments	1,649,633
Purchases of investments	<u>(1,832,632)</u>
	<u>(170,172)</u>
NET CASH USED IN INVESTING ACTIVITIES	
CASH FLOWS FROM FINANCING ACTIVITIES	
Repayment of capital lease	<u>(333,900)</u>
	322,127
NET INCREASE IN CASH	
	416,334
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>416,334</u>
CASH AND CASH EQUIVALENTS - End of Year	<u>\$ 738,461</u>
<u>CASH PAID DURING THE YEAR FOR:</u>	
Interest	<u>\$ 23,653</u>

THE LOS ANGELES VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
For the Year Ended June 30, 2019

NOTE 1 — ORGANIZATION

The Los Angeles Valley College Foundation (“the Foundation”) is designated as an auxiliary organization of Los Angeles Valley College (“LAVC” or “the College”) and the Los Angeles Community College District in accordance with the California State Education Code. The Foundation supports various student programs to promote student skills. The Foundation also provides scholarships to students and faculty, and opportunities for students to meet potential employers. The Foundation is supported primarily through donor contributions and fund-raising efforts.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation — The accompanying financial statements have been prepared on the accrual basis of accounting; consequently, revenues are recognized when earned and expenses are recognized when incurred. Accordingly, all significant receivables, payables and other liabilities are reflected.

To ensure compliance with certain constraints and restrictions placed on the use of resources, the accounts of the Foundation are maintained in accordance with the principles of net assets accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are presented in accordance with specified activities or objectives. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

- *Without Donor Restrictions* — These generally result from revenues generated by receiving unrestricted contributions, providing program services less expenses incurred in providing program related services, receiving interest from investments, and performing administrative functions. During the year ended June 30, 2019, the board had designated otherwise unrestricted net assets as being restricted for long-term purposes amounting to \$303,722.
- *With Donor Restrictions* — Net assets that are subject to donor-imposed restrictions that limit the use of their contributions. Donor restrictions may result in *temporarily restricted net assets*, where the use of contributions is limited by donor-imposed stipulations that either expire by the passage of time or when used for specified purposes. Donor restrictions may also result in *permanently restricted net assets*, where the donor stipulations neither expire by the passage of time nor can be fulfilled or otherwise removed by the Foundation’s actions. The Foundation had \$5,182,324 in donor restricted net assets at June 30, 2019 .

Reclassifications – Certain amounts have been reclassified from prior year to conform to the current year presentation.

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses as of the date and for the period presented. Accordingly, actual results could differ from these estimates.

Cash and Cash Equivalents — The Foundation considers highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

THE LOS ANGELES VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
For the Year Ended June 30, 2019

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Investments — Investments are stated at fair value with unrealized gains and losses on investments resulting from fair value fluctuations recorded in the statements of activities in the period that such fluctuations occur. Purchases and sales of investments are recorded on the trade date. Dividend income is recorded based on the record date. Interest income is recorded as earned on an accrual basis. Bond premiums and discounts are amortized to the first call date using a method that approximates the effective interest method. Realized gains and losses are recorded upon disposition of securities. Investment income and realized and unrealized gains and losses are recognized as unrestricted net assets, unless their use is temporarily or permanently restricted by donors to a specified purpose or future period. Investment management fees are completely allocated to net assets without donor restrictions.

Property and Equipment — Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation and amortization are provided over the estimated useful life of each class of depreciable asset and are computed using the straight-line method. Depreciation expense is calculated on straight-line method over estimated useful lives as follows:

Grand pianos	50 years
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Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$2,500 and the useful life is greater than two years.

Donated Services — Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. The College directly pays the salary of the Foundation's employees; the Foundation is required to reimburse LAVC half of this amount and LAVC donates the other half. In addition, LAVC provides the use of office space and utilities. While LAVC quantifies the value of such space and utilities, it does not require full payment in light of scholarships awarded to students and direct donations made by the Foundation to the College. The value of donated personnel services, office space, and utilities amounted to \$112,312 for the year ended June 30, 2019.

Functional Allocation of Expenses — Costs of providing the Foundation's programs and other activities have been presented in the Statement of Functional Expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program, general and administrative support services, and fundraising by a method that best measures the relative degree of benefit.

Scholarship Expenses — The Foundation makes contributions to the College through the granting of stipends and scholarship awards. Criteria for scholarships varies based on donor and/or department requirements. The Foundation has established a Scholarship Committee for adherence to the various scholarship criteria during the application review and selection process. Scholarship expenses are recognized in the year scholarships are awarded. The Foundation does not award multi-year scholarships. As of June 30, 2019, there are no scholarships payable.

THE LOS ANGELES VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
For the Year Ended June 30, 2019

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Funds Held for Others — As part of its operations, the Foundation holds fiscal agent funds for the benefit of various departments and projects of the College. Each fund has a designated account holder and disbursements are made for these funds through a requisition process. The Foundation has no discretion on the use of the funds except that they are used to further the various departments and programs at the College. The Foundation holds a portion of fiscal agent funds in its investment portfolio. Per agreements with some fund holders, investment earnings are the property of the Foundation and not allocated back to the benefit of the department or project.

Concentration of Credit and Business Risks — Financial instruments which potentially subject the Foundation to concentrations of credit risk consist of cash, money market funds and a note receivable. The Federal Deposit Insurance Corporation (“FDIC”) insures cash up to \$250,000 per institution and the Securities Investor Protection Corporation (“SIPC”) protects investments up to \$500,000 per investor. In the normal course of operations, such cash and investment balances may exceed the FDIC and SIPC insurance limits. However, the Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash, cash equivalents and investments.

The Foundation holds a variety of investments. Investments are exposed to various risks, such as interest rate, market and credit risks. Due to such risks associated with investments, it is at least reasonably possible that changes in market values, interest rates or other factors in the near term could materially affect the amounts reported in the financial statements.

Two donors accounted for 59% of total contributions during the year ended June 30, 2019.

Nine donors constitute a significant portion of the pledges receivable. Each of these donors either have long-standing associations with the Foundation or have provided substantial financial support to the Foundation. No allowance for uncollectible pledges has been provided.

Income Taxes – The Foundation is exempt from federal income and excise taxes and California franchise taxes as an organization described under Section 501(c)(3) of the Internal Revenue Code and related state codes. However, the Foundation is subject to income taxes on any net income that is derived from a trade business, regularly carried on and not in furtherance of the purposes for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the combined financial statements taken as a whole.

The Foundation evaluates tax positions and recognizes a liability for any positions that would not be considered “more likely than not” to be upheld under a tax authority examination. If such issues exist, the Foundation’s policy will be to recognize any tax liability so recorded, including applicable interest and penalties, as a component of income tax expense. During the year ended June 30, 2019, the Foundation recognized no interest or penalties.

The Foundation’s federal income tax and informational returns remain subject to examination for tax years 2016 and subsequent by the Internal Revenue Service. The returns for California remain subject to examination by the California Franchise Tax Board for tax years 2015 and subsequent.

THE LOS ANGELES VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
For the Year Ended June 30, 2019

NOTE 3 — LIQUIDITY AND AVAILABLE RESOURCES

Financial assets consist of the Foundation's cash, cash equivalents, investments, and accounts and mortgage note receivable within one year. The following schedule summarizes the Foundation's financial assets available to meet cash needs for financial obligations due within one year of June 30, 2019.

Cash and cash equivalents	\$ 738,461
Pledges receivable	26,640
Mortgage note receivable, current portion	13,436
Investments	<u>5,705,938</u>
Subtotal	6,484,475
Less:	
Funds held for others	(769,799)
Net assets with donor restrictions	(5,182,324)
Board-designated restricted net assets	<u>(303,722)</u>
Financial assets available at June 30, 2019	<u><u>\$ 228,630</u></u>

The Foundation has an investment policy authorized by the board of directors that provides guidance and oversight for the management of cash and cash equivalents and investments. The policy provides that the Foundation maintain an adequate level of cash to meet on-going operational requirements. In addition, the policy sets forth the structure for investment of excess cash based on the financial needs of the Foundation, the time horizon of those needs and the board of director's investment philosophy.

NOTE 4 — PLEDGES RECEIVABLE

Pledges receivable at June 30, 2019 are expected to be collected as follows:

<u>Years Ending June 30,</u>	
2020	\$ 1,560
2021	6,180
2022	6,300
2023	6,300
2024	<u>6,300</u>
	<u><u>\$ 26,640</u></u>

THE LOS ANGELES VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
For the Year Ended June 30, 2019

NOTE 5 — INVESTMENTS

The Foundation's investments are reported at fair value in the accompanying statements of financial position. Fair value is defined as the price that would be received upon selling an investment in an orderly transaction to an independent buyer in the principal or most advantageous market of the investment. A three-tiered hierarchy is employed to maximize the use of observable market data and minimize the use of unobservable inputs, and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect assumptions market participants would use in pricing the asset developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset developed based on the best information available.

The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the entity's own assumptions in determining fair value of investments)

At June 30, 2019, the Foundation's investments (excluding note receivable) consisted of:

	<u>Cost</u>	<u>Fair Value</u>
Bonds and fixed income funds	\$ 1,729,145	\$ 1,756,346
Common stock and equity funds	2,107,913	2,663,402
Alternative investment mutual funds	893,124	860,647
Real estate and commodity funds	<u>434,868</u>	<u>425,543</u>
Total	<u>\$ 5,165,050</u>	<u>\$ 5,705,938</u>

At June 30, 2019, the Foundation's investments were classified by level within the valuation hierarchy as follows:

	<u>Total</u>	<u>Fair Value Hierarchy Designation</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Bonds and fixed income funds	\$ 1,756,346	\$ 763,362	\$ 992,984	\$ -
Common stock and equity funds	2,663,402	2,663,402	-	-
Alternative investment mutual funds	860,647	860,647	-	-
Real estate and commodity funds	<u>425,543</u>	<u>425,543</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 5,705,938</u>	<u>\$ 4,712,954</u>	<u>\$ 992,984</u>	<u>\$ -</u>

THE LOS ANGELES VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
For the Year Ended June 30, 2019

NOTE 5 — INVESTMENTS – (CONTINUED)

Investment income for the year ending June 30, 2019 consists of the following:

Interest and dividends	\$ 162,776
Realized gains and losses, net	83,241
Unrealized gains and losses, net	9,852
Advisor fees	<u>(66,337)</u>
Total	<u>\$ 189,532</u>

NOTE 6 — FIXED ASSETS AND CAPITAL LEASE COMMITMENTS

The Foundation procured five grand pianos and associated accessories under the terms of a capital lease agreement. This agreement was paid in full during the year ended June 30, 2019.

At June 30, 2019, the balance of fixed assets consists of:

Grand pianos	\$ 333,900
Less: Accumulated depreciation	<u>(10,017)</u>
Total capital leased assets, net	<u>\$ 323,883</u>

Depreciation expense for the year ended June 30, 2019 was \$6,678.

NOTE 7 —NET ASSETS WITH DONOR RESTRICTIONS

Temporarily restricted net assets include contributions or grants for which there are donor-imposed restrictions. Temporarily restricted net assets at June 30, 2019, consist of the following:

Steinway campaign and activity fund	\$ 101,196
Auxiliary organizations	12,249
Time restricted pledges	26,640
Scholarships and grants	<u>392,750</u>
Total	<u>\$ 532,835</u>

During the year ended June 30, 2019, temporarily restricted net assets of \$572,514 were released from donor restrictions by incurring expenses for scholarships, stipends, and other donor-designated programs.

THE LOS ANGELES VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
For the Year Ended June 30, 2019

NOTE 7 —NET ASSETS WITH DONOR RESTRICTIONS – (CONTINUED)

Permanently restricted net assets include contributions or grants that are subject to donor-imposed restrictions that can neither be removed by the passage of time nor by the actions of the Foundation. Income from permanently restricted net assets is available for either the general operations of the Foundation or the specific program that was endowed with the permanently restricted net assets. Five percent of investment income from the permanently restricted is allocated to general operations of the Foundation. During the year ended June 30, 2019, the Foundation had the following activity in endowment funds:

Beginning balance	\$ 4,192,427
Contributions	402,689
Unrealized gains, net	93,093
Interest and dividends allocated	158,337
Transfers	10,000
Foundation fee	(12,572)
Amounts expended for programs	<u>(194,485)</u>
Ending balance	<u><u>\$ 4,649,489</u></u>

Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Foundation invests its endowment funds with conservative investment objectives, including authorized investments and allocation targets and ranges, in line with its investment policy for all investments. The earnings of the Foundation's endowment funds support scholarships and awards, campus programs and projects, professorships, and Foundation operations.

The 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 gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the 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:

- The duration and preservation of the fund
- The purposes of the donor-restricted endowment funds
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

THE LOS ANGELES VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
For the Year Ended June 30, 2019

NOTE 7 — NET ASSETS WITH DONOR RESTRICTIONS — (CONTINUED)

The investment portfolio held by the Foundation includes unrestricted net assets, fiscal agent funds, and permanently restricted endowment assets. The asset allocation of the pooled investment portfolio is as follows:

	<u>Percent of Total</u>	<u>Amount</u>
Cash and cash equivalents	7%	\$ 404,951
Fixed income	29%	1,756,346
Equities	44%	2,663,402
Alternative investments	14%	860,647
Real estate funds	7%	425,543
	<hr/>	<hr/>
Total	100%	\$ 6,110,889
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NOTE 8 — FUNDS HELD FOR OTHERS

As part of its operations, the Foundation holds funds for various departments, projects, and auxiliary organizations of the College. As of June 30, 2019, funds held for others totaled \$769,799. The composition of fiscal agent funds was as follows:

CAST Holding Fund	\$ 303,653
Astronomy Group Fund	76,903
VPH Health Center Fund	43,881
General Biology Fund	39,536
Baxter Biotech Fund	39,110
PE Kinesiology Fund	23,448
All 64 other individual funds less than \$20,000	243,268
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Total	\$ 769,799
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NOTE 9 — MORTGAGE NOTE RECEIVABLE

The Foundation currently holds a mortgage note receivable that earns a fixed interest rate of 4.75% and will mature on March 2025. Future receipts of principal are summarized below.

<u>Years Ending June 30,</u>	
2020	\$ 13,436
2021	14,088
2022	14,772
2023	15,489
2024	16,241
2025	12,670
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Total	\$ 86,696
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THE LOS ANGELES VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
For the Year Ended June 30, 2019

NOTE 10 — IN-KIND DONATIONS

The College handles payroll administration for the Foundation's staff and donates half of the Foundation's staffing costs. The College also provides donated space and utilities. The breakdown of in-kind donations from the College is as follows:

Personnel	\$ 111,358
Other administration costs	<u>954</u>
Total	<u><u>\$ 112,312</u></u>

NOTE 11 — RELATED PARTY TRANSACTIONS

During the fiscal year ended June 30, 2019, Management and certain members of the Board of Director's made pledges and contributions (excluding board fees) to the Foundation amounting to \$38,889. These pledges and contributions are included in contributions in the statement of activities. Of the pledges, amounts due from the board and management as of June 30, 2019, amounted to \$12,010. This receivable balance is included in accounts receivables in the statement of financial position.

NOTE 12 — SUBSEQUENT EVENT

Management has reviewed subsequent events through October 23, 2019, the date the financial statements were available to be issued. The following subsequent event was noted:

- The Foundation donated its five grand pianos with a book value of \$323,883 to Los Angeles Valley College.