

**SAN BERNARDINO VALLEY
COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)**

**Financial Statements
with
Independent Auditors' Report**

**For the Year Ended
June 30, 2019**

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Independent Auditors' Report

To the Board of Directors
San Bernardino Valley College Foundation

We have audited the accompanying financial statements of San Bernardino Valley College Foundation (a California nonprofit public benefit corporation) (the Foundation), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit 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 San Bernardino Valley College Foundation as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1, during the year ended June 30, 2019, the Foundation adopted Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion was not modified with respect to this matter.

A handwritten signature in cursive script that reads "Spafford & Landry, Inc." The signature is written in dark ink and is centered on the page.

April 20, 2020

SAN BERNARDINO VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)

Statement of Financial Position

June 30, 2019

ASSETS

Current assets

Unrestricted cash and cash equivalents	\$ 204,530
Receivables	
Promise to give	3,504
Other	<u>41,250</u>
Total current assets	<u>249,284</u>

Noncurrent assets

Investments - unrestricted	291,324
Investments - restricted	3,701,619
Beneficial interest in assets held at the Foundation for CA Community Colleges	<u>328,086</u>
	<u>4,321,029</u>

Total assets \$ 4,570,313

LIABILITIES AND NET ASSETS

Liabilities \$ 4,000

Net assets

Without donor restrictions	
Undesignated	449,986
Board designated - operating reserves	86,622
With donor restrictions	
Purpose restrictions	2,329,258
Perpetual in nature	<u>1,700,447</u>

Total net assets 4,566,313

Total liabilities and net assets \$ 4,570,313

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

SAN BERNARDINO VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)

Statement of Activities

For the Year Ended June 30, 2019

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Support and revenues			
Contributions	\$ 91,626	\$ 332,200	\$ 423,826
Contributions - San Bernardino Community College	147,713	-	147,713
Investment income/loss, net	2,355	194,542	196,897
Other income	4,800		4,800
Net assets released from restrictions:			
Satisfaction of purpose restrictions	<u>412,237</u>	<u>(412,237)</u>	<u>-</u>
 Total support and revenues	 <u>658,731</u>	 <u>114,505</u>	 <u>773,236</u>
Expenses			
Program services	412,486	-	412,486
Management and general	173,296	-	173,296
Fundraising	<u>45,308</u>	<u>-</u>	<u>45,308</u>
 Total expenses	 <u>631,090</u>	 <u>-</u>	 <u>631,090</u>
 Change in net assets	 27,641	 114,505	 142,146
Net assets			
Balance, beginning of year	<u>508,967</u>	<u>3,915,200</u>	<u>4,424,167</u>
 Balance, end of year	 <u>\$ 536,608</u>	 <u>\$ 4,029,705</u>	 <u>\$ 4,566,313</u>

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

SAN BERNARDINO VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)

Statement of Functional Expenses

For the Year Ended June 30, 2019

	Program Services	Management and General	Fundraising	Total
Scholarships	\$ 162,797	\$ -	\$ -	\$ 162,797
Valley Bound books and tuition	110,272	-	-	110,272
Program supplies and expenses	112,368	-	-	112,368
In-kind salaries and benefits	14,771	132,942	-	147,713
Supplies for community relations	12,278	-	-	12,278
Administrative supplies and expenses	-	40,354	-	40,354
Bad debt	-	-	15,000	15,000
Fundraising supplies and event expenses	-	-	30,308	30,308
	<u>\$ 412,486</u>	<u>\$ 173,296</u>	<u>\$ 45,308</u>	<u>\$ 631,090</u>
Total functional expenses	<u>\$ 412,486</u>	<u>\$ 173,296</u>	<u>\$ 45,308</u>	<u>\$ 631,090</u>

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

SAN BERNARDINO 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	\$ 142,146
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Bad debt	15,000
Contributions restricted for long-term purposes	(23,620)
Interest and dividends restricted for reinvestment	(194,542)
Net realized/unrealized (gain) loss on investments	(136,634)
(Increase) decrease in:	
Receivables	(5,235)
Increase (decrease) in:	
Accounts payable	<u>4,000</u>
Net cash used in operating activities	<u>(198,885)</u>
Cash flows from investing activities	
Proceeds from sale of investments	2,046,036
Purchase of investments	<u>(1,963,554)</u>
Net cash provided by investing activities	<u>82,482</u>
Cash flows from financing activities	
Collections of contributions restricted for long-term purposes	23,620
Other financing activities:	
Interest and dividends restricted for reinvestment	<u>194,542</u>
Net cash provided by financing activities	<u>23,620</u>
Net decrease in cash and cash equivalents	(92,783)
Cash and cash equivalents	
Balance, beginning of year	<u>297,313</u>
Balance, end of year	<u>\$ 204,530</u>

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

SAN BERNARDINO VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Organization

San Bernardino Valley College Foundation (the Foundation), located in San Bernardino County, was formed as a California nonprofit public benefit corporation on March 6, 1973. The Foundation supports the San Bernardino Community College District (the District) by fundraising for and administering the payment of student scholarships and support for other educational programs of San Bernardino Valley College (the College). In addition, the Foundation oversees the Valley Bound Commitment program, which serves to remove economic barriers and improve achievement for low income students from the San Bernardino Valley area. The Foundation is supported primarily through public donations, grants, and investment income.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Foundation has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly.

Basis of Presentation

The financial statements are presented in accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, the Association is required to report information regarding its financial position and activities in two classes of net assets:

- *Net assets without donor restrictions* are net assets not subject to donor-imposed restrictions or law.
- *Net assets with donor restrictions* are 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.

Contributions restricted by donors whose restrictions are met in the same reporting periods are recorded as without donor restrictions. Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by the chapter's actions are with donor restrictions perpetual in nature. Restrictions stipulate that resources must be maintained permanently but permit the Foundation to expend the income generated in accordance with the provisions of the agreements.

SAN BERNARDINO VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)

Notes to Financial Statements

1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

The Foundation and the District are financially interrelated organizations as defined by ASC Topic 958-605 *Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others*. The Foundation reflects contributions received for the benefit of the District as revenue in its financial statements. The expenses related to these contributions are accounted for under program and supporting services.

Support and Expenses

Contributions are measured at their fair value at the date of contribution and are reported as an increase in net assets. The Foundation reports gifts of cash or other assets in the category designated by the donor. The Foundation reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulation about where the contributions are to be spent, the Foundation reports these contributions as unrestricted.

Cash and Cash Equivalents

Cash and cash equivalents for the purposes of the statement of cash flows consist of cash held in checking and money market accounts and certificates of deposit with maturities of less than 90 days, when purchased and available for current operations.

The Foundation maintains cash balances in financial institutions which are insured up to \$250,000. At June 30, 2019, \$0 of the cash balances was in excess of the FDIC insurance limit.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are recorded in the appropriate classification of net assets. Investments are classified as short or long term based upon the Foundation's intent to use for current operations.

Contributions and Promises to Give

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in the appropriate classification of net assets as temporarily or permanently restricted. When a restriction expires through either the passage of time or use, the assets are reclassified as assets released from restrictions in the statement of activities.

SAN BERNARDINO VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)

Notes to Financial Statements

1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Donated Services, Goods, and Facilities

A substantial number of volunteers have donated their time and experience to the Foundation's program services and fundraising campaigns during the year. However, these donated services are not reflected in the financial statements since there is no readily determined method of valuing the services. The Foundation utilizes certain employees employed by the District and District office space; the cost of the facilities has not been determined and is not reflected in these financial statements.

Income Taxes

The Foundation is a non-profit public benefit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and classified by the Internal Revenue Service (IRS) as other than a private organization. Contributions received qualify as tax deductible gifts as provided in Section 170(b)(1)(A)(vi). The Foundation is also exempt from California State franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been reflected in these financial statements.

The Foundation's Federal Form 990, *Return of Organization Exempt From Income Tax*, and State Form 109, *California Exempt Organization Business Income Tax Return*, are subject to examination by the IRS for three years, and by the State Franchise Tax Board for four years, after they were filed. The Foundation is not aware of any such examinations at this time. The Foundation has adopted FASB ASC Topic 740 that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Management believes that all tax positions taken to date are highly certain, and, accordingly, no accounting adjustment has been made to the financial statements.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function and therefore, require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel expenses, supplies and other expenses. These expenses are either allocated on a basis of time efforts and purpose or square footage.

SAN BERNARDINO VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)

Notes to Financial Statements

1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

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 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 periods. Actual results could differ from those estimates.

Future accounting pronouncements – In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606). The new accounting standard develops a common standard that will remove inconsistencies in revenue requirements, improve comparability of revenue recognition practices, provide more useful information to users of financial statements and simplify the preparation of financial statements. Application of this statement is effective for the year ending June 30, 2020. The Foundation is currently evaluating the impact this pronouncement will have on the financial statements.

2. Investments

Investments are recorded at fair value on the statement of financial position. The following table summarizes the investment returns which are recorded in the statement of activities:

Realized gains (losses) on investments	\$ 6,750
Unrealized gains (losses) on investments	129,884
Interest and dividends	<u>96,071</u>
Total investment income	232,705
Investment expenses	<u>(35,808)</u>
Total	<u>\$ 196,897</u>

Investment Policies

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. In order to meet its needs, the investment strategy of the Foundation is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested to meet or exceed the market index, or blended market index, selected and agreed upon by the Finance Committee that most closely corresponds to the style of investment management.

SAN BERNARDINO VALLEY COLLEGE FOUNDATION
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Notes to Financial Statements

2. Investments (Continued)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment return is achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation may not exceed five percent of the average net assets over the past three years ending June 30 of the preceding fiscal year. In establishing this policy, the Foundation considered the long-term expected return on its endowment and the need to maintain some investment income in reserve to plan for the potential of scholarship awards exceeding investment income.

3. Market Value of Financial Assets and Liabilities

The Foundation determines the fair market values of certain financial instruments based on the fair value hierarchy established in FASB ASC 820-10-50, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

The following provides a summary of the hierarchical levels used to measure fair value:

Level I - Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level I assets and liabilities may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level II - Observable inputs other than Level I 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 III - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level III assets include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

SAN BERNARDINO VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)

Notes to Financial Statements

3. Market Value of Financial Assets and Liabilities (Continued)

Assets and Liabilities Recorded at Fair Value on a Recurring Basis

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2019. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2019.

	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Investment Assets				
Common stock	\$ 2,514,276	\$ -	\$ -	\$ 2,514,276
Fixed Income bond funds	-	993,632	-	993,632
Hedge funds specific strategy	-	435,035	-	435,035
Artwork	-	-	50,000	50,000
Funds held with the Foundation for CA Community Colleges	<u>-</u>	<u>-</u>	<u>328,086</u>	<u>328,086</u>
Total investments	<u>\$ 2,514,276</u>	<u>\$ 1,428,667</u>	<u>\$ 378,086</u>	<u>\$ 4,321,029</u>

The following table summarizes the Foundation's Level III reconciliation as of June 30, 2019:

	<u>Level III</u>
Investments, at Fair Value	
Balance, at June 30, 2018	\$ 378,086
Changes in Level III investments	<u>-</u>
Balance, at June 30, 2019	<u>\$ 378,086</u>

SAN BERNARDINO VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)

Notes to Financial Statements

4. Beneficial Interest in Assets Held by the Foundation for California Community Colleges

The Foundation participated in The Foundation for California Community Colleges (The FCCC) Osher Scholarship Challenge. This program challenged community colleges and their related foundations to raise additional contributions to be designated as part of a permanent endowment for The FCCC's Osher Scholarship Endowment. Foundations participating in this challenge campaign are guaranteed scholarship monies for qualifying students of their community college districts. The funds are held by The FCCC and are included as permanently restricted net assets of the Foundation.

The Foundation receives no additional interest or dividends on the balance held at The FCCC, and the Foundation does not participate in the investment management of the funds.

5. Net Assets

At June 30, 2019, net assets are categorized as follows:

Without donor restrictions:	
Board designated - operating reserves	\$ 86,622
Unrestricted	<u>449,986</u>
	<u>536,608</u>
With donor restrictions:	
Purpose restrictions:	
Scholarships	214,960
Programs	242,636
Endowment earnings	<u>1,871,662</u>
	<u>2,329,258</u>
Perpetual in nature restrictions:	
Endowments for scholarships	1,372,361
Assets held at Foundation for CA Community Colleges	<u>328,086</u>
	<u>1,700,447</u>
 Total net assets	 <u>\$ 4,566,313</u>

SAN BERNARDINO VALLEY COLLEGE FOUNDATION
(A California Nonprofit Public Benefit Corporation)

Notes to Financial Statements

5. Net Assets (Continued)

Net Assets With Donor Restrictions – Perpetual in Nature

The Foundation's net assets with donor restrictions perpetual in nature of individual funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment Funds

Interpretation of Relevant Law

The Board of Directors of the Foundation 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:

- (1) the duration and preservation of the fund,
- (2) the purposes of the Foundation and the donor-restricted endowment fund,
- (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 investment policies of the Foundation.

The changes in endowment net assets for the year ended June 30, 2019 are as follows:

	With Donor Restrictions		
	Purpose	Perpetual	
	<u>Restriction</u>	<u>Restriction</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 2,238,373	\$ 1,676,827	\$ 3,915,200
Contributions	-	23,620	23,620
Investment return:			
Realized gains (losses) on investments	5,836	-	5,836
Unrealized gains (losses) on investments	112,302	-	112,302
Interest and dividends	76,404	-	76,404
Appropriation of endowment assets for expenditure	<u>(103,657)</u>	<u>-</u>	<u>(103,657)</u>
Endowment net assets, end of year	<u>\$ 2,329,258</u>	<u>\$ 1,700,447</u>	<u>\$ 4,029,705</u>

SAN BERNARDINO VALLEY COLLEGE FOUNDATION
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Notes to Financial Statements

5. Net Assets (Continued)

Endowment Funds (Continued)

The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by SPMIFA is \$1,700,447 as of June 30, 2019. The portion of perpetual endowment funds subject to a time restriction with a purpose under SPMIFA is \$1,871,662 as of June 30, 2019.

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or SPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets, when applicable.

6. Related Party Transactions

As discussed in Note 1, the San Bernardino Community College District provides administrative services to the Foundation. These services consist of salaries and benefits for the Executive Director, administrative staff, and other services. For the year ended June 30, 2019, these services were valued at \$147,713.

7. Liquid Resource Management

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing program activities as well as the conduct of services undertaken to support those activities to be general expenditures.

As of June 30, 2019, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

Cash and cash equivalents	\$ 204,530
Receivables	44,754
Investments not encumbered by donor restrictions	<u>291,324</u>
Financial assets available for general expenditure over next 12-months	<u>\$ 540,608</u>

To build upon its past achievements and ensure future sustainability, the Foundation has a long-standing policy that requires the governing board to maintain net assets without donor restrictions sufficient for one year's operating expenses. However, assets received with donor restrictions to be used in the next fiscal year for operating purposes are considered to be available for general expenditure spending as of June 30, 2019.

SAN BERNARDINO VALLEY COLLEGE FOUNDATION
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Notes to Financial Statements

8. Subsequent Events

The Foundation's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements through April 20, 2020 which is the date the financial statements were available to be issued. Other than the matter noted below, management has determined that there were no other events that require additional disclosures.

Subsequent to June 30, 2019, as COVID-19 spreads globally, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, by mandating temporary work stoppage in various sectors, limiting travel, size and duration of group meetings. Most industries will be experiencing disruptions to their business and philanthropic operations. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. While management cannot quantify the financial and other impact to the Foundation as of April 20, 2020, management believes that a material impact on the Foundation's financial position and results of future changes in net assets is reasonably possible.