



*Transforming lives*

**CONSOLIDATED FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**For the Years Ended June 30, 2019 and 2018**



LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION  
For the Years Ended June 30, 2019 and 2018

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
Consolidated Financial Statements:	
Consolidated Statements of Financial Position	3 - 4
Consolidated Statements of Activities	5 - 6
Consolidated Statements of Cash Flows	7
Consolidated Statements of Functional Expenses	8 - 9
Notes to Consolidated Financial Statements	10 - 22
Supplementary Information:	
Consolidating Schedules of Financial Position	23 - 26
Consolidating Schedules of Activities	27 - 28

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Lane Community College Foundation and Subsidiary  
Eugene, Oregon

We have audited the accompanying consolidated financial statements of Lane Community College Foundation (a nonprofit organization) and subsidiary, which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

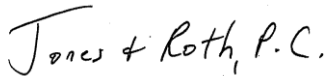
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Lane Community College Foundation and subsidiary as of June 30, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Jones & Roth, P.C.  
Eugene, Oregon  
November 4, 2019

CONSOLIDATED FINANCIAL STATEMENTS

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION  
For the Years Ended June 30, 2019 and 2018

	2019	2018
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 1,208,535	\$ 1,794,110
Prepaid expenses	6,994	10,953
Notes receivable, current portion	24,833	23,624
Interest receivable	9,135	6,525
Unconditional promises to give, current portion	708,025	452,883
Total current assets	1,957,522	2,288,095
<b>Property</b>		
Building, net of accumulated depreciation of \$-0- in 2019 and \$1,970,378 in 2018	-	16,467,786
<b>Noncurrent assets</b>		
Investments	18,383,318	17,599,935
Notes receivable, net of current portion	300,058	325,156
Unconditional promises to give, noncurrent, less allowance for uncollectible promises to give	246,860	462,083
Total noncurrent assets	18,930,236	18,387,174
<b>Total assets</b>	<b>\$ 20,887,758</b>	<b>\$ 37,143,055</b>

	<u>2019</u>	<u>2018</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 28,715	\$ 56,645
Other liabilities	-	81,027
Deferred revenue	<u>115,912</u>	<u>132,542</u>
Total current liabilities	<u>144,627</u>	<u>270,214</u>
<b>Noncurrent liabilities</b>		
Notes payable, net of unamortized deferred financing costs	-	18,264,119
Obligations under split-interest agreements	<u>825,273</u>	<u>840,443</u>
Total noncurrent liabilities	<u>825,273</u>	<u>19,104,562</u>
Total liabilities	<u>969,900</u>	<u>19,374,776</u>
<b>Net assets</b>		
Without donor restrictions (see Note 15)	763,909	(1,102,203)
With donor restrictions	<u>19,153,949</u>	<u>18,870,482</u>
Total net assets	<u>19,917,858</u>	<u>17,768,279</u>
<b>Total liabilities and net assets</b>	<u>\$ 20,887,758</u>	<u>\$ 37,143,055</u>

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

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF ACTIVITIES  
For the Years Ended June 30, 2019 and 2018

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and other support</b>			
Donations	\$ 291,467	\$ 1,529,715	\$ 1,821,182
Change in split-interest agreements	-	15,170	15,170
Net investment income	38,089	232,518	270,607
Net realized and unrealized gains	-	729,908	729,908
Special project income	133,176	2,036	135,212
In-kind administrative contributions by LCC	284,521	-	284,521
In-kind program contributions	11,878	44,263	56,141
Rent	911,804	-	911,804
Administrative fee income	317,732	-	317,732
Other program income	-	21,332	21,332
Gain on disposal of QALICB project	2,246,779	-	2,246,779
Net assets released from restrictions	<u>2,291,475</u>	<u>(2,291,475)</u>	<u>-</u>
 Total revenue and other support	 <u>6,526,921</u>	 <u>283,467</u>	 <u>6,810,388</u>
<b>Expenses</b>			
Program services	3,358,128	-	3,358,128
Management and fundraising	<u>1,302,681</u>	<u>-</u>	<u>1,302,681</u>
 Total expenses	 <u>4,660,809</u>	 <u>-</u>	 <u>4,660,809</u>
<b>Change in net assets</b>	1,866,112	283,467	2,149,579
Net assets, beginning of year	<u>(1,102,203)</u>	<u>18,870,482</u>	<u>17,768,279</u>
<b>Net assets, end of year</b>	<u>\$ 763,909</u>	<u>\$ 19,153,949</u>	<u>\$ 19,917,858</u>



2018		
<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
\$ 274,755	\$ 2,205,884	\$ 2,480,639
-	12,353	12,353
15,361	219,898	235,259
28	800,780	800,808
129,812	5,240	135,052
284,759	-	284,759
10,382	43,390	53,772
911,804	-	911,804
363,006	-	363,006
-	17,217	17,217
-	-	-
<u>2,301,992</u>	<u>(2,301,992)</u>	<u>-</u>
<u>4,291,899</u>	<u>1,002,770</u>	<u>5,294,669</u>
3,302,457	-	3,302,457
<u>1,383,164</u>	<u>-</u>	<u>1,383,164</u>
<u>4,685,621</u>	<u>-</u>	<u>4,685,621</u>
(393,722)	1,002,770	609,048
<u>(708,481)</u>	<u>17,867,712</u>	<u>17,159,231</u>
<u>\$ (1,102,203)</u>	<u>\$ 18,870,482</u>	<u>\$ 17,768,279</u>

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

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
For the Years Ended June 30, 2019 and 2018

	2019	2018
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 2,149,579	\$ 609,048
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized and unrealized gains	(729,908)	(800,807)
Gain on disposal of QalicB project	(2,246,779)	-
Depreciation	352,905	352,904
Amortization of deferred financing costs	16,514	16,514
(Increase) decrease in:		
Prepaid expenses	3,959	(7,165)
Interest receivable	(2,610)	(4,766)
Unconditional promises to give	(39,919)	49,214
Increase (decrease) in:		
Accounts payable	(27,930)	(1,103)
Obligations under split-interest agreements	(15,170)	(12,354)
Deferred revenue	(16,630)	(16,958)
	<u>(555,989)</u>	<u>184,527</u>
Net cash provided (used) by operating activities		
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	7,171,093	328,539
Purchase of investments	(7,224,568)	(1,049,791)
Collection of principal on notes receivable	23,889	22,829
	<u>(29,586)</u>	<u>(698,423)</u>
Net cash used by investing activities		
<b>Net decrease in cash and cash equivalents</b>	(585,575)	(513,896)
Cash and cash equivalents, beginning of year	<u>1,794,110</u>	<u>2,308,006</u>
<b>Cash and cash equivalents, end of year</b>	<u>\$ 1,208,535</u>	<u>\$ 1,794,110</u>
<b>Supplemental disclosure of cash flow information</b>		
Cash paid for interest	<u>\$ 248,324</u>	<u>\$ 233,875</u>
<b>Supplemental disclosure of noncash investing transactions</b>		
Total proceeds from disposition of fixed assets	\$ 16,114,881	\$ -
Transfer of fixed assets to Lane Community College	(16,114,881)	-
	<u>\$ -</u>	<u>\$ -</u>
Total cash proceeds from disposition of fixed assets		
<b>Supplemental disclosure of noncash investing transactions</b>		
Total payments of long-term debt	\$ 18,264,119	\$ -
Debt transferred/assumed by Lane Community College	(18,264,119)	-
	<u>\$ -</u>	<u>\$ -</u>
Total cash paid - long-term debt		

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

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES  
For the Years Ended June 30, 2019 and 2018

	2019				
	Program Services			Management and Fundraising	Total
	Lane Community College Foundation	Downtown Campus QALICB, LLC	Total Program Services		
<b>Functional expenses</b>					
Scholarships	\$ 945,865	\$ -	\$ 945,865	\$ -	\$ 945,865
Grants	25,329	-	25,329	-	25,329
Awards and stipends	16,495	-	16,495	-	16,495
Special project expense	-	-	-	110,297	110,297
Personnel expenses	83,725	-	83,725	363,884	447,609
Personnel expenses provided by LCC	-	-	-	284,521	284,521
Administrative expenses	-	82,550	82,550	451,855	534,405
Interest expense	-	248,324	248,324	-	248,324
Faculty support	205,275	-	205,275	-	205,275
Program support	328,041	-	328,041	-	328,041
Buildings and improvements support	276,701	-	276,701	-	276,701
Donated facilities	-	710,765	710,765	-	710,765
Other program expenses	37,890	-	37,890	-	37,890
Payments to grantors	-	-	-	92,124	92,124
Distribution of in-kind contributions	44,263	-	44,263	-	44,263
Depreciation	-	352,905	352,905	-	352,905
 Total functional expenses	 <u>\$ 1,963,584</u>	 <u>\$ 1,394,544</u>	 <u>\$ 3,358,128</u>	 <u>\$ 1,302,681</u>	 <u>\$ 4,660,809</u>

2018

Program Services				
Lane Community College Foundation	Downtown Campus QALICB, LLC	Total Program Services	Management and Fundraising	Total
\$ 987,489	\$ -	\$ 987,489	\$ -	\$ 987,489
18,007	-	18,007	-	18,007
15,069	-	15,069	-	15,069
-	-	-	116,215	116,215
106,045	-	106,045	377,429	483,474
-	-	-	284,759	284,759
-	48,513	48,513	513,859	562,372
-	250,389	250,389	-	250,389
219,631	-	219,631	-	219,631
287,280	-	287,280	-	287,280
236,889	-	236,889	-	236,889
-	710,765	710,765	-	710,765
26,086	-	26,086	-	26,086
-	-	-	90,902	90,902
43,390	-	43,390	-	43,390
-	352,904	352,904	-	352,904
<u>\$ 1,939,886</u>	<u>\$ 1,362,571</u>	<u>\$ 3,302,457</u>	<u>\$ 1,383,164</u>	<u>\$ 4,685,621</u>

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

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1. Nature of Organization and Summary of Significant Accounting Policies**

**Nature of Organization**

Lane Community College Foundation (the Foundation) is a charitable corporation formed to encourage and involve the community in further developing educational opportunities by augmenting the facilities and functions of Lane Community College (LCC).

The Foundation receives support from the local community in the form of cash and other noncash contributions. These contributions are received from individuals, as well as from the business sector. Other sources of revenue periodically include special projects as determined by the Foundation's Board of Trustees.

Downtown Campus QALICB, LLC is wholly owned by the Foundation and was formed in April 2012 to acquire, develop, rehabilitate, own, and operate property that is used to support LCC.

**Consolidation Policy**

The accompanying consolidated financial statements include the accounts of the Foundation and those of its wholly owned subsidiary, Downtown Campus QALICB, LLC. Inter-company transactions and balances have been eliminated in consolidation.

**Basis of Accounting**

The consolidated financial statements have been prepared on the accrual basis of accounting.

**Recent Accounting Standard Adopted**

During the year ended June 30, 2019, the Foundation adopted the provisions of the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2016-14: *Presentation of Financial Statements of Not-for-Profit Entities*. The standard was applied on a retrospective basis. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and availability of resources and related to functional allocation of expenses. The June 30, 2018 financial statements have been restated to conform to the presentation and disclosure requirements of ASU 2016-14.

**Cash and Cash Equivalents**

For the purposes of the consolidated statements of cash flows, the Foundation considers cash to be all highly liquid investments available for current use with an initial maturity of three months or less. At times, balances may exceed amounts insured by the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA).

**Concentrations of Credit Risk**

Financial instruments that potentially expose the Foundation to concentrations of credit and market risk consist primarily of cash and cash equivalents and investments.

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1. Nature of Organization and Summary of Significant Accounting Policies, continued**

**Concentrations of Credit Risk, continued**

Cash and cash equivalents are maintained at three financial institutions. The Foundation and its subsidiary have not experienced any losses on its cash and cash equivalents. The FDIC secures accounts in insured institutions up to \$250,000 per depositor. The NCUA secures accounts in insured institutions up to \$250,000 per depositor. At times, the balance of the Foundation and its subsidiary's accounts may exceed the federally insured limits. At June 30, 2019 and 2018, the Foundation and its subsidiary's uninsured cash balances totaled \$-0- and \$26,074, respectively.

**Concentrations of Receivables**

Approximately 77 percent and 85 percent of the Foundation's receivables were due from four individuals or businesses as of June 30, 2019 and 2018, respectively.

**Investments**

Investments are carried at market value, and realized and unrealized gains and losses are reflected in the consolidated statements of activities. Gains or losses are reported as increases or decreases in net assets without donor restrictions unless the donor places temporary or perpetual restrictions on the gains and losses. Investment income is also reported as an increase in net assets with or without donor restrictions, depending on the nature of the restrictions.

Investments consist of real property and funds that are managed by professional fund managers chosen by the Board of Trustees and are invested in U.S. Government and Agency obligations, corporate bonds, equity securities, mortgage-backed securities, money market accounts, and certificates of deposit.

**Property and Equipment**

Purchased property and equipment are recorded at cost. Donated equipment is recorded at fair market value at the time the property is received. Expenses for maintenance and repairs are expensed, while renewals and improvements are capitalized. Depreciation is computed over the estimated useful lives of the property and equipment using the straight-line method. Depreciation expense for the years ended June 30, 2019 and 2018, was \$352,905 and \$352,904, respectively.

**Financing Fees**

Closing and other related costs associated with notes payable are recorded at cost and are amortized over the terms of the loans.

**Promises to Give**

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions are primarily from the Lane County, Oregon area.

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1. Nature of Organization and Summary of Significant Accounting Policies, continued**

**Obligations Under Split-interest Agreements**

Obligations under split-interest agreements and charitable remainder trusts are recorded when incurred at the present value, discounted at rates of 3.4 percent for the years ended June 30, 2019 and 2018, of the distributions to be made to the donor-designated beneficiaries. Distributions under charitable remainder annuity trusts are fixed amounts, while distributions under charitable remainder unitrusts are a specified percentage of the trust assets' fair value determined annually. Distributions are paid over the lives of the beneficiaries or another specified period. Present values are determined using discount rates established by the Internal Revenue Service (IRS) and actuarially determined expected lives. Obligations under the split-interest agreements are revalued annually at June 30 to reflect actual experience. The net revaluations, together with any remaining recorded obligations after all trust obligations under terminated agreements have been met, are recorded as increases/decreases in contributions in the consolidated statements of activities. The net revaluation of split-interest agreements as of June 30, 2019 and 2018, was \$6,647 and \$6,665, respectively.

**Net Assets**

Net assets of the Foundation consisted of the following:

*Without donor restrictions* – These net assets are available for general obligations of the Foundation.

*With donor restrictions* – These net assets are restricted by donors to be used for specific purposes or as perpetually restricted endowment funds.

**Endowment Fund Policy**

The Board of Trustees has established guidelines for the utilization of the Endowment Fund maintained to benefit the general purposes of the Foundation. The policy sets forth that the Foundation shall accept current and deferred gifts to the Endowment Fund. The Foundation's policy is to maintain the principal of the fund in perpetuity. The policy allows up to 4 percent of the endowments fair market value based on a 3-year rolling average balance, including interest earned, to be expended in a given fiscal year as determined by the Board of Trustees.

If an endowment's fair market value falls below the required minimum investment at the time the endowment was executed, the Foundation will not distribute any payout until the assets exceed that minimum. Any income not utilized in a given year may be retained for future use according to the endowment's established purpose or reinvested in the endowment's principal. The Foundation's Board of Trustees is responsible for determining the annual distribution percentage and the method of calculation as deemed to be in the best interest of the Endowment Fund.

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1. Nature of Organization and Summary of Significant Accounting Policies, continued**

**Endowment Fund Policy, continued**

Endowment Fund assets are pooled in the Foundation's Endowment Fund and managed by professional investment firms. The goal of the Endowment Fund is to maintain the principal with sufficient returns to both grow the Endowment Fund and meet the income requirements for annual distributions to support the Endowment Fund's established purpose such as providing annual scholarships. The Endowment Fund's investment strategy is a conservative growth model which includes stocks, bonds, mutual funds, real estate investment trust, and other assets.

**Contributions**

Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence and/or nature of any donor restrictions.

**Donated Administrative Support**

Donated administrative support received from LCC is recorded as revenue. This type of support is also recorded as an expense in the accompanying consolidated statements of activities. LCC provides for a portion of the Foundation's operating budget, including a percentage of salaries and related expenses.

**Donated Assets**

Noncash donations are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. The Foundation allocates expense as the donated assets are used to the appropriate program or supporting service.

**Functional Expenses**

Expenses for the Foundation are summarized according to function classification of program services and support services. The Foundation's purpose is entirely fundraising; therefore, this amount is not separately stated in support services.

*Program Services* – Costs that are identifiable with a program and are clearly described by that program.

*Support Services* – Management, general, and fundraising expenses.

**Advertising Expenses**

Advertising expenses are expensed when incurred. Advertising costs totaled \$5,201 and \$7,123 for the years ended June 30, 2019 and 2018, respectively.



LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**1. Nature of Organization and Summary of Significant Accounting Policies, continued**

**Use of Estimates**

The preparation of consolidated financial statements in conformity with generally accepted accounting principles of the United States of America requires the Foundation to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

**Income Taxes**

The Foundation is a charitable organization exempt from payment of federal income taxes and Oregon excise taxes. All filing requirements of Internal Revenue Code (IRC) Section 501(c)(3) and Oregon Revised Statutes (ORS) 128.670 have been met. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(iv). The Foundation's information returns are generally subject to examination by taxing authorities for a period of three years after filing.

**2. Investments**

Substantially all of the Foundation's investments are held in a pooled account managed by a professional fund manager selected by the Board of Trustees. Investment management fees are recorded when incurred.

At June 30, the summary of investments was as follows:

	<u>2019</u>	<u>2018</u>
Money market/cash management accounts	\$ 334,664	\$ 433,629
Certificate of deposits	2,042,300	1,762,327
U.S. Government and Agency bonds and obligations	3,324,319	1,579,488
Equity securities	10,851,619	9,820,366
Corporate bonds	1,830,416	2,607,651
Other fixed income	<u>-</u>	<u>1,396,474</u>
Total investments	<u>\$ 18,383,318</u>	<u>\$ 17,599,935</u>

Donor restricted investment income has been reduced by investment expense of \$59,871 and \$65,268 for the years ended June 30, 2019 and 2018, respectively.

At June 30, net realized and unrealized gains were as follows:

	<u>2019</u>	<u>2018</u>
Net realized gains	\$ 271,788	\$ 351,182
Net unrealized gains	<u>458,120</u>	<u>449,626</u>
	<u>\$ 729,908</u>	<u>\$ 800,808</u>

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**3. Notes Receivable**

At June 30, notes receivable consisted of the following:

	2019	2018
Promissory note, HUD, interest at 4.89%, monthly payments of \$2,087 plus property taxes until 2025, secured by real estate.	\$ 122,111	\$ 140,565
Promissory note, individual, interest at 5.00%, monthly payments of \$852, due July 2045, secured by trust deed.	150,591	153,214
Promissory note, individual, interest at 5.00%, monthly payments of \$455 plus property taxes, due March 2032, secured by trust deed.	52,189	55,001
	324,891	348,780
Current portion	(24,833)	(23,624)
Notes receivable, net of current portion	\$ 300,058	\$ 325,156

All notes receivable are considered fully collectible.

**4. Unconditional Promises to Give**

At June 30, unconditional promises to give consisted of the following:

	2019	2018
Without donor restrictions	\$ 70,215	\$ 54,256
With donor restrictions (purpose restrictions)	874,288	888,338
With donor restrictions (perpetual restrictions)	63,408	20,098
Allowance for uncollectible promises to give	(15,118)	(11,552)
	992,793	951,140
Unamortized discount	(37,908)	(36,174)
Unconditional promises to give, net	\$ 954,885	\$ 914,966
	2019	2018
Amounts due in:		
Less than one year	\$ 708,025	\$ 452,883
One to five years	246,860	462,083
	\$ 954,885	\$ 914,966

The unconditional promises to give unamortized discount has been discounted using a rate of 2.38 percent for the years ended June 30, 2019 and 2018.

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**5. Notes Payable**

	2019		2018
Note payable, Brownfield Revitalization XXII, LLC, payable in quarterly interest only, installments commencing September 2012 through June 2019 and quarterly payments of \$66,035 thereafter, including interest at 1.25%, final payment due June 2045, secured by leasehold trust deed, assignment of leases and rents, security agreement, and fixture filing.	\$ -		\$ 5,855,579
Note payable, Brownfield Revitalization XXII, LLC, payable in quarterly interest only installments commencing September 2012 through June 2019 and quarterly payments of \$22,379 thereafter, including interest at 1.25%, final payment due June 2045, secured by leasehold trust deed, assignment of leases and rents, security agreement, and fixture filing.	-		1,984,421
Note payable, LCC/NCF Sub-CDE, LLC, payable in quarterly interest only installments commencing September 2012 through June 2019 and quarterly payments of \$53,653 thereafter, including interest at 1.25%, final payment due June 2045, secured by leasehold trust deed, assignment of leases and rents, security agreement, and fixture filing.	-		4,757,658
Note payable, LCC/NCF Sub-CDE, LLC, payable in quarterly interest only installments commencing September 2012 through June 2019 and quarterly payments of \$18,183 thereafter, including interest at 1.25%, final payment due June 2045, secured by leasehold trust deed, assignment of leases and rents, security agreement, and fixture filing.	-		1,612,342
Note payable, USBCDE Sub-CDE LI, LLC, payable in quarterly interest only installments commencing September 2012 through June 2019 and quarterly payments of \$37,145 thereafter, including interest at 1.25%, final payment due June 2045, secured by leasehold trust deed, assignment of leases and rents, security agreement, and fixture filing.	-		3,293,763
Note payable, USBCDE Sub-CDE LI, LLC, payable in quarterly interest only installments commencing September 2012 through June 2019 and quarterly payments of \$13,603 thereafter, including interest at 1.25%, final payment due June 2045, secured by leasehold trust deed, assignment of leases and rents, security agreement, and fixture filing.	-		1,206,237
	-		18,710,000
Unamortized deferred financing costs	-		(445,881)
Notes payable, net of unamortized deferred financing costs	\$ -		\$ 18,264,119

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**5. Notes Payable**, continued

Interest expense for the years ended June 30, 2019 and 2018, was \$248,324 and \$250,389, respectively.

All of the loans were assumed by LCC in June 2019.

**6. Net Assets with Donor Restrictions**

Net assets with purpose or time restrictions at June 30, 2019 and 2018, in the amount of \$7,602,715 and \$7,586,629, respectively, consisted of tuition scholarships, student support, and other program services.

Net assets with perpetual restrictions at June 30, 2019 and 2018, in the amount of \$11,551,234 and \$11,283,853, respectively, consisted of endowment funds, which are permanently restricted as stipulated by the donors.

**7. Endowment Fund**

At June 30, the Endowment Fund consisted of the following:

	2019	2018
With donor restrictions:		
Purpose or time restrictions	\$ 2,424,950	\$ 2,297,736
Perpetual restrictions	11,551,234	11,283,853
Total Endowment Fund	\$ 13,976,184	\$ 13,581,589

A summary of Endowment Fund activity was as follows:

	2019	2018
Balance, July 1	\$ 13,581,589	\$ 12,930,748
Contributions	267,381	475,058
Appropriated expenditures	(748,828)	(753,816)
Investment returns:		
Net unrealized gain on endowment	401,571	385,925
Net return on endowment investments	474,471	543,674
Investment returns	876,042	929,599
Balance, June 30	\$ 13,976,184	\$ 13,581,589

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**8. Special Projects**

The Foundation sponsored special project events with the following income and expenses as of June 30:

	<u>2019</u>	<u>2018</u>
Project income	\$ 135,212	\$ 135,052
Project expenses	<u>(110,297)</u>	<u>(116,215)</u>
Special projects, net	<u>\$ 24,915</u>	<u>\$ 18,837</u>

**9. In-kind Administrative Contributions by LCC**

At June 30, in-kind administrative contributions by LCC consisted of the following:

	<u>2019</u>	<u>2018</u>
Personnel expenses provided by LCC	<u>\$ 284,521</u>	<u>\$ 284,759</u>

**10. Split-interest Agreements**

At June 30, total assets held under the split-interest agreements consisted of the following:

	<u>2019</u>	<u>2018</u>
Investments held under split-interest agreements	<u>\$ 1,705,701</u>	<u>\$ 1,698,846</u>

**11. Net Assets Released from Restrictions**

During 2019 and 2018, net assets in the amount of \$2,291,475 and \$2,301,992, respectively, were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donors.

**12. Deferred Payment Charitable Gift Annuity Agreement**

During 2005, the Foundation entered into an annuity agreement with a donor. The donor contributed \$10,168 in stock which funded the annuity. The agreement stipulates that the donor will receive quarterly payments beginning the last day of June in the year the payments commence. Payments will begin no earlier than the 63rd year (year 2010) of the donor and no later than the 67th year (year 2014). These payments will last until the death of the donor, at which time the Foundation is released from the agreement. Currently the Foundation has established an estimated annuity liability and the net present value of charitable gift, which are as follows:

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**12. Deferred Payment Charitable Gift Annuity Agreement, continued**

	<u>2019</u>	<u>2018</u>
Gift amount	\$ 10,168	\$ 10,168
Realized and unrealized gains	2,574	2,990
Estimated annuity liability	<u>(8,242)</u>	<u>(9,840)</u>
Present value of charitable gift, net	<u>\$ 4,500</u>	<u>\$ 3,318</u>

During 2010, the Foundation entered into an annuity agreement with a donor. The donor contributed \$20,000 in cash which funded the annuity. The agreement stipulates that the donor will receive quarterly payments beginning the last day of June in the year the payments commence. These payments will last until the death of the donor, at which time the Foundation is released from the agreement. Currently the Foundation has established an estimated annuity liability and the net present value of charitable gift, which are as follows:

	<u>2019</u>	<u>2018</u>
Gift amount	\$ 20,000	\$ 20,000
Realized and unrealized losses	(731)	(408)
Estimated annuity liability	<u>(9,101)</u>	<u>(8,711)</u>
Present value of charitable gift, net	<u>\$ 10,168</u>	<u>\$ 10,881</u>

**13. Fair Value Measurements**

The Foundation uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, the fair value of a financial instrument is 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. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the entity's various financial instruments. In cases where quoted market prices are not available, fair value is based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument.

FASB ASC 820 provides a consistent definition of fair value, which focuses on exit price in an orderly transaction (that is, not forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment. The fair value is a reasonable point within the range that is most representative of fair value under current market conditions.

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**13. Fair Value Measurements, continued**

In accordance with FASB ASC 820, the Foundation groups its financial assets and financial liabilities generally measured at fair value in three levels based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

*Level 1* – Valuation is based on quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities generally include debt and equity securities that are traded in an active exchange market. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

*Level 2* – Valuation is based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The valuation may be based on 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 asset or liability.

*Level 3* – Valuation is based on 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 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which determination of fair value requires significant management judgment or estimation.

A financial instrument’s categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

Fair value of assets measured on a recurring basis at June 30, was as follows:

	Assets at Fair Value as of June 30, 2019			
	Level 1	Level 2	Level 3	Total
Investments	<u>\$ 18,383,318</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,383,318</u>
	Assets at Fair Value as of June 30, 2018			
	Level 1	Level 2	Level 3	Total
Investments	<u>\$ 17,599,935</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,599,935</u>

**14. Downtown Campus QALICB, LLC**

In April 2012, the Foundation created Downtown Campus QALICB, LLC, a wholly-owned subsidiary. Downtown Campus QALICB, LLC was organized to acquire, develop, rehabilitate, own, and operate real property.

Downtown Campus QALICB, LLC entered into a lease agreement with LCC to lease real property constructed by LCC under a capital lease, which was paid in full during 2012. The lease is for a term of 65 years and was financed with long-term debt (see Note 5). The lease agreement restricts the use of the property and states that Downtown Campus QALICB, LLC shall sublease the premises to LCC.

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**14. Downtown Campus QALICB, LLC, continued**

Downtown Campus QALICB, LLC entered into an operating lease agreement in June 2012 with LCC to lease the property to LCC commencing on July 1, 2012. The lease calls for quarterly payments of \$50,260 during 2013 through June 2019, and \$215,304 for each quarter thereafter, increasing by 1.96 percent annually, ending June 30, 2045. Management cancelled the lease during 2019. For the years ended June 30, 2019 and 2018, rent income totaled \$911,804, of which \$-0- was receivable at year end.

The rents paid by LCC to Downtown Campus QALICB, LLC were below market rate for the years ended June 30, 2019 and 2018; therefore, donated facilities in the amount of \$710,765 have been recognized in the consolidated financial statements for the years then ended.

LCC agreed to assume the building and related debt in June 2019, and the related lease was cancelled. There was a gain of \$2,246,779 on the transaction.

As of June 30, the assets, liabilities, and member's capital of the subsidiary consisted of the following:

	<u>2019</u>	<u>2018</u>
Cash	\$ 107,000	\$ 220,321
Building, net of accumulated depreciation	<u>-</u>	<u>16,467,786</u>
Total assets	<u>\$ 107,000</u>	<u>\$ 16,688,107</u>
Other liabilities	\$ -	\$ 81,027
Notes payable, net of unamortized deferred financing costs	-	18,264,119
Investment from the Foundation	985,000	985,000
Members' capital	<u>(878,000)</u>	<u>(2,642,039)</u>
Total liabilities and member's capital	<u>\$ 107,000</u>	<u>\$ 16,688,107</u>

For the year ended June 30, income from operations activity of the subsidiary consisted of the following:

	<u>2019</u>	<u>2018</u>
Revenue:		
Rent	<u>\$ 911,804</u>	<u>\$ 911,804</u>
Expenses:		
Interest expense	248,324	250,389
Depreciation	352,905	352,904
Management fees	82,550	34,000
Accounting and related expenses	-	11,804
Donated facilities	710,765	710,765
Miscellaneous expenses	<u>-</u>	<u>2,709</u>
Total expenses	<u>1,394,544</u>	<u>1,362,571</u>
Change in net assets	<u>\$ (482,740)</u>	<u>\$ (450,767)</u>



LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**15. Net Assets Without Donor Restrictions**

As of June 30, net assets without donor restrictions consisted of the following:

	<u>2019</u>	<u>2018</u>
Lane Community College Foundation	\$ 656,909	\$ 554,836
Downtown Campus QALICB, LLC	<u>107,000</u>	<u>(1,657,039)</u>
Total net assets without donor restrictions	<u>\$ 763,909</u>	<u>\$ (1,102,203)</u>

**16. Liquidity and Availability of Resources**

The Foundation has a policy to manage its liquidity and reserves in order to meet its needs to fund operating expenditures. At June 30, 2019 and 2018, the Foundation's financial assets, reduced by amounts not available for general expenditures within one year, are comprised of the following:

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$ 379,180	\$ 372,137
Receivables	78,297	58,995
Investments	<u>341,287</u>	<u>316,640</u>
	798,764	747,772
Less: Board designated funds	<u>-</u>	<u>-</u>
Financial assets available for general expenditure	<u>\$ 798,764</u>	<u>\$ 747,772</u>

**17. Subsequent Events**

Management evaluates events and transactions that occur after the consolidated statement of financial position date as potential subsequent events. Management has performed this evaluation through the date of the independent auditor's report.

SUPPLEMENTARY INFORMATION

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
CONSOLIDATING SCHEDULES OF FINANCIAL POSITION  
For the Years Ended June 30, 2019 and 2018

	2019			
	Lane Community College Foundation	Downtown Campus QALICB LLC	Eliminations	Total
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	\$ 1,101,535	\$ 107,000	\$ -	\$ 1,208,535
Prepaid expenses	6,994	-	-	6,994
Note receivable, current portion	24,833	-	-	24,833
Interest receivable	9,135	-	-	9,135
Unconditional promises to give, current portion	708,025	-	-	708,025
Total current assets	1,850,522	107,000	-	1,957,522
<b>Property</b>				
Building, net of accumulated depreciation of \$-0- in 2019 and \$1,970,378 in 2018	-	-	-	-
<b>Noncurrent assets</b>				
Investments	18,383,318	-	-	18,383,318
Notes receivable, net of current portion	300,058	-	-	300,058
Unconditional promises to give, noncurrent, less allowance for uncollectible promises	246,860	-	-	246,860
Investment in Downtown Campus QALICB LLC	985,000	-	(985,000)	-
Total noncurrent assets	19,915,236	-	(985,000)	18,930,236
<b>Total assets</b>	<b>\$ 21,765,758</b>	<b>\$ 107,000</b>	<b>\$ (985,000)</b>	<b>\$ 20,887,758</b>

2018

Lane Community College Foundation	Downtown Campus QALICB LLC	Eliminations	Total
\$ 1,573,789	\$ 220,321	\$ -	\$ 1,794,110
10,953	-	-	10,953
23,624	-	-	23,624
6,525	-	-	6,525
<u>452,883</u>	<u>-</u>	<u>-</u>	<u>452,883</u>
<u>2,067,774</u>	<u>220,321</u>	<u>-</u>	<u>2,288,095</u>
<u>-</u>	<u>16,467,786</u>	<u>-</u>	<u>16,467,786</u>
17,599,935	-	-	17,599,935
325,156	-	-	325,156
462,083	-	-	462,083
<u>985,000</u>	<u>-</u>	<u>(985,000)</u>	<u>-</u>
<u>19,372,174</u>	<u>-</u>	<u>(985,000)</u>	<u>18,387,174</u>
<u>\$ 21,439,948</u>	<u>\$ 16,688,107</u>	<u>\$ (985,000)</u>	<u>\$ 37,143,055</u>

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
CONSOLIDATING SCHEDULES OF FINANCIAL POSITION, Continued  
For the Years Ended June 30, 2019 and 2018

	2019			Total
	Lane Community College Foundation	Downtown Campus QALICB LLC	Eliminations	
<b>Liabilities and Net Assets</b>				
<b>Current liabilities</b>				
Accounts payable	\$ 28,715	\$ -	\$ -	\$ 28,715
Other liabilities	-	-	-	-
Deferred revenue	<u>115,912</u>	<u>-</u>	<u>-</u>	<u>115,912</u>
Total current liabilities	<u>144,627</u>	<u>-</u>	<u>-</u>	<u>144,627</u>
<b>Noncurrent liabilities</b>				
Notes payable, net of unamortized deferred financing costs	-	-	-	-
Obligations under split-interest agreements	<u>825,273</u>	<u>-</u>	<u>-</u>	<u>825,273</u>
Total noncurrent liabilities	<u>825,273</u>	<u>-</u>	<u>-</u>	<u>825,273</u>
Total liabilities	<u>969,900</u>	<u>-</u>	<u>-</u>	<u>969,900</u>
<b>Net assets</b>				
Without donor restrictions (see Note 15)	1,641,909	107,000	(985,000)	763,909
With donor restrictions	<u>19,153,949</u>	<u>-</u>	<u>-</u>	<u>19,153,949</u>
Total net assets	<u>20,795,858</u>	<u>107,000</u>	<u>(985,000)</u>	<u>19,917,858</u>
<b>Total liabilities and net assets</b>	<u>\$ 21,765,758</u>	<u>\$ 107,000</u>	<u>\$ (985,000)</u>	<u>\$ 20,887,758</u>

2018

Lane Community College Foundation	Downtown Campus QALICB LLC	Eliminations	Total
\$ 56,645	\$ -	\$ -	\$ 56,645
-	81,027	-	81,027
<u>132,542</u>	<u>-</u>	<u>-</u>	<u>132,542</u>
<u>189,187</u>	<u>81,027</u>	<u>-</u>	<u>270,214</u>
-	18,264,119	-	18,264,119
<u>840,443</u>	<u>-</u>	<u>-</u>	<u>840,443</u>
<u>840,443</u>	<u>18,264,119</u>	<u>-</u>	<u>19,104,562</u>
<u>1,029,630</u>	<u>18,345,146</u>	<u>-</u>	<u>19,374,776</u>
1,539,836	(1,657,039)	(985,000)	(1,102,203)
<u>18,870,482</u>	<u>-</u>	<u>-</u>	<u>18,870,482</u>
<u>20,410,318</u>	<u>(1,657,039)</u>	<u>(985,000)</u>	<u>17,768,279</u>
<u>\$ 21,439,948</u>	<u>\$ 16,688,107</u>	<u>\$ (985,000)</u>	<u>\$ 37,143,055</u>

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
CONSOLIDATING SCHEDULE OF ACTIVITIES  
For the Year Ended June 30, 2019

	<u>Lane Community College Foundation</u>			<u>Downtown Campus QALICB, LLC</u>	
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>Total</u>
<b>Revenue and other support</b>					
Donations	\$ 291,467	\$ 1,529,715	\$ 1,821,182	\$ -	\$ 1,821,182
Change in split-interest agreements	-	15,170	15,170	-	15,170
Net investment income	38,089	232,518	270,607	-	270,607
Net realized and unrealized gains	-	729,908	729,908	-	729,908
Special project income	133,176	2,036	135,212	-	135,212
In-kind administrative contributions by LCC	284,521	-	284,521	-	284,521
In-kind program contributions	11,878	44,263	56,141	-	56,141
Rent	-	-	-	911,804	911,804
Administrative fee income	317,732	-	317,732	-	317,732
Other program income	-	21,332	21,332	-	21,332
Gain on disposal of QALICB project	-	-	-	2,246,779	2,246,779
Net assets released from restrictions	<u>2,291,475</u>	<u>(2,291,475)</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total revenue and other support	 <u>3,368,338</u>	 <u>283,467</u>	 <u>3,651,805</u>	 <u>3,158,583</u>	 <u>6,810,388</u>
 <b>Expenses</b>					
Program services	1,963,584	-	1,963,584	1,394,544	3,358,128
Management and fundraising	<u>1,302,681</u>	<u>-</u>	<u>1,302,681</u>	<u>-</u>	<u>1,302,681</u>
 Total expenses	 <u>3,266,265</u>	 <u>-</u>	 <u>3,266,265</u>	 <u>1,394,544</u>	 <u>4,660,809</u>
 <b>Change in net assets</b>	 102,073	 283,467	 385,540	 1,764,039	 2,149,579
Net assets, beginning of year	<u>1,539,836</u>	<u>18,870,482</u>	<u>20,410,318</u>	<u>(2,642,039)</u>	<u>17,768,279</u>
 <b>Net assets, end of year</b>	 <u>\$ 1,641,909</u>	 <u>\$ 19,153,949</u>	 <u>\$ 20,795,858</u>	 <u>\$ (878,000)</u>	 <u>\$ 19,917,858</u>

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY  
CONSOLIDATING SCHEDULE OF ACTIVITIES  
For the Year Ended June 30, 2018

	Lane Community College Foundation			Downtown Campus QALICB, LLC	
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	Total
<b>Revenue and other support</b>					
Donations	\$ 274,755	\$ 2,205,884	\$ 2,480,639	\$ -	\$ 2,480,639
Change in split-interest agreements	-	12,353	12,353	-	12,353
Net investment income	15,361	219,898	235,259	-	235,259
Net realized and unrealized gains	28	800,780	800,808	-	800,808
Special project income	129,812	5,240	135,052	-	135,052
In-kind administrative contributions by LCC	284,759	-	284,759	-	284,759
In-kind program contributions	10,382	43,390	53,772	-	53,772
Rent	-	-	-	911,804	911,804
Administrative fee income	363,006	-	363,006	-	363,006
Other program income	-	17,217	17,217	-	17,217
Net assets released from restrictions	2,301,992	(2,301,992)	-	-	-
 Total revenue and other support	 <u>3,380,095</u>	 <u>1,002,770</u>	 <u>4,382,865</u>	 <u>911,804</u>	 <u>5,294,669</u>
 <b>Expenses</b>					
Program services	1,939,886	-	1,939,886	1,362,571	3,302,457
Management and fundraising	1,383,164	-	1,383,164	-	1,383,164
 Total expenses	 <u>3,323,050</u>	 <u>-</u>	 <u>3,323,050</u>	 <u>1,362,571</u>	 <u>4,685,621</u>
 <b>Change in net assets</b>	 57,045	 1,002,770	 1,059,815	 (450,767)	 609,048
Net assets, beginning of year	<u>1,482,791</u>	<u>17,867,712</u>	<u>19,350,503</u>	<u>(2,191,272)</u>	<u>17,159,231</u>
 <b>Net assets, end of year</b>	 <u>\$ 1,539,836</u>	 <u>\$ 18,870,482</u>	 <u>\$ 20,410,318</u>	 <u>\$ (2,642,039)</u>	 <u>\$ 17,768,279</u>