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**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

For the Years Ended June 30, 2015 and 2014



LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
For the Years Ended June 30, 2015 and 2014

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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, 2015 and 2014, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

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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, 2015 and 2014, 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.

Other Matter

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
October 15, 2015

CONSOLIDATED FINANCIAL STATEMENTS

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 4,125,406	\$ 3,265,660
Prepaid expenses	3,449	30,489
Notes receivable, current portion	20,339	19,416
Unconditional promises to give, current portion	<u>1,117,458</u>	<u>669,009</u>
Total current assets	<u>5,266,652</u>	<u>3,984,574</u>
Property and intangibles		
Building, net of accumulated depreciation of \$911,668 in 2015 and \$558,764 in 2014	17,526,496	17,879,400
Intangible assets, net of accumulated amortization of of \$49,542 in 2015 and \$33,028 in 2014	<u>495,423</u>	<u>511,937</u>
Total property and intangibles	<u>18,021,919</u>	<u>18,391,337</u>
Noncurrent assets		
Investments	11,998,308	12,554,243
Notes receivable, net of current portion	395,063	414,311
Unconditional promises to give, noncurrent, less allowance for uncollectibles	826,000	324,000
Investment in property	<u>-</u>	<u>787,200</u>
Total noncurrent assets	<u>13,219,371</u>	<u>14,079,754</u>
Total assets	<u>\$ 36,507,942</u>	<u>\$ 36,455,665</u>

	<u>2015</u>	<u>2014</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 41,042	\$ 43,374
Accrued expenses	-	9,000
Other liabilities	81,027	81,027
Current portion of obligations under split-interest agreements	-	40,000
Deferred revenue	<u>136,000</u>	<u>175,349</u>
Total current liabilities	<u>258,069</u>	<u>348,750</u>
Noncurrent liabilities		
Notes payable	18,710,000	18,710,000
Obligations under split-interest agreements, net of current portion	<u>222,700</u>	<u>202,246</u>
Total noncurrent liabilities	<u>18,932,700</u>	<u>18,912,246</u>
Total liabilities	<u>19,190,769</u>	<u>19,260,996</u>
Net assets		
Unrestricted:		
Undesignated	220,669	493,625
Board designated	-	134,483
Temporarily restricted	7,213,537	6,844,272
Permanently restricted	<u>9,882,967</u>	<u>9,722,289</u>
Total net assets	<u>17,317,173</u>	<u>17,194,669</u>
Total liabilities and net assets	<u>\$ 36,507,942</u>	<u>\$ 36,455,665</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, 2015 and 2014

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Revenue and other support				
Donations	\$ 246,776	\$ 3,410,674	\$ 141,132	\$ 3,798,582
Change in split-interest agreements	-	-	19,546	19,546
Net investment income	24,150	102,014	-	126,164
Net realized and unrealized gains (losses)	47	(46,688)	-	(46,641)
Special project income	193,517	20,820	-	214,337
In-kind administrative contributions by LCC	259,686	-	-	259,686
In-kind program contributions	7,318	111,354	-	118,672
Rent	911,805	60,271	-	972,076
Administrative fee income	273,961	-	-	273,961
Other program income	-	65,284	-	65,284
Net assets released from restrictions	<u>3,354,464</u>	<u>(3,354,464)</u>	<u>-</u>	<u>-</u>
 Total revenue and other support	 <u>5,271,724</u>	 <u>369,265</u>	 <u>160,678</u>	 <u>5,801,667</u>
Expenses				
Program services	4,376,778	-	-	4,376,778
Management and fundraising	<u>1,302,385</u>	<u>-</u>	<u>-</u>	<u>1,302,385</u>
 Total expenses	 <u>5,679,163</u>	 <u>-</u>	 <u>-</u>	 <u>5,679,163</u>
Change in net assets	(407,439)	369,265	160,678	122,504
Net assets, beginning of year	<u>628,108</u>	<u>6,844,272</u>	<u>9,722,289</u>	<u>17,194,669</u>
Net assets, end of year	<u>\$ 220,669</u>	<u>\$ 7,213,537</u>	<u>\$ 9,882,967</u>	<u>\$ 17,317,173</u>

2014

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
\$ 417,586	\$ 1,411,525	\$ 275,390	\$ 2,104,501
-	-	15,984	15,984
26,513	155,950	-	182,463
(102,975)	1,352,406	-	1,249,431
122,685	190,717	-	313,402
237,099	-	-	237,099
12,808	244,054	-	256,862
911,804	91,756	-	1,003,560
224,781	-	-	224,781
-	162,739	-	162,739
<u>2,406,005</u>	<u>(2,406,005)</u>	<u>-</u>	<u>-</u>
<u>4,256,306</u>	<u>1,203,142</u>	<u>291,374</u>	<u>5,750,822</u>
3,204,351	-	-	3,204,351
<u>1,228,707</u>	<u>-</u>	<u>-</u>	<u>1,228,707</u>
<u>4,433,058</u>	<u>-</u>	<u>-</u>	<u>4,433,058</u>
(176,752)	1,203,142	291,374	1,317,764
<u>804,860</u>	<u>5,641,130</u>	<u>9,430,915</u>	<u>15,876,905</u>
<u>\$ 628,108</u>	<u>\$ 6,844,272</u>	<u>\$ 9,722,289</u>	<u>\$ 17,194,669</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, 2015 and 2014

	2015	2014
Cash flows from operating activities		
Change in net assets	\$ 122,504	\$ 1,317,764
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Net realized and unrealized gains (losses)	46,641	(1,249,431)
Depreciation and amortization expense	369,418	448,665
Donations, note receivable	-	(227,459)
(Increase) decrease in:		
Prepaid expenses	27,040	(20,621)
Accounts receivable, related party	-	61,275
Unconditional promises to give	(950,449)	199,753
Increase (decrease) in:		
Accounts payable	(2,332)	(39,841)
Accrued expenses	(9,000)	9,000
Other liabilities	-	81,027
Obligations under split-interest agreements	(19,546)	(15,985)
Deferred revenue	(39,349)	53,369
	<u>(455,073)</u>	<u>617,516</u>
Net cash provided (used) by operating activities		
Cash flows from investing activities		
Proceeds from sale of investments	1,715,921	1,030,591
Purchase of investments	(1,206,629)	(102,415)
Collection of principal on notes receivable	18,327	15,697
Decrease in investment property	787,200	-
Decrease in construction payable, LCC	-	(7,200,916)
	<u>1,314,819</u>	<u>(6,257,043)</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	859,746	(5,639,527)
Cash and cash equivalents, beginning of year	<u>3,265,660</u>	<u>8,905,187</u>
Cash and cash equivalents, end of year	<u>\$ 4,125,406</u>	<u>\$ 3,265,660</u>
Supplemental disclosure of cash flow information		
Cash paid for interest	<u>\$ 233,875</u>	<u>\$ 233,875</u>

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, 2015 and 2014

	2015				
	Program Services			Management and Fundraising	Total
	Lane Community College Foundation	Downtown Campus QALICB, LLC	Total Program Services		
Functional expenses					
Scholarships	\$ 664,586	\$ -	\$ 664,586	\$ -	\$ 664,586
Grants	6,572	-	6,572	-	6,572
Awards and stipends	19,750	-	19,750	-	19,750
Special project expense	-	-	-	149,835	149,835
Personnel expenses	89,966	-	89,966	332,402	422,368
Personnel expenses provided by LCC	-	-	-	259,686	259,686
Administrative expenses	-	41,232	41,232	520,923	562,155
Interest expense	-	233,875	233,875	-	233,875
Faculty support	527,892	-	527,892	-	527,892
Program support	575,242	-	575,242	-	575,242
Buildings and improvements support	939,786	-	939,786	-	939,786
Donated facilities	-	710,766	710,766	-	710,766
Other program expenses	86,339	-	86,339	-	86,339
Payments to grantors	-	-	-	39,539	39,539
Distribution of in-kind contributions	111,354	-	111,354	-	111,354
Depreciation and amortization	-	369,418	369,418	-	369,418
Total functional expenses	<u>\$ 3,021,487</u>	<u>\$ 1,355,291</u>	<u>\$ 4,376,778</u>	<u>\$ 1,302,385</u>	<u>\$ 5,679,163</u>

2014

Program Services				
Lane Community College Foundation	Downtown Campus QALICB, LLC	Total Program Services	Management and Fundraising	Total
\$ 655,536	\$ -	\$ 655,536	\$ -	\$ 655,536
22,976	-	22,976	-	22,976
15,225	-	15,225	-	15,225
-	-	-	125,398	125,398
78,962	-	78,962	309,552	388,514
-	-	-	237,099	237,099
-	52,179	52,179	517,075	569,254
-	233,875	233,875	-	233,875
363,756	-	363,756	-	363,756
286,901	-	286,901	-	286,901
42,270	-	42,270	-	42,270
-	710,765	710,765	-	710,765
49,187	-	49,187	-	49,187
-	-	-	39,583	39,583
244,054	-	244,054	-	244,054
-	448,665	448,665	-	448,665
<u>\$ 1,758,867</u>	<u>\$ 1,445,484</u>	<u>\$ 3,204,351</u>	<u>\$ 1,228,707</u>	<u>\$ 4,433,058</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 Lane Community College Foundation and was formed in April 2012 to acquire, develop, rehabilitate, own, and operate property that is used to support Lane Community College.

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.

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.

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, 2015 and 2014, the Foundation and its subsidiary uninsured cash balances total \$3,386,482 and \$3,441,055, respectively.

Concentrations of Receivables

About 67 percent of the Foundation's receivables are due from 3 individuals or businesses as of June 30, 2015. About 74 percent of the Foundation's receivables are due from 3 individuals or businesses as of June 30, 2014.

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Investments

Investments are carried at market or appraised 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 the unrestricted class of net assets unless the donor places temporary or permanent restrictions on the gains and losses. Investment income is also reported as an increase in unrestricted, temporarily, or permanently restricted net assets, 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 June 30, 2015 and 2014 was \$352,904 and \$432,667, respectively.

Intangible Asset

Intangible assets consist of closing and other related costs in the investment in Downtown Campus QALICB LLC (Note 15). Amortization expense for June 30, 2015 and 2014 was \$16,514 and \$15,998, respectively.

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 temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions are primarily from the Lane County, Oregon area.

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 2.0 percent and 2.2 percent, for the years ended June 30, 2015 and 2014, respectively, 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, 2015 and 2014 was \$19,546 and \$15,984, respectively.

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

Net Assets

Net assets of the Foundation consisted of the following:

Unrestricted - These net assets are available for general obligations of the Foundation.

Temporarily restricted - These net assets are restricted by donors to be used for specific purposes.

Permanently restricted - These net assets are permanently restricted by donors and cannot be used by the Foundation. Income and capital gains may be used depending on the endowment agreement.

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.

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 unrestricted, temporarily restricted, or permanently restricted support 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.

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

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 \$38,813 and \$14,969 for the years ended June 30, 2015 and 2014, respectively.

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.

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2. Investments, continued

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

	<u>2015</u>	<u>2014</u>
Money market/cash management accounts	\$ 371,145	\$ 238,956
Certificate of deposits	-	902,809
U.S. Government bonds and agency obligations	1,401,328	1,466,127
Equity securities	8,308,353	7,968,622
Corporate bonds	<u>1,917,482</u>	<u>1,977,729</u>
Total investments	<u>\$ 11,998,308</u>	<u>\$ 12,554,243</u>

Temporarily restricted investment income has been reduced by investment expenses of \$103,516 in 2015 and \$56,499 in 2014.

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

	<u>2015</u>	<u>2014</u>
Net realized gains (losses)	\$ (235,539)	\$ 147,851
Net unrealized gains	<u>282,180</u>	<u>1,101,580</u>
	<u>\$ 46,641</u>	<u>\$ 1,249,431</u>

3. Notes Receivable

At June 30, notes receivable consisted of the following:

	<u>2015</u>	<u>2014</u>
Promissory note, HUD, interest at 4.89%, monthly payments of \$2,087 plus property taxes until 2025, secured by real estate.	\$ 192,332	\$ 206,277
Promissory note, individual, interest at 5.00% monthly payments of \$852, due July 2045, secured by trust deed.	160,341	162,490
Promissory note, individual, interest at 5.00%, monthly payments of \$455 plus property taxes, due March 2032, secured by trust deed.	<u>62,729</u>	<u>64,960</u>
	415,402	433,727
Current portion	<u>(20,339)</u>	<u>(19,416)</u>
Notes receivable, net of current portion	<u>\$ 395,063</u>	<u>\$ 414,311</u>

All notes receivable are considered fully collectible.

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4. Unconditional Promises to Give

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

	2015	2014
Unrestricted promises to give	\$ 65,515	\$ 86,977
Temporarily restricted promises to give	1,957,557	883,400
Permanently restricted promises to give	13,993	48,517
Allowance for uncollectible promises to give	(24,445)	(12,274)
	2,012,620	1,006,620
Unamortized discount	(69,162)	(13,611)
Unconditional promises to give, net	\$ 1,943,458	\$ 993,009
	2015	2014
Amounts due in:		
Less than one year	\$ 1,117,458	\$ 669,009
One to five years	826,000	324,000
	\$ 1,943,458	\$ 993,009

The unconditional promises to give unamortized discount has been discounted using a rate of 1.84 percent and 1.00 percent for the years ended June 30, 2015 and 2014, respectively.

5. Notes Payable

	2015	2014
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	\$ 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	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	4,757,658

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5. Notes Payable, continued

	2015	2014
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	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	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	1,206,237
	18,710,000	18,710,000
Current maturities	-	-
Notes payable, net of current maturities	\$ 18,710,000	\$ 18,710,000

The future minimum payments required are as follows:

Year Ending June 30,	
2016	\$ -
2017	-
2018	-
2019	-
2020	612,327
Thereafter	18,097,673
Total	\$ 18,710,000

Interest expense for each of the years ended June 30, 2015 and 2014 was \$233,875.

6. Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30, 2015 and 2014, in the amounts of \$7,213,537 and \$6,844,272, respectively, consisted of tuition scholarships, student support, and other program services.

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7. Permanently Restricted Net Assets

Permanently restricted net assets at June 30, 2015 and 2014, in the amounts of \$9,882,967 and \$9,722,289, respectively, consisted of endowment funds, which are permanently restricted as stipulated by the donors.

8. Endowment Fund

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

	<u>2015</u>	<u>2014</u>
Temporarily restricted earnings	\$ 2,137,515	\$ 2,598,630
Permanently restricted	<u>9,882,967</u>	<u>9,722,289</u>
Total Endowment Fund	<u>\$ 12,020,482</u>	<u>\$ 12,320,919</u>

A summary of Endowment Fund activity was as follows:

	<u>2015</u>	<u>2014</u>
Balance, July 1	<u>\$ 12,320,919</u>	<u>\$ 11,025,224</u>
Contributions	<u>160,679</u>	<u>291,374</u>
Appropriated expenditures	<u>(698,942)</u>	<u>(539,241)</u>
Investment returns:		
Unrealized gain (loss) on endowment	(277,434)	1,085,374
Return on endowment investments	<u>515,260</u>	<u>458,188</u>
Investment returns, net	<u>237,826</u>	<u>1,543,562</u>
Balance, June 30	<u>\$ 12,020,482</u>	<u>\$ 12,320,919</u>

9. Special Projects

The Foundation sponsored special project events with the following income and expenses:

	<u>2015</u>	<u>2014</u>
Project income	\$ 214,337	\$ 313,402
Project expenses	<u>(149,835)</u>	<u>(125,398)</u>
Special projects, net	<u>\$ 64,502</u>	<u>\$ 188,004</u>

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10. In-kind Administrative Contributions by LCC

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

	<u>2015</u>	<u>2014</u>
Personnel expenses provided by LCC	<u>\$ 259,686</u>	<u>\$ 237,099</u>

11. Split-interest Agreements

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

	<u>2015</u>	<u>2014</u>
Investments	<u>\$ 632,650</u>	<u>\$ 659,707</u>

12. Net Assets Released from Restrictions

During 2015 and 2014, net assets in the amount of \$3,354,464 and \$2,406,005, respectively, were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by the donors.

13. 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:

	<u>2015</u>	<u>2014</u>
Gift amount	\$ 10,168	\$ 10,168
Realized and unrealized gains	3,711	4,902
Estimated annuity liability	<u>(12,359)</u>	<u>(12,592)</u>
Present value of charitable gift, net	<u>\$ 1,520</u>	<u>\$ 2,478</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:

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

13. Deferred Payment Charitable Gift Annuity Agreement, continued

	<u>2015</u>	<u>2014</u>
Gift amount	\$ 20,000	\$ 20,000
Realized and unrealized gains	1,360	1,360
Estimated annuity liability	<u>(10,955)</u>	<u>(11,310)</u>
Present value of charitable gift, net	<u>\$ 10,405</u>	<u>\$ 10,050</u>

14. 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.

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.

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14. Fair Value Measurements, continued

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, 2015 and 2014, was as follows:

	Assets at Fair Value as of June 30, 2015			
	Level 1	Level 2	Level 3	Total
Investments	\$ 11,998,308	\$ -	\$ -	\$ 11,998,308
Investments in property	-	-	-	-
Total assets at fair value	<u>\$ 11,998,308</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,998,308</u>
	Assets at Fair Value as of June 30, 2014			
	Level 1	Level 2	Level 3	Total
Investments	\$ 12,554,243	\$ -	\$ -	\$ 12,554,243
Investments in property	-	787,200	-	787,200
Total assets at fair value	<u>\$ 12,554,243</u>	<u>\$ 787,200</u>	<u>\$ -</u>	<u>\$ 13,341,443</u>

15. 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 premise to LCC.

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 \$30,377 during 2012, \$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 intends to cancel the lease during 2019. For the years ended June 30, 2015 and 2014, rent income totaled \$911,804, of which \$-0- was receivable at year end.

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

15. Downtown Campus QALICB LLC, continued

The rents paid by LCC to QALICB LLC were below market rate for the years ended June 30, 2015 and 2014, therefore, donated facilities in the amounts of \$710,766 and \$710,765, respectively, have been recognized in the financial statements.

The future minimum operating lease receipts are as follows:

<u>Year Ending June 30,</u>	
2016	\$ 201,039
2017	201,039
2018	201,039
2019	531,126
2020	861,214
Thereafter	<u>27,430,190</u>
Total	<u>\$ 29,425,647</u>

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

	<u>2015</u>	<u>2014</u>
Cash	\$ 512,608	\$ 597,574
Building, net of accumulated depreciation	17,526,496	17,879,400
Intangible assets, net of accumulated amortization	<u>495,423</u>	<u>511,937</u>
Total assets	<u>\$ 18,534,527</u>	<u>\$ 18,988,911</u>
Accounts payable	\$ -	\$ 1,898
Accrued expenses	-	9,000
Other liabilities	81,027	81,027
Note payable	18,710,000	18,710,000
Investment from the Foundation	985,000	985,000
Members capital	<u>(1,241,500)</u>	<u>(798,014)</u>
Total liabilities and member's capital	<u>\$ 18,534,527</u>	<u>\$ 18,988,911</u>

As of June 30, income activity of the subsidiary consisted of the following:

	<u>2015</u>	<u>2014</u>
Revenue:		
Rent	<u>\$ 911,805</u>	<u>\$ 911,804</u>
Expenses:		
Interest expense	233,875	233,875
Depreciation and amortization	369,418	448,665
Management fees	34,000	43,000
Accounting and related expenses	5,970	7,400
Donated facilities	710,766	710,765
Miscellaneous expenses	<u>1,262</u>	<u>1,779</u>
Total expenses	<u>1,355,291</u>	<u>1,445,484</u>
Change in net assets	<u>\$ (443,486)</u>	<u>\$ (533,680)</u>

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

16. 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
June 30, 2015 and 2014

	2015			
	Lane Community College Foundation	Downtown Campus QALICB LLC	Eliminations	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 3,612,798	\$ 512,608	\$ -	\$ 4,125,406
Prepaid expenses	3,449	-	-	3,449
Accounts receivable, related party	-	-	-	-
Note receivable, current portion	20,339	-	-	20,339
Unconditional promises to give, current portion	<u>1,117,458</u>	<u>-</u>	<u>-</u>	<u>1,117,458</u>
Total current assets	<u>4,754,044</u>	<u>512,608</u>	<u>-</u>	<u>5,266,652</u>
Property and intangibles				
Building, net of accumulated depreciation of \$911,668 in 2015 and \$558,764 in 2014	-	17,526,496	-	17,526,496
Intangible assets, net of accumulated amortization of \$49,542 in 2015 and \$33,028 in 2014	<u>-</u>	<u>495,423</u>	<u>-</u>	<u>495,423</u>
Total property and intangibles	<u>-</u>	<u>18,021,919</u>	<u>-</u>	<u>18,021,919</u>
Noncurrent assets				
Investments	11,998,308	-	-	11,998,308
Note receivable, net of current portion	395,063	-	-	395,063
Unconditional promises to give, noncurrent, less allowance for uncollectibles	826,000	-	-	826,000
Investment in property	-	-	-	-
Investment in Downtown Campus QALICB LLC	<u>985,000</u>	<u>-</u>	<u>(985,000)</u>	<u>-</u>
Total noncurrent assets	<u>14,204,371</u>	<u>-</u>	<u>(985,000)</u>	<u>13,219,371</u>
Total assets	<u>\$ 18,958,415</u>	<u>\$ 18,534,527</u>	<u>\$ (985,000)</u>	<u>\$ 36,507,942</u>

2014

Lane Community College Foundation	Downtown Campus QALICB LLC	Eliminations	Total
\$ 2,668,086	\$ 597,574	\$ -	\$ 3,265,660
30,489	-	-	30,489
-	-	-	-
19,416	-	-	19,416
<u>669,009</u>	<u>-</u>	<u>-</u>	<u>669,009</u>
<u>3,387,000</u>	<u>597,574</u>	<u>-</u>	<u>3,984,574</u>
-	17,879,400	-	17,879,400
<u>-</u>	<u>511,937</u>	<u>-</u>	<u>511,937</u>
<u>-</u>	<u>18,391,337</u>	<u>-</u>	<u>18,391,337</u>
12,554,243	-	-	12,554,243
414,311	-	-	414,311
324,000	-	-	324,000
787,200	-	-	787,200
<u>985,000</u>	<u>-</u>	<u>(985,000)</u>	<u>-</u>
<u>15,064,754</u>	<u>-</u>	<u>(985,000)</u>	<u>14,079,754</u>
<u>\$ 18,451,754</u>	<u>\$ 18,988,911</u>	<u>\$ (985,000)</u>	<u>\$ 36,455,665</u>

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY
CONSOLIDATING SCHEDULES OF FINANCIAL POSITION, Continued
June 30, 2014 and 2013

	2015			
	Lane Community College Foundation	Downtown Campus QALICB LLC	Eliminations	Total
Liabilities and Net Assets				
Current liabilities				
Accounts payable	\$ 41,042	\$ -	\$ -	\$ 41,042
Construction payable, LCC	-	-	-	-
Accrued expenses	-	-	-	-
Other liabilities	-	81,027	-	81,027
Current portion of obligations under split-interest agreements	-	-	-	-
Deferred revenue	<u>136,000</u>	<u>-</u>	<u>-</u>	<u>136,000</u>
Total current liabilities	<u>177,042</u>	<u>81,027</u>	<u>-</u>	<u>258,069</u>
Noncurrent liabilities				
Notes payable	-	18,710,000	-	18,710,000
Obligations under split-interest agreements	<u>222,700</u>	<u>-</u>	<u>-</u>	<u>222,700</u>
Total noncurrent liabilities	<u>222,700</u>	<u>18,710,000</u>	<u>-</u>	<u>18,932,700</u>
Total liabilities	<u>399,742</u>	<u>18,791,027</u>	<u>-</u>	<u>19,190,769</u>
Net assets				
Unrestricted:				
Undesignated	1,462,169	(256,500)	(985,000)	220,669
Board designated	-	-	-	-
Temporarily restricted	7,213,537	-	-	7,213,537
Permanently restricted	<u>9,882,967</u>	<u>-</u>	<u>-</u>	<u>9,882,967</u>
Total net assets	<u>18,558,673</u>	<u>(256,500)</u>	<u>(985,000)</u>	<u>17,317,173</u>
Total liabilities and net assets	<u>\$18,958,415</u>	<u>\$ 18,534,527</u>	<u>\$ (985,000)</u>	<u>\$36,507,942</u>

2014

Lane Community College Foundation	Downtown Campus QALICB LLC	Eliminations	Total
\$ 41,476	\$ 1,898	\$ -	\$ 43,374
-	-	-	-
-	9,000	-	9,000
-	81,027	-	81,027
40,000	-	-	40,000
<u>175,349</u>	<u>-</u>	<u>-</u>	<u>175,349</u>
<u>256,825</u>	<u>91,925</u>	<u>-</u>	<u>348,750</u>
-	18,710,000	-	18,710,000
<u>202,246</u>	<u>-</u>	<u>-</u>	<u>202,246</u>
<u>202,246</u>	<u>18,710,000</u>	<u>-</u>	<u>18,912,246</u>
<u>459,071</u>	<u>18,801,925</u>	<u>-</u>	<u>19,260,996</u>
1,291,639	186,986	(985,000)	493,625
134,483	-	-	134,483
6,844,272	-	-	6,844,272
<u>9,722,289</u>	<u>-</u>	<u>-</u>	<u>9,722,289</u>
<u>17,992,683</u>	<u>186,986</u>	<u>(985,000)</u>	<u>17,194,669</u>
<u>\$18,451,754</u>	<u>\$18,988,911</u>	<u>\$ (985,000)</u>	<u>\$36,455,665</u>

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY
CONSOLIDATING SCHEDULE OF ACTIVITIES
For the Year Ended June 30, 2015

	Lane Community College Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and other support				
Donations	\$ 246,776	\$ 3,410,674	\$ 141,132	\$ 3,798,582
Donation, LCC	-	-	-	-
Change in split-interest agreements	-	-	19,546	19,546
Net investment income	24,150	102,014	-	126,164
Net realized and unrealized gains (losses)	47	(46,688)	-	(46,641)
Special project income	193,517	20,820	-	214,337
In-kind administrative contributions by LCC	259,686	-	-	259,686
In-kind program contributions	7,318	111,354	-	118,672
Rent	-	60,271	-	60,271
Administrative fee income	273,961	-	-	273,961
Other program income	-	65,284	-	65,284
Net assets released from restrictions	<u>3,354,464</u>	<u>(3,354,464)</u>	<u>-</u>	<u>-</u>
 Total revenue and other support	 <u>4,359,919</u>	 <u>369,265</u>	 <u>160,678</u>	 <u>4,889,862</u>
 Expenses				
Program services	3,021,487	-	-	3,021,487
Management and fundraising	<u>1,302,385</u>	<u>-</u>	<u>-</u>	<u>1,302,385</u>
 Total expenses	 <u>4,323,872</u>	 <u>-</u>	 <u>-</u>	 <u>4,323,872</u>
 Change in net assets	 36,047	 369,265	 160,678	 565,990
Net assets, beginning of year	<u>1,426,122</u>	<u>6,844,272</u>	<u>9,722,289</u>	<u>17,992,683</u>
 Net assets, end of year	 <u>\$ 1,462,169</u>	 <u>\$ 7,213,537</u>	 <u>\$ 9,882,967</u>	 <u>\$ 18,558,673</u>

Downtown Campus QALICB, LLC		
<u>Unrestricted</u>	<u>Total</u>	
\$ -	\$ 3,798,582	
-	-	
-	19,546	
-	126,164	
-	(46,641)	
-	214,337	
-	259,686	
-	118,672	
911,805	972,076	
-	273,961	
-	65,284	
-	-	
<u>911,805</u>	<u>5,801,667</u>	
1,355,291	4,376,778	
-	1,302,385	
<u>1,355,291</u>	<u>5,679,163</u>	
(443,486)	122,504	
<u>(798,014)</u>	<u>17,194,669</u>	
<u>\$ (1,241,500)</u>	<u>\$ 17,317,173</u>	

LANE COMMUNITY COLLEGE FOUNDATION AND SUBSIDIARY
CONSOLIDATING SCHEDULE OF ACTIVITIES
For the Year Ended June 30, 2014

	Lane Community College Foundation			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and other support				
Donations	\$ 417,586	\$ 1,411,525	\$ 275,390	\$ 2,104,501
Donation, LCC	-	-	-	-
Change in split-interest agreements	-	-	15,984	15,984
Net investment income	26,513	155,950	-	182,463
Net realized and unrealized gains	(102,975)	1,352,406	-	1,249,431
Special project income	122,685	190,717	-	313,402
In-kind administrative contributions by LCC	237,099	-	-	237,099
In-kind program contributions	12,808	244,054	-	256,862
Rent	-	91,756	-	91,756
Administrative fee income	224,781	-	-	224,781
Other program income	-	162,739	-	162,739
Net assets released from restrictions	<u>2,406,005</u>	<u>(2,406,005)</u>	<u>-</u>	<u>-</u>
 Total revenue and other support	 <u>3,344,502</u>	 <u>1,203,142</u>	 <u>291,374</u>	 <u>4,839,018</u>
Expenses				
Program services	1,758,867	-	-	1,758,867
Management and fundraising	<u>1,228,707</u>	<u>-</u>	<u>-</u>	<u>1,228,707</u>
 Total expenses	 <u>2,987,574</u>	 <u>-</u>	 <u>-</u>	 <u>2,987,574</u>
 Change in net assets	 356,928	 1,203,142	 291,374	 1,851,444
Net assets, beginning of year	<u>1,069,194</u>	<u>5,641,130</u>	<u>9,430,915</u>	<u>16,141,239</u>
 Net assets, end of year	 <u>\$ 1,426,122</u>	 <u>\$ 6,844,272</u>	 <u>\$ 9,722,289</u>	 <u>\$ 17,992,683</u>

Downtown Campus <u>QALICB, LLC</u>	<u>Total</u>
\$ -	\$ 2,104,501
-	-
-	15,984
-	182,463
-	1,249,431
-	313,402
-	237,099
-	256,862
911,804	1,003,560
-	224,781
-	162,739
-	-
<u>911,804</u>	<u>5,750,822</u>
1,445,484	3,204,351
<u>-</u>	<u>1,228,707</u>
<u>1,445,484</u>	<u>4,433,058</u>
(533,680)	1,317,764
<u>(264,334)</u>	<u>15,876,905</u>
<u>\$ (798,014)</u>	<u>\$ 17,194,669</u>