

SANTIAGO CANYON COLLEGE FOUNDATION
(A California Nonprofit Corporation)

ANNUAL FINANCIAL REPORT

JUNE 30, 2014 AND 2013

SANTIAGO CANYON COLLEGE FOUNDATION
(A California Nonprofit Corporation)

JUNE 30, 2014 AND 2013

CONTENTS

INDEPENDENT AUDITOR'S REPORT.....	1
FINANCIAL STATEMENTS	
Statements of Financial Position	
June 30, 2014 and 2013.....	3
Statements of Activities	
For the Years Ended June 30, 2014 and 2013	4
Statements of Cash Flows	
For the Years Ended June 30, 2014 and 2013	5
Statements of Functional Expenses	
For the Years Ended June 30, 2014 and 2013	6
Notes to Financial Statements.....	7



INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Santiago Canyon College Foundation
Orange, California

Report on the Financial Statements

We have audited the accompanying financial statements of Santiago Canyon College Foundation (The Foundation) (a California nonprofit corporation), which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Santiago Canyon College Foundation as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Vannich, Tunc, Day & Co., LLP

Rancho Cucamonga, California
November 29, 2014

SANTIAGO CANYON COLLEGE FOUNDATION
(A California Nonprofit Corporation)

STATEMENTS OF FINANCIAL POSITION
JUNE 30,

	2014	2013
ASSETS		
Current Assets		
Cash - unrestricted	\$ 232,442	\$ 384,531
Cash - restricted	230,690	306,343
Accounts receivable	-	1,150
Prepaid expenditures	1,000	1,000
Total Current Assets	464,132	693,024
Noncurrent Assets		
Investments - unrestricted	891,647	740,720
Investments - restricted	461,802	452,878
Total Noncurrent Assets	1,353,449	1,193,598
Total Assets	\$ 1,817,581	\$ 1,886,622
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 48,164	\$ 2,256
NET ASSETS		
Unrestricted	1,081,083	1,123,995
Temporarily restricted	563,231	636,091
Permanently restricted	125,103	124,280
Total Net Assets	1,769,417	1,884,366
Total Liabilities and Net Assets	\$ 1,817,581	\$ 1,886,622

See the accompanying notes to financial statements.

SANTIAGO CANYON COLLEGE FOUNDATION
(A California Nonprofit Corporation)

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

	2014			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
REVENUES				
Contributions	\$ 14,067	\$ 245,264	\$ -	\$ 259,331
Donated salaries and benefits	93,265	-	-	93,265
Special events	7,152	14,523	-	21,675
Miscellaneous revenue	-	-	-	-
Assets released from restrictions	356,277	(356,277)	-	-
Total Revenues	470,761	(96,490)	-	374,271
EXPENSES				
Operating expenses	89,721	-	-	89,721
Program expenses	478,575	-	-	478,575
Fundraising expenses	43,784	-	-	43,784
Total Expenses	612,080	-	-	612,080
OTHER INCOME (EXPENSE)				
Realized gain (loss) on sale of investments	7,759	7,975	-	15,734
Unrealized gain (loss) on investments	83,057	22,387	(29,173)	76,271
Interest and dividends	20,327	10,528	-	30,855
Transfers	(12,736)	(17,260)	29,996	-
Total Other Income (Expense)	98,407	23,630	823	122,860
CHANGE IN NET ASSETS	(42,912)	(72,860)	823	(114,949)
NET ASSETS, BEGINNING OF YEAR	1,123,995	636,091	124,280	1,884,366
NET ASSETS, END OF YEAR	\$ 1,081,083	\$ 563,231	\$ 125,103	\$ 1,769,417

See the accompanying notes to financial statements.

2013

<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
\$ 694,904	\$ 274,044	\$ -	\$ 968,948
200,819	-	-	200,819
20,238	18,950	-	39,188
203	4,713	-	4,916
219,325	(219,325)	-	-
<u>1,135,489</u>	<u>78,382</u>	<u>-</u>	<u>1,213,871</u>
81,394	-	-	81,394
302,368	-	-	302,368
60,754	-	-	60,754
<u>444,516</u>	<u>-</u>	<u>-</u>	<u>444,516</u>
2,365	(8,212)	-	(5,847)
4,860	12,001	-	16,861
9,312	10,077	-	19,389
63,747	(52,560)	(11,187)	-
<u>80,284</u>	<u>(38,694)</u>	<u>(11,187)</u>	<u>30,403</u>
771,257	39,688	(11,187)	799,758
352,738	596,403	135,467	1,084,608
<u>\$ 1,123,995</u>	<u>\$ 636,091</u>	<u>\$ 124,280</u>	<u>\$ 1,884,366</u>

SANTIAGO CANYON COLLEGE FOUNDATION
(A California Nonprofit Corporation)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$(114,949)	\$ 799,758
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities		
Contributions restricted for long-term purposes	(245,264)	(274,044)
Unrealized gain	(76,271)	(16,861)
Changes in Assets and Liabilities		
(Increase) Decrease in accounts receivable	1,150	(1,150)
Increase in prepaid expenditures	-	(1,000)
Increase (Decrease) in accounts payable	45,908	(1,779)
Net Cash Flows From Operating Activities	(389,426)	504,924
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	537,365	130,685
Purchase of investments	(620,945)	(663,518)
Decrease in restricted cash and cash equivalents	75,653	17,497
Net Cash Flows From Investing Activities	(7,927)	(515,336)
CASH FLOWS FROM FINANCING ACTIVITIES		
Collections of contributions restricted for long-term purposes	245,264	274,044
CHANGE IN UNRESTRICTED CASH AND CASH EQUIVALENTS	(152,089)	263,632
UNRESTRICTED CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	384,531	120,899
UNRESTRICTED CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 232,442	\$ 384,531
NONCASH TRANSACTIONS		
Donated salaries and benefits	\$ 93,265	\$ 200,819

See the accompanying notes to financial statements.

SANTIAGO CANYON COLLEGE FOUNDATION
(A California Nonprofit Corporation)

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30,

	2014			
	Operating	Program	Fundraising	Total
Donated salaries and benefits	\$ 27,980	\$ 55,958	\$ 9,327	\$ 93,265
Scholarships	-	165,966	-	165,966
Program expenses	-	12,563	-	12,563
Salaries and benefits	-	26,888	-	26,888
Capital improvement and equipment	-	11,682	-	11,682
Conferences and travel	13,770	-	-	13,770
Dues, memberships, and subscriptions	1,980	-	-	1,980
Public relations and advertising	-	-	1,362	1,362
Postage and printing	-	-	1,410	1,410
Investment expenses	2,204	-	-	2,204
Contracted services	34,318	-	-	34,318
Special events	-	-	19,213	19,213
Supplies	6,691	34,091	-	40,782
Foundation services	-	85,497	-	85,497
Special project hold account	-	85,930	-	85,930
Miscellaneous	2,778	-	12,472	15,250
TOTAL EXPENSES	\$ 89,721	\$ 478,575	\$ 43,784	\$ 612,080

See the accompanying notes to financial statements.

2013

Operating	Program	Fundraising	Total
\$ 60,246	\$ 120,491	\$ 20,082	\$ 200,819
-	141,117	-	141,117
-	12,127	-	12,127
-	2,208	-	2,208
-	2,157	-	2,157
5,344	-	-	5,344
606	-	-	606
-	-	1,452	1,452
-	-	349	349
1,344	-	-	1,344
11,164	-	-	11,164
-	-	28,510	28,510
2,338	24,268	5,849	32,455
352	-	4,512	4,864
-	-	-	-
-	-	-	-
<u>\$ 81,394</u>	<u>\$ 302,368</u>	<u>\$ 60,754</u>	<u>\$ 444,516</u>

SANTIAGO CANYON COLLEGE FOUNDATION
(A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 1 - NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Santiago Canyon College Foundation (the Foundation) is a nonprofit organization founded on May 12, 1998, for the purpose of receiving contributions for the support and advancement of education on behalf of Santiago Canyon College (the District). The primary purpose of the Foundation is to assist in the institutional development and encourage community support to the District.

Financial Statement Presentation

The Foundation prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements include the accounts maintained by, and directly under, the control of the Foundation.

The Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Foundation is required to present a statement of cash flows. As permitted by the statement, the Foundation does not use fund accounting. Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting.

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

Fair Value Measurements

The fair value of equity and debt securities with readily determinable fair values approximates their respective quoted market prices. The fair value of investments in partnerships and real estate held as investments is estimated using private valuations of the securities or properties held. Because of the inherent uncertainty of valuation methods, those estimated values might differ significantly from those used had a market existed. All other financial instruments' fair values approximate their carrying amounts due to the short maturities of these instruments.

Public Support and Revenue

The Foundation receives substantially all of its revenue from direct donations, pledges, and corporate grants. Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Realized gains/losses and unrealized gains/losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expiration of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as assets released from restriction between the applicable classes of net assets.

SANTIAGO CANYON COLLEGE FOUNDATION
(A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the time of the gift.

Comparative Financial Information

Comparative financial information for the prior year has been presented for additional analysis. Certain reclassifications may have been made to conform with the current year presentation.

Donated Assets, Services, and Facilities

The Foundation records the value of donated assets and facilities when there is an objective basis available to measure their value. Donated facilities are reflected as support in the accompanying statements at their estimated values at date of donation and fair market value of facilities for the year. Donated assets are capitalized at the stated donated value and depreciated in accordance with Foundation policies, unless they are passed through to the District.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the reporting date, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Foundation is a non-profit public benefit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation and qualifies for deductible contributions as provided in Section 170(b) (A) (vi). It is also exempt from State franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been reflected in these financial statements. The Foundation's Federal informational tax returns for the years ended June 30, 2011, 2012, and 2013, are open to audit by the Federal authorities. California State informational returns for the years ended June 30, 2010, 2011, 2012, and 2013, are open to audit by State authorities.

The Foundation has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740 that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Management believes that all tax positions taken to date are highly certain and, accordingly, no accounting adjustment has been made to the financial statements.

SANTIAGO CANYON COLLEGE FOUNDATION
(A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with maturities of less than 90 days. The Foundation maintains cash balances in financial institutions which are insured up to \$250,000. At June 30, 2014 and 2013, balances held in financial institutions of \$222,358 and \$179,044, respectively, were not fully insured.

For purposes of the statement of cash flows, the Foundation considers all unrestricted highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values are presented at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Functional Allocation of Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, based upon management's estimates, certain costs have been allocated among the programs, support services, and fundraising activities.

NOTE 2 - RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at June 30:

	2014	2013
Scholarships	\$ 496,571	\$ 535,149
Student assistance	66,660	100,942
Total Temporarily Restricted Net Assets	\$ 563,231	\$ 636,091

Permanently restricted net assets consist of the following at June 30:

	2014	2013
Scholarships and programs for the District	\$ 125,103	\$ 124,280

SANTIAGO CANYON COLLEGE FOUNDATION
(A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 3 - DONATED SERVICES

During the year, many individuals, District staff, and administrators donate significant amounts of time and services to the Foundation in an effort to advance the programs and objectives of the Foundation. Donated services are reflected in the accompanying statements when the criteria for recognition have been met and are recorded at fair value. Donated services include the value of Foundation services paid for salaries and benefits by the District. These services were valued at \$93,265 and \$200,819, respectively, for the June 30, 2014 and 2013, fiscal years, and are recognized in the financial statements as donation revenue and an operating expense.

NOTE 4 - INVESTMENTS

Investments are presented at fair value in the financial statements and are composed of the following at June 30, 2014 and 2013:

2014	Adjusted Cost	Fair Market Value	Unrealized Gain
Corporate bonds	\$ 11,654	\$ 12,406	\$ 752
Government bonds	92,405	98,367	5,962
Common stock	368,710	392,498	23,788
Preferred stock	9,537	10,152	615
CDs and mutual funds	699,900	745,054	45,154
California Community Colleges (CCC) Scholarship Endowment Fund	94,972	94,972	-
Total	<u>\$ 1,277,178</u>	<u>\$ 1,353,449</u>	<u>\$ 76,271</u>
2013	Adjusted Cost	Fair Market Value	Unrealized Gain
Corporate bonds	\$ 11,869	\$ 12,054	\$ 185
Government bonds	81,614	82,886	1,272
Common stock	315,908	320,831	4,923
Preferred stock	9,492	9,640	148
CDs and mutual funds	663,062	673,395	10,333
California Community Colleges (CCC) Scholarship Endowment Fund	94,792	94,792	-
Total	<u>\$ 1,176,737</u>	<u>\$ 1,193,598</u>	<u>\$ 16,861</u>

SANTIAGO CANYON COLLEGE FOUNDATION
(A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30:

	2014	2013
Realized gain (loss) on investments, net	\$ 15,734	\$ (5,847)
Unrealized gain on investments, net	76,271	16,861
Interest and dividends	30,855	19,389
Total Investment Income	122,860	30,403
Investment expenses	(2,204)	(1,344)
Total Investment Income, Net of Expenses	\$ 120,656	\$ 29,059

NOTE 5 - INVESTMENT SECURITIES

Market Value of Financial Assets and Liabilities

The Foundation determines the fair market values of certain financial instruments based on the fair value hierarchy established in Statement of Financial Accounting Standards, *Fair Value Measurements*, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

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

Level 1 - 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 may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - 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 the determination of fair value requires significant management judgment or estimation.

SANTIAGO CANYON COLLEGE FOUNDATION
(A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

Assets and Liabilities Recorded at Fair Value on a Recurring Basis

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2014. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2014.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Corporate bonds	\$ 12,406	\$ -	\$ -	\$ 12,406
Government bonds	98,367	-	-	98,367
Common stock	392,498	-	-	392,498
Preferred stock	10,152	-	-	10,152
CDs and mutual funds	-	745,054	-	745,054
CCC Scholarship Endowment Fund	-	-	94,972	94,972
Total	<u>\$ 513,423</u>	<u>\$ 745,054</u>	<u>\$ 94,972</u>	<u>\$ 1,353,449</u>

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2013. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2013.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
Corporate bonds	\$ 12,054	\$ -	\$ -	\$ 12,054
Government bonds	82,886	-	-	82,886
Common stock	320,831	-	-	320,831
Preferred stock	9,640	-	-	9,640
CDs and mutual funds	-	673,395	-	673,395
CCC Scholarship Endowment Fund	-	-	94,792	94,792
Total	<u>\$ 425,411</u>	<u>\$ 673,395</u>	<u>\$ 94,792</u>	<u>\$ 1,193,598</u>

NOTE 6 - TRANSFERS BETWEEN FUNDS

During the year ended June 30, 2014, management reviewed original donor instructions and determined that various donations in the amount of \$29,996 had been classified incorrectly, and transfers were made to properly move them to the correct fund.

SANTIAGO CANYON COLLEGE FOUNDATION
(A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 7 - DONOR DESIGNATED ENDOWMENTS

Endowment net asset composition by type of fund as of June 30, 2014, is as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Funds
Donor-restricted endowment funds	<u>\$ 563,231</u>	<u>\$ 125,103</u>	<u>\$ 688,334</u>

Changes in endowment net assets as of June 30, 2014, are as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Funds
Endowment net assets, beginning of year	\$ 636,091	\$ 124,280	\$ 760,371
Net Change	(55,600)	(29,173)	(84,773)
Transfers	(17,260)	29,996	12,736
Endowment net assets, end of year	<u>\$ 563,231</u>	<u>\$ 125,103</u>	<u>\$ 688,334</u>

Endowment net asset composition by type of fund as of June 30, 2013, is as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Funds
Donor-restricted endowment funds	<u>\$ 636,091</u>	<u>\$ 124,280</u>	<u>\$ 760,371</u>

Changes in endowment net assets as of June 30, 2013, are as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Funds
Endowment net assets, beginning of year	\$ 551,345	\$ 135,467	\$ 696,812
Net Change	137,306	-	84,746
Transfers	(52,560)	(11,187)	(11,187)
Endowment net assets, end of year	<u>\$ 636,091</u>	<u>\$ 124,280</u>	<u>\$ 770,371</u>

SANTIAGO CANYON COLLEGE FOUNDATION
(A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 8 - UNREALIZED GAIN AND LOSS DISTRIBUTION

In 2014 and 2013, the Foundation posted unrealized gain (loss) and dividend distributions for their endowed funds to unrealized gain (loss) holding accounts in unrestricted matching funds in the amounts of \$(7,087) and \$12,001, respectively. As the accounts in unrestricted funds gain credit balances, the holding balance is transferred back to temporarily restricted funds. Their use of the holding accounts is to prevent the temporarily restricted funds from spending unrealized monies.

NOTE 9 - SUBSEQUENT EVENTS

The Foundation's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through November 29, 2014, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.