

**SANTIAGO CANYON COLLEGE FOUNDATION**  
**(A California Nonprofit Corporation)**

---

**ANNUAL FINANCIAL REPORT**

---

**JUNE 30, 2015 AND 2014**

**SANTIAGO CANYON COLLEGE FOUNDATION**  
**(A California Nonprofit Corporation)**

**JUNE 30, 2015 AND 2014**

CONTENTS

INDEPENDENT AUDITOR'S REPORT.....	1
FINANCIAL STATEMENTS	
Statements of Financial Position	
June 30, 2015 and 2014.....	3
Statements of Activities	
For the Years Ended June 30, 2015 and 2014 .....	4
Statements of Cash Flows	
For the Years Ended June 30, 2015 and 2014 .....	5
Statements of Functional Expenses	
For the Years Ended June 30, 2015 and 2014 .....	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, 2015 and 2014, 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, 2015 and 2014, 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.

*Varrinck, Trine, Day & Co., LLP*

Rancho Cucamonga, California  
December 3, 2015

**SANTIAGO CANYON COLLEGE FOUNDATION**  
**(A California Nonprofit Corporation)**

**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30,**

	2015	2014
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash - unrestricted	\$ 82,319	\$ 232,442
Cash - restricted	179,993	230,690
Accounts receivable	3,466	-
Prepaid expenditures	12,140	1,000
Total Current Assets	277,918	464,132
<b>Noncurrent Assets</b>		
Investments - unrestricted	859,330	891,827
Investments - restricted	353,474	366,830
Assets held by others	94,792	94,792
Total Noncurrent Assets	1,307,596	1,353,449
Total Assets	\$ 1,585,514	\$ 1,817,581
 <b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 33,088	\$ 48,164
<b>NET ASSETS</b>		
Unrestricted	921,825	1,081,083
Temporarily restricted	506,254	563,231
Permanently restricted	124,347	125,103
Total Net Assets	1,552,426	1,769,417
Total Liabilities and Net Assets	\$ 1,585,514	\$ 1,817,581

See the accompanying notes to financial statements.

**SANTIAGO CANYON COLLEGE FOUNDATION**  
**(A California Nonprofit Corporation)**

**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED JUNE 30,**

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>REVENUES</b>				
Contributions	\$ 11,425	\$ 172,092	\$ -	\$ 183,517
Donated salaries and benefits	161,486	-	-	161,486
Special events	-	33,535	-	33,535
Assets released from restrictions	241,039	(241,039)	-	-
Total Revenues	<u>413,950</u>	<u>(35,412)</u>	<u>-</u>	<u>378,538</u>
<b>EXPENSES</b>				
Operating expenses	101,363	-	-	101,363
Program expenses	388,257	-	-	388,257
Fundraising expenses	50,490	-	-	50,490
Total Expenses	<u>540,110</u>	<u>-</u>	<u>-</u>	<u>540,110</u>
<b>OTHER INCOME (EXPENSE)</b>				
Realized gain (loss) on sale of investments	28	(875)	-	(847)
Unrealized gain (loss) on investments	(55,455)	(35,981)	(48,288)	(139,724)
Interest and dividends	26,929	40,112	-	67,041
Transfers	(4,600)	(24,821)	47,532	18,111
Total Other Income (Expense)	<u>(33,098)</u>	<u>(21,565)</u>	<u>(756)</u>	<u>(55,419)</u>
<b>CHANGE IN NET ASSETS</b>	(159,258)	(56,977)	(756)	(216,991)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,081,083</u>	<u>563,231</u>	<u>125,103</u>	<u>1,769,417</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 921,825</u>	<u>\$ 506,254</u>	<u>\$ 124,347</u>	<u>\$ 1,552,426</u>

See the accompanying notes to financial statements.

2014

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 14,067	\$ 245,264	\$ -	\$ 259,331
93,265	-	-	93,265
7,152	14,523	-	21,675
356,277	(356,277)	-	-
<u>470,761</u>	<u>(96,490)</u>	<u>-</u>	<u>374,271</u>
89,721	-	-	89,721
478,575	-	-	478,575
43,784	-	-	43,784
<u>612,080</u>	<u>-</u>	<u>-</u>	<u>612,080</u>
7,759	7,975	-	15,734
83,057	22,387	(29,173)	76,271
20,327	10,528	-	30,855
(12,736)	(17,260)	29,996	-
<u>98,407</u>	<u>23,630</u>	<u>823</u>	<u>122,860</u>
(42,912)	(72,860)	823	(114,949)
1,123,995	636,091	124,280	1,884,366
<u>\$ 1,081,083</u>	<u>\$ 563,231</u>	<u>\$ 125,103</u>	<u>\$ 1,769,417</u>

**SANTIAGO CANYON COLLEGE FOUNDATION**  
**(A California Nonprofit Corporation)**

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30,**

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (216,991)	\$ (114,949)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities		
Contributions restricted for long-term purposes	(172,092)	(245,264)
Unrealized (gain) loss	139,724	(76,271)
Changes in Assets and Liabilities		
(Increase) Decrease in accounts receivable	(3,466)	1,150
Increase in prepaid expenditures	(11,140)	-
Increase (Decrease) in accounts payable	(15,076)	45,908
Net Cash Flows From Operating Activities	<u>(279,041)</u>	<u>(389,426)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	314,270	537,365
Purchase of investments	(408,141)	(620,945)
Decrease in restricted cash and cash equivalents	50,697	75,653
Net Cash Flows From Investing Activities	<u>(43,174)</u>	<u>(7,927)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Collections of contributions restricted for long-term purposes	<u>172,092</u>	<u>245,264</u>
<b>CHANGE IN UNRESTRICTED CASH AND CASH EQUIVALENTS</b>	(150,123)	(152,089)
<b>UNRESTRICTED CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>232,442</u>	<u>384,531</u>
<b>UNRESTRICTED CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 82,319</u>	<u>\$ 232,442</u>
<b>NONCASH TRANSACTIONS</b>		
Donated salaries and benefits	<u>\$ 161,486</u>	<u>\$ 93,265</u>

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,**

	2015			
	Operating	Program	Fundraising	Total
Donated salaries and benefits	\$ 48,445	\$ 96,892	\$ 16,149	\$ 161,486
Scholarships	-	180,726	-	180,726
Program expenses	-	12,304	-	12,304
Salaries and benefits	-	82,527	-	82,527
Capital improvement and equipment	-	-	-	-
Conferences and travel	15,743	-	-	15,743
Dues, memberships, and subscriptions	700	-	-	700
Public relations and advertising	-	-	2,000	2,000
Postage and printing	-	-	1,498	1,498
Investment expenses	2,586	-	-	2,586
Contracted services	16,893	-	-	16,893
Special events	-	-	21,882	21,882
Supplies	4,267	2,019	-	6,286
Foundation services	-	11,000	-	11,000
Special project hold account	-	2,789	-	2,789
Miscellaneous	12,729	-	8,961	21,690
TOTAL EXPENSES	\$ 101,363	\$ 388,257	\$ 50,490	\$ 540,110

See the accompanying notes to financial statements.

2014

Operating	Program	Fundraising	Total
\$ 27,980	\$ 55,958	\$ 9,327	\$ 93,265
-	165,966	-	165,966
-	12,563	-	12,563
-	26,888	-	26,888
-	11,682	-	11,682
13,770	-	-	13,770
1,980	-	-	1,980
-	-	1,362	1,362
-	-	1,410	1,410
2,204	-	-	2,204
34,318	-	-	34,318
-	-	19,213	19,213
6,691	34,091	-	40,782
-	85,497	-	85,497
-	85,930	-	85,930
2,778	-	12,472	15,250
<u>\$ 89,721</u>	<u>\$ 478,575</u>	<u>\$ 43,784</u>	<u>\$ 612,080</u>

**SANTIAGO CANYON COLLEGE FOUNDATION**  
**(A California Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

***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, 2015 AND 2014**

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, 2012, 2013, and 2014, are open to audit by the Federal authorities. California State informational returns for the years ended June 30, 2011, 2012, 2013, and 2014, 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, 2015 AND 2014**

**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, 2015 the Foundation did not have any cash balances held in financial institutions in excess of Federal depository insurance coverage. In 2014, balances held in financial institutions of \$222,358 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:

	2015	2014
Scholarships	\$ 439,092	\$ 496,571
Student assistance	67,162	66,660
Total Temporarily Restricted Net Assets	\$ 506,254	\$ 563,231

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

	2015	2014
Scholarships and programs for the District	\$ 29,555	30,311
Assets held by others	94,792	94,792
Total Permanently Restricted Net Assets	\$ 124,347	\$ 125,103

**SANTIAGO CANYON COLLEGE FOUNDATION**  
**(A California Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

**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 \$161,486 and \$93,265, respectively, for the June 30, 2015 and 2014, 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, 2015 and 2014:

2015	Adjusted Cost	Fair Market Value	Unrealized Loss
Corporate bonds	\$ 11,611	\$ 12,389	\$ (1,427)
Government bonds	98,020	104,584	(12,049)
Common stock	356,365	380,228	(43,805)
Preferred stock	9,590	10,232	(1,179)
CDs and mutual funds	661,102	705,371	(81,264)
Total	<u>\$ 1,136,688</u>	<u>\$ 1,212,804</u>	<u>\$ (139,724)</u>
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	700,080	745,234	45,154
Total	<u>\$ 1,182,386</u>	<u>\$ 1,258,657</u>	<u>\$ 76,271</u>

**SANTIAGO CANYON COLLEGE FOUNDATION**  
**(A California Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

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

	2015	2014
Realized gain (loss) on investments, net	\$ (847)	\$ 15,734
Unrealized gain (loss) on investments, net	(139,724)	76,271
Interest and dividends	67,041	30,855
Total Investment Income	(73,530)	122,860
Investment expenses	(2,586)	(2,204)
Total Investment Income, Net of Expenses	\$ (76,116)	\$ 120,656

**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, 2015 AND 2014**

**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, 2015. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2015.

	Level 1	Level 2	Total
Assets			
Corporate bonds	\$ 12,389	\$ -	\$ 12,389
Government bonds	104,584	-	104,584
Common stock	380,228	-	380,228
Preferred stock	10,232	-	10,232
CDs and mutual funds	-	705,371	705,371
Total	\$ 507,433	\$ 705,371	\$ 1,212,804

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.

	Level 1	Level 2	Total
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	-	745,234	745,234
Total	\$ 513,423	\$ 745,234	\$ 1,258,657

**NOTE 6 - OSHER ENDOWMENT SCHOLARSHIP**

The Foundation for California Community Colleges (FCCC) has created a permanent endowment fund intended to provide scholarship support to California Community College students in perpetuity. The fund began in May 2008 with a \$25 million lead gift from The Bernard Osher Foundation. The Bernard Osher Foundation will provide scholarship matching funds annually to colleges that participate. In order to take advantage of this opportunity, the College and its donors have contributed \$94,792. As of June 30, 2015 and 2014, the ending balance of the Osher Endowment Scholarship was \$227,295. The Foundation receives no additional interest or dividends on the balance held at the FCCC and does not participate in the investment management of the funds. All donations to the FCCC Osher Endowment Scholarship must remain in the fund permanently and cannot be returned or used for other purposes.



**SANTIAGO CANYON COLLEGE FOUNDATION**  
**(A California Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

**NOTE 7 - TRANSFERS BETWEEN FUNDS**

During the year ended June 30, 2015, management reviewed original donor instructions and determined that various donations in the amount of \$47,532 had been classified incorrectly, and transfers were made to properly move them to the correct fund.

**NOTE 8 - DONOR DESIGNATED ENDOWMENTS**

Endowment net asset composition by type of fund as of June 30, 2015, is as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Funds
Donor-restricted endowment funds	\$ 506,254	\$ 124,347	\$ 630,601

Changes in endowment net assets as of June 30, 2015, are as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Funds
Endowment net assets, beginning of year	\$ 563,231	\$ 125,103	\$ 688,334
Net Change	(32,156)	(48,288)	(80,444)
Transfers	(24,821)	47,532	22,711
Endowment net assets, end of year	\$ 506,254	\$ 124,347	\$ 630,601

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	\$ 563,231	\$ 125,103	\$ 688,334

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	\$ 563,231	\$ 125,103	\$ 688,334

**SANTIAGO CANYON COLLEGE FOUNDATION**  
**(A California Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015 AND 2014**

***NOTE 9 - UNREALIZED GAIN AND LOSS DISTRIBUTION***

In 2015 and 2014, 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 \$4,131 and \$(7,087), 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 10 - 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 December 3, 2015, 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.