

**COLLEGE OF THE SEQUOIAS FOUNDATION  
(A California Nonprofit Corporation)**

**Financial Statements**

**Visalia, CA**

**June 30, 2019 and 2018**

**COLLEGE OF THE SEQUOIAS FOUNDATION**  
**(A California Nonprofit Corporation)**  
**FOUNDATION BOARD**  
**JUNE 30, 2019**

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**Foundation Board**

<i>Member</i>	<i>Office</i>
Stephanie Amaral	President
Tom Giampietro	Vice President
Tim Dodson	Secretary
Marla Borges	Treasurer
Bob Ainley	Board
Josh McDonnell	Board
Richard Nunes	Board
BJ Perch	Board
Mariann Hedstrom	Board
Gerald Schneider	Board
JoeAnna Todd	Board
Mary Johnston	Board

**Administration**

Brent Calvin	College Superintendent/President
Tim Foster	Foundation Director

**Trustee Representative**

Raymond Macareno	Trustee Representative
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**COLLEGE OF THE SEQUOIAS FOUNDATION**  
**(A California Nonprofit Corporation)**  
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**JUNE 30, 2019**

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## Financial Section

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
College of the Sequoias Foundation  
Visalia, California

We have audited the accompanying financial statements of College of the Sequoias Foundation (the "Foundation"), which comprise the statement of financial position as of June 30, 2019, and 2018 the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

## **Opinion**

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

## **Emphasis of Matter - Change in Accounting Principle**

As discussed in Note 2, College of Sequoias Foundation began the implementation of the provisions of Financial Accounting Standards Board Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities as of fiscal year 2018-19. The requirements of ASU 2016-14 have been retrospectively applied to all periods presented. Our opinion is not modified with respect to this matter.

San Diego, California  
May 1, 2020

**COLLEGE OF THE SEQUOIAS FOUNDATION**  
**(A California Nonprofit Corporation)**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 and JUNE 30, 2018**

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	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 259,519	\$ 267,704
Investments	10,557,698	10,025,919
<b>TOTAL CURRENT ASSETS</b>	<b>10,817,217</b>	<b>10,293,623</b>
Non-depreciable assets	-	329,478
<b>TOTAL ASSETS</b>	<b>\$ 10,817,217</b>	<b>\$ 10,623,101</b>
<b>LIABILITIES</b>		
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>
<b>NET ASSETS</b>		
Net assets without donor restrictions	8,449,747	8,216,511
Net assets with donor restrictions	2,367,470	2,406,590
<b>TOTAL NET ASSETS</b>	<b>10,817,217</b>	<b>10,623,101</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 10,817,217</b>	<b>\$ 10,623,101</b>

The notes to financial statements are an integral part of this statement.

**COLLEGE OF THE SEQUIAS FOUNDATION**  
**(A California Nonprofit Corporation)**  
**STATEMENTS OF ACTIVITIES**  
**JUNE 30, 2019**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS:</b>			
Contributions:			
General contributions	\$ 534,765	\$ -	\$ 534,765
Endowed scholarships	-	64,977	64,977
Outside scholarships	-	157,550	157,550
Inside scholarships	-	270,736	270,736
Revenues:			
Investment income (interest, dividends, and realized gains)	263,847	-	263,847
Fundraisers	223,505	-	223,505
Program Fees	323,935	-	323,935
Unrealized gain/(loss) on value of investments	311,717	-	311,717
Net assets released from restrictions	532,383	(532,383)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>\$ 2,190,152</b>	<b>\$ (39,120)</b>	<b>\$ 2,151,032</b>
<b>EXPENSES:</b>			
Scholarships:			
Endowed scholarships	\$ 93,800	\$ -	\$ 93,800
Outside scholarships	175,915	-	175,915
Inside scholarships	262,668	-	262,668
College enhancement	718,152	-	718,152
General administrative	425,100	-	425,100
<b>TOTAL EXPENSES</b>	<b>1,675,635</b>	<b>-</b>	<b>1,675,635</b>
<b>CHANGE IN NET ASSETS</b>	<b>514,517</b>	<b>(39,120)</b>	<b>475,397</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>8,216,511</b>	<b>2,406,590</b>	<b>10,623,101</b>
<b>Adjustment - see note 8</b>	<b>(281,281)</b>	<b>-</b>	<b>(281,281)</b>
<b>ADJUSTED NET ASSETS, BEGINNING OF YEAR</b>	<b>7,935,230</b>	<b>2,406,590</b>	<b>10,341,820</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 8,449,747</b>	<b>\$ 2,367,470</b>	<b>\$ 10,817,217</b>

The notes to financial statements are an integral part of this statement.



**COLLEGE OF THE SEQUOIAS FOUNDATION**  
**(A California Nonprofit Corporation)**  
**STATEMENTS OF ACTIVITIES**  
**JUNE 30, 2018**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
<b>PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS:</b>			
Contributions:			
General contributions	\$ 350,481	\$ 111,855	\$ 462,336
Endowed scholarships	-	90,562	90,562
Outside scholarships	-	171,600	171,600
Inside scholarships	-	240,272	240,272
Revenues:			
Investment income (interest, dividends, and realized gains)	250,399	-	250,399
Fundraisers	138,339	-	138,339
Program Fees	361,387	-	361,387
Unrealized gain/(loss) on value of investments	355,846	-	355,846
Net assets released from restrictions	464,553	(464,553)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>\$ 1,921,005</b>	<b>\$ 149,736</b>	<b>\$ 2,070,741</b>
<b>EXPENSES:</b>			
Scholarships:			
Endowed scholarships	\$ 90,950	\$ -	\$ 90,950
Outside scholarships	154,950	-	154,950
Inside scholarships	217,653	-	217,653
College enhancement	798,328	-	798,328
General administrative	349,408	-	349,408
<b>TOTAL EXPENSES</b>	<b>1,611,289</b>	<b>-</b>	<b>1,611,289</b>
<b>CHANGE IN NET ASSETS</b>	<b>309,716</b>	<b>149,736</b>	<b>459,452</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>7,906,795</b>	<b>2,256,854</b>	<b>10,163,649</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 8,216,511</b>	<b>\$ 2,406,590</b>	<b>\$ 10,623,101</b>

The notes to financial statements are an integral part of this statement.

**COLLEGE OF THE SEQUOIAS FOUNDATION**  
**(A California Nonprofit Corporation)**  
**STATEMENTS OF CASH FLOWS**  
**JUNE 30, 2019**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 475,397
<b>Net cash provided by operating activities:</b>	<u>475,397</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Net cash provided by (used in) investing	(483,582)
<b>Net cash used in investing activities</b>	<u>(483,582)</u>

**NET DECREASE IN CASH AND CASH EQUIVALENTS** (8,185)

**Cash and cash equivalents - beginning** 267,704

**Cash and cash equivalents - ending** \$ 259,519

The notes to financial statements are an integral part of this statement.

**COLLEGE OF THE SEQUOIAS FOUNDATION**  
**(A California Nonprofit Corporation)**  
**STATEMENTS OF CASH FLOWS**  
**JUNE 30, 2018**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 459,452
<b>Net cash provided by operating activities:</b>	<u>459,452</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Net cash provided by (used in) investing	(779,915)
<b>Net cash used in investing activities</b>	<u>(779,915)</u>

**NET DECREASE IN CASH AND CASH EQUIVALENTS** (320,463)

<b>Cash and cash equivalents - beginning</b>	<u>588,167</u>
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<b>Cash and cash equivalents - ending</b>	<u>\$ 267,704</u>
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The notes to financial statements are an integral part of this statement.

**COLLEGE OF THE SEQUIAS FOUNDATION**  
**(A California Nonprofit Corporation)**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**JUNE 30, 2019 and 2018**

**June 30, 2019**

	Programs		Total	Support		Total
		College	Program	General	Support	Total
Expenses	Scholarships	Enhancement	Services	Administrative	Services	Expenses
Scholarships	\$ 532,383	\$ -	\$ 532,383	\$ -	\$ -	\$ 532,383
College enhancement	-	718,152	718,152	-	-	718,152
General administrative	-	-	-	425,100	425,100	425,100
Total Expenses	\$ 532,383	\$ 718,152	\$ 1,250,535	\$ 425,100	\$ 425,100	\$ 1,675,635

**June 30, 2018**

	Programs		Total	Support	Total	
	College		Program	General	Support	Total
Expenses	Scholarships	Enhancement	Services	Administrative	Services	Expenses
Scholarships	\$ 463,553	\$ -	\$ 463,553	\$ -	\$ -	\$ 463,553
College enhancement	-	798,328	798,328	-	-	798,328
General administrative	-	-	-	349,408	349,408	349,408
Total Expenses	\$ 463,553	\$ 798,328	\$ 1,261,881	\$ 349,408	\$ 349,408	\$ 1,611,289

The notes to financial statements are an integral part of this statement.

**COLLEGE OF THE SEQUOIAS FOUNDATION**  
**(A California Nonprofit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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**NOTE 1 – ORGANIZATION AND DESCRIPTION OF ACTIVITIES**

The College of the Sequoias Foundation is a California nonprofit organization for the benefit of College of the Sequoias. The Foundation was organized for the purpose of providing Financial Aid to students in need. The Foundation provides opportunities for members of the community to donate property and money for the express purpose, through grants and scholarships, of helping deserving students receive a quality education.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Accounting Method - Basis of Accounting**

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as applicable to nonprofit organizations. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements as well as the timing of the measurement made, regardless of the measurement focus applied. The Foundation uses the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized in the beginning of the accounting period in which the liability is incurred.

**Income Taxes**

The Foundation is exempt from federal income and California franchise taxes under Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions. Accordingly, no provision for income taxes has been recorded in the financial statements. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. The Foundation annually files Forms 990, 199 and RRF-1 with the appropriate agencies.

**Financial Statement Presentation**

The accompanying financial statements are presented in accordance with Financial Accounting Standards Board (FASB) ASC 958-210-50. Under ASC 958-210-50, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets, net assets with donor restriction and net assets without donor restriction. In addition, the Foundation is required to present a statement of cash flows. The Foundation does not use fund accounting. Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting.

The College of the Sequoias Foundation and the College of the Sequoias Community College 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.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Contributions**

The Foundation records contributions received as net assets without donor restriction or net assets with donor restriction, restricted support depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as an increase in net assets with donor restriction, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends, or purpose restriction is accomplished), are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restrictions.

**Investments**

The Foundation records investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

**Net Assets**

The financial statements report amounts separately by class of net assets as follows:

- Net assets without donor restrictions are those resources that are currently available for operations.
- Net assets with donor restrictions are those resources which are stipulated by donors for various scholarships or other programmatic uses.

**Use of Estimates**

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

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**Description of Program and Supporting Services**

The following program and supporting services are included in the accompanying financial statements:

*Scholarship* - Scholarships are provided to the students of the College of the Sequoias Community College District thorough the fundraising efforts of the COS Foundation.

*College Enhancement* - College of the Sequoias Foundation is to cultivate and solicit support for programs, facilities, equipment, faculty and students of the College of the Sequoias Community College District.

*General Administrative* - College of the Sequoias Foundation is managed by an executive director to ensure an adequate working environment; cultivate and solicit support to include receipt of gifts, property, and funds to be used for the benefit of the College of the Sequoias Community College District.

*Fundraising* - Provides the structure necessary to encourage and secure financial support from the community, individuals, foundations, and corporations in order to supply supplemental resources for the entire College of the Sequoias Community College District.

**Underwater Endowment Funds**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the Board of Directors. The Foundation considers its endowments to be underwater if their fair value is less than the sum of (1) the original value of initial and subsequent gift amounts donated to the endowment and (2) any accumulations to the endowment required to be held in perpetuity per donor direction. The Foundation had no underwater endowment funds at June 30, 2019 or 2018.

**COLLEGE OF THE SEQUIAS FOUNDATION**  
**(A California Nonprofit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

**New Accounting Pronouncement**

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for Profit Entities whereby significant changes were proposed in seven areas: net asset classes, liquidity and availability of resources, classification and disclosure of underwater endowment funds, expense reporting, statement of cash flows, investment return, and release of restrictions on capital assets. The amendments in ASU No. 2016-14 are effective for annual financial statements issued for fiscal years beginning after December 15, 2017. The College of the Sequoias Foundation began the implementation of the provisions of Financial Accounting Standards Board Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities as of fiscal year 2018-19.

The new standard changes the following aspects of the Organization's financial statements:

- The temporarily restricted and permanently restricted net asset classes have been predominantly combined into a single net asset class called net assets with donor restrictions.
- The unrestricted net asset class has been transferred into net assets without donor restrictions.
- Investment earnings and related expenses have been combined into a single net activity line item called net investment return.
- The financial statements include a new disclosure about liquidity and availability of resources (Note 3).

**NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Foundation's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside for program services that could be drawn upon if the Board of Directors approves that action.

	2019	2018
Financial assets, at year-end:		
Cash and cash equivalents	\$ 259,519	\$ 267,704
Investments	10,557,698	10,025,919
Total financial assets, at year-end	\$ 10,817,217	\$ 10,293,623
Restrictions for specific purposes:		
Donor designated	\$ 2,367,470	\$ 2,406,590
Total contractual or donor-imposed restrictions	2,367,470	2,406,590
Financial assets available to meet cash needs for general expenditure within one year	\$ 8,449,747	\$ 7,887,033



**COLLEGE OF THE SEQUOIAS FOUNDATION**  
**(A California Nonprofit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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**NOTE 4 – INVESTMENTS**

**Authorized Investments**

The Foundation is authorized to make direct investments in U.S. Treasury Bills; money market funds; State Treasurer's Investment Pool; commercial paper; banker's acceptances; repurchase agreements; certificates of deposit; securities of the U.S. Government, or its agencies; corporate notes and bonds; mortgage backed bonds; preferred stock; fixed income securities of foreign governments and corporations; collateralized mortgage obligations; common stock; convertible notes and bonds; convertible preferred stock; American Depository Receipts (ARDs) of non-U.S. companies; stocks of non-U.S. Companies (ordinary shares); mutual funds which invest in securities; guaranteed investment contracts; and real estate.

Investment activity for the year ended June 30, 2019:

	Total
Unrealized gain on investment	\$ 311,717
Interest and dividends	263,847
Total investments income	<u>\$ 575,564</u>

Investment activity for the year ended June 30, 2018:

	Total
Unrealized gain on investment	\$ 355,846
Interest and dividends	250,399
Total investments income	<u>\$ 606,245</u>

**Investment Policies**

*Return Objectives and Risk Parameters* - The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. In order to meet its needs, the investment strategy of the College of the Sequoias Foundation is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested to meet or exceed the market index, or blended market index, selected and agreed upon by the Finance Committee that most closely corresponds to the style of investment management. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately four percent annually. Actual returns in any given year may vary from this amount.

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

**NOTE 4 – INVESTMENTS, continued**

**Investment Policies**

*Spending Policy and How the Investment Objectives Relate to Spending Policy* -The Foundation may distribute up to 75 percent of accrued interest annually from scholarship endowments for intended scholarship awards. In establishing this policy, the Foundation considered the long-term expected return on its endowment and the need to maintain some investment income in reserve to plan for the potential of scholarship awards exceeding investment income.

**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 can access at the measurement date. Level 1 asset 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 2 assets and liabilities may include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and other instruments whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes U.S. Government and agency mortgage-backed debt securities, corporate debt securities, derivative contracts, residential mortgage, and loans held-for-sale.

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. This category generally includes certain private equity investments, retained residual interests in securitizations, residential MSRs, asset-backed securities (ABS), highly structured or long-term derivative contracts and certain collateralized debt obligations (CDO) where independent pricing information was not able to be obtained for a significant portion of the underlying assets.

**COLLEGE OF THE SEQUOIAS FOUNDATION**  
**(A California Nonprofit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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**NOTE 4 – INVESTMENTS, continued**

**Assets and Liabilities Recorded at Fair Value on a Recurring Basis**

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

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 9,699,205	\$ -	\$ -	\$ 9,699,205
Equities and Options	858,493	-	-	858,493
Total	\$ 10,557,698	\$ -	\$ -	\$ 10,557,698

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2018. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2018.

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 5,867,742	\$ -	\$ -	\$ 5,867,742
Equities and Options	4,158,177	-	-	4,158,177
Total	\$ 10,025,919	\$ -	\$ -	\$ 10,025,919

The Foundation did not have any assets or liabilities recorded at fair value on a non-recurring basis for the years ending June 30, 2019 and 2018.

**NOTE 5 – NET ASSETS**

At June 30, 2019, net assets without donor restriction consist of the following:

<b>Net Assets without donor restriction</b>	Total
Without donor restriction	<u>\$ 8,449,747</u>

At June 30, 2019, net assets with donor restriction are available for the following purposes:

<b>Net Assets with donor restriction</b>	Total
Scholarships	<u>\$ 2,367,470</u>

**COLLEGE OF THE SEQUOIAS FOUNDATION**  
**(A California Nonprofit Corporation)**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

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**NOTE 5 – NET ASSETS, continued**

At June 30, 2018, net assets without donor restriction consist of the following:

<b>Net Assets without donor restriction</b>	<b>Total</b>
Without donor restriction	<u>\$ 8,449,747</u>

At June 30, 2018, net assets with donor restriction are available for the following purposes:

<b>Net Assets with donor restriction</b>	<b>Total</b>
Scholarships	<u>\$ 2,367,470</u>

**NOTE 6 – DONATED SERVICES**

The Foundation receives donated services from the College for the general administration of the Foundation. For the year ended June 30, 2019, the value of the services received from the College was \$330,520 and has been recorded on the financial statements.

**NOTE 7 – IN-KIND DONATIONS**

The Foundation receives in-kind donations to be used or sold as the Board see fit. The Board's policy is to hold the items until such time as they can be sold, and the money placed in the appropriate fund or donate them to the College of the Sequoias. The value of the donated items held for sale at June 30, 2019, is immaterial to the financial statements, and as such, it is not shown.

**NOTE 8 – BEGINNING BALANCE ADJUSTMENT**

An adjustment was made to the beginning balance at July 1<sup>st</sup>, 2018 for \$281,281. This adjustment was made to account for the prior year's investment activity and donation of baseball/softball field improvements and equipment.

**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 May 1, 2020, 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.