

**VALENCIA COMMUNITY COLLEGE
FOUNDATION, INC.**

Orlando, Florida

**FINANCIAL STATEMENTS,
COMPLIANCE SECTION AND
SUPPLEMENTARY INFORMATION**

**For the Nine Month Period Ended March 31, 2006
and the Year Ended June 30, 2005**

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

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AVERETT WARMUS DURKEE
BAUDER THOMPSON

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Board of Directors
Valencia Community College Foundation, Inc.
Orlando, Florida

We have audited the accompanying statements of financial position of Valencia Community College Foundation, Inc., as of March 31, 2006 and June 30, 2005, and the related statements of activities and cash flows for the nine months and year then ended, respectively. These financial statements are the responsibility of the Foundation's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Valencia Community College Foundation, Inc. as of March 31, 2006 and June 30, 2005, and the changes in its net assets and its cash flows for the nine months and year then ended, respectively, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 7, 2006 on our consideration of the Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

To the Board of Directors
Valencia Community College Foundation, Inc.

The overview and analysis of the Foundation's finances presented on pages 3 through 7 is not a required part of the basic financial statements but supplementary information. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Auerett, Warmus, Durkee, Bauder + Thompson

June 7, 2006

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

OVERVIEW AND ANALYSIS OF THE FOUNDATION'S FINANCES

Nine Month Period Ended March 31, 2006

As the leadership of Valencia Community College Foundation, Inc. (the foundation) we offer readers of the foundation's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended March 31, 2006. We encourage readers to consider this information in conjunction with the independent auditors' reports and the basic financial statements.

This report represents the foundation leadership's overview of the organization's financial health and well-being. Consequently, we assume full responsibility for the completeness and reliability of all information. To provide a reasonable basis for making these representations, the foundation has established a comprehensive internal controls framework designed to protect the foundation's assets from loss, theft or misuse. These controls also allow the external auditors to compile sufficient, reliable information for the preparation of the foundation's financial statements conforming to accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the foundation's controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. We confirm that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The foundation's financial statements have been audited by Averett, Warmus, Durkee, Bauder & Thompson, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the foundation for the fiscal year ended March 31, 2006 are complete, accurate and free of material misstatement. The independent audit involved: examining on a test basis evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by the foundation leadership; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the foundation's financial statements for the fiscal year ended March 31, 2006 are accurately presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

Financial Highlights

- The assets of the foundation exceeded its liabilities on March 31, 2006 by \$49,730,274 (net assets). Of this amount:
 - \$4,087,572 (unrestricted net assets) may be used to provide academic, community and college program support, as well as general and administrative support;
 - \$8,863,861 (temporarily restricted net assets) represents funds whose use has been limited by donors for time restrictions or special purposes; and
 - \$36,778,841 (permanently restricted net assets) is the non-expendable portion of funds that are subject to donor, grantor or other external party restrictions as to use.
 - The foundation's total net assets increased by \$7,669,281 during the 2005-06 fiscal year, from \$42 million to \$49.7 million.
 - Approximately 49 percent of this increase is attributable to realized and unrealized gains on the foundation's investment portfolio.

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

OVERVIEW AND ANALYSIS OF THE FOUNDATION'S FINANCES – CONTINUED

Financial Highlights – Continued

One hundred percent of every gift to the foundation goes directly to the donor's intention. So, a contribution of \$1,000 to scholarships will go entirely to scholarships without a percentage deducted for administration or overhead. The foundation's operating budget is derived from revenue generated by leases on foundation-owned property and ½ of 1 percent annualized and pulled quarterly from the endowment's fair market value. Approximately 64 percent of the budget comes from lease revenues and 18 percent of the budget comes from positive market performance, the balance comes from interest and in-kind contributions.

Overview of the Financial Statements

A solid overview of the foundation's financial health can be gleaned from the statements of financial position, statements of activities, statements of cash flows and the notes to the financial statements.

- The statements of financial position present information on all of the foundation's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of the foundation's financial position.
- The statements of activities show how the foundation's net assets changed during the past two fiscal years. All changes in net assets are reported in real time, regardless of the timing of the related cash flows. Thus revenues and expenses are reported in these statements for some items that will result in cash flows in future periods if at all (i.e. unrealized gains and losses on investments).
- The statements of cash flows identify the changes in cash activity for the period. Thus accruals and unrealized gains and losses are adjusted to reflect only items providing or using cash during the fiscal year.
- It should be noted that the foundation changed its fiscal year end date from June 30 to March 31 during fiscal year ending March 31, 2006. This resulted in a nine month fiscal year in order to effect the change in date.

Statements of Foundation's Net Assets

	March 31, 2006	June 30, 2005	\$ Change
Cash and cash equivalents	\$ 6,747,086	\$ 4,282,149	\$ 2,464,937
Investments	38,974,033	33,943,198	5,030,835
Other assets (real estate)	4,786,453	4,167,760	618,693
Total assets	50,507,572	42,393,107	8,114,465
Liabilities	777,298	332,114	445,184
Net assets	\$ 49,730,274	\$ 42,060,993	\$ 7,669,281

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

OVERVIEW AND ANALYSIS OF THE FOUNDATION'S FINANCES – CONTINUED

Overview of the Financial Statements – Continued

The change in net assets resulted primarily from investment pool performance and state matching dollars for private gifts received during the prior fiscal year. Footnote #2 on pages 14 and 15 details the investment guidelines, the cost and fair market value of the investments and the investment return. Liabilities increased due to the timing of reimbursing the college for expenses and program disbursements that typically occur in July.

Statements of Activities

	Nine Month Period Ended March 31, 2006	Twelve Month Period Ended June 30, 2005	\$ Change
Revenue:			
Private and in-kind contributions	\$ 1,605,449	\$ 3,182,523	\$ (1,577,074)
Federal and state matching funds	3,378,175	1,183,466	2,194,709
Rent	532,137	709,515	(177,378)
Investment return	4,447,982	1,713,918	2,734,064
Fundraising (net)	44,898	109,215	(64,317)
Other	(1,480)	-	(1,480)
Total revenue	<u>10,007,161</u>	<u>6,898,637</u>	<u>3,108,524</u>
Expenses:			
Academic support	1,380,737	1,411,231	(30,494)
Management and general*	725,589	852,814	(127,225)
Development*	231,554	249,447	(17,893)
Total expenses	<u>2,337,880</u>	<u>2,513,492</u>	<u>(175,612)</u>
Change in net assets	<u>\$ 7,669,281</u>	<u>\$ 4,385,145</u>	<u>\$ 3,284,136</u>

- Fifteen percent of revenue came from private donations and thirty-four percent includes state and federal matching dollars for private gifts raised in 2004 and 2005.
- State support increased due to the increased amount of private gifts raised in 2005.
- The overall rate of return on the investment portfolio, including cash and cash equivalents, was approximately 12 percent in 2006, compared to 6.60 percent in 2005.
- Net fundraising proceeds for special events decreased in 2006 due to a change in date for the foundation's second signature event, A Taste for Learning, which will occur on October 14, 2006.

* It is important to note that general expenses and development expenses are paid from the foundation's operating budget, which is derived primarily from lease payments for foundation-owned properties. Not a single penny of the general and development expenses reflected above come from foundation donor gifts.

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

OVERVIEW AND ANALYSIS OF THE FOUNDATION'S FINANCES – CONTINUED

Performance Measures

The foundation's president and board of directors set goals at the beginning of each year to measure the progress of the foundation's leadership over the year. Among the accomplishments for the year ended March 31, 2006:

Development

- Changed The President's Circle to increase funding for unrestricted scholarships.
- Continued "quiet phase" for the foundation's first capital campaign.
- Secured major sponsors for second signature event, A Taste for Learning.

Administration

- Granted \$1.3 million in total disbursements to support Valencia Community College and Central Florida non-profits during the nine month period ended March 31, 2006.
- Awarded more than \$787,000 in scholarships to students, an 11 percent annual increase. This includes more than \$51,000 in scholarships for students who fell victim to Hurricane Katrina. Another \$92,000 went to support students of Valencia Community College that faced an unexpected financial hardship and would have been unable to continue their education had the foundation not been able to provide modest but timely support.
- Provided more than \$346,000 in academic and program support to Valencia.
- Administered \$130,000 to Valencia for use in programming, special events, faculty development, community relations and other uses.
- Contributed more than \$105,000 to local organizations for sponsorships and community support, a 21 percent increase.
- Updated gift acceptance policy to set new minimums to create endowed scholarship accounts. This is necessary for scholarship awards to help accommodate the rising costs of education due to annual tuition increases.

Goals for 2007 and Beyond

- Raise \$20 million in new gifts.
- Launch capital campaign that informs, highlights and seeks to fund Valencia Community College's outcomes and direction.
- Disburse \$850,000 in scholarships.
- Continue a comprehensive development plan focused on cultivation, invitation and stewardship of donors to help Valencia Community College meet its 10-year goals.
- Develop a comprehensive strategic plan that includes a focus on major gifts, annual giving and deferred giving.
- Give board members opportunities for engagement in the work of foundation governance, cultivation, solicitation and stewardship.
- Develop and implement a planned giving program.
- Continue to evaluate and update internal policies and procedures.

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

OVERVIEW AND ANALYSIS OF THE FOUNDATION'S FINANCES – CONTINUED

The outcomes shared in this report would not have been possible without the commitment and service of the foundation staff and the board of directors. Our board unfailingly supports us in remaining true to our guiding principles and offering our donors and partners the highest standards of professionalism. Because of their stewardship, the foundation is on very solid financial ground and is poised for an exciting new future.

Respectfully Submitted,

Geraldine Gallagher, CFRE
Valencia Community College Foundation President and CEO

Michelle Matis
Valencia Community College Foundation Controller

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION

ASSETS	<u>March 31, 2006</u>	<u>June 30, 2005</u>
Cash and cash equivalents	\$ 6,747,086	\$ 4,282,149
Investments	38,974,033	33,943,198
Pledges – net	441,081	574,740
Due from state matching	765,047	-
Rental property – net	3,398,142	3,431,474
Equipment – net	18,061	16,880
Other assets	164,122	144,666
	<u>\$ 50,507,572</u>	<u>\$ 42,393,107</u>
 LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 427,250	\$ 148,283
Deferred revenue	177,379	-
Trust liabilities	172,669	183,831
Total liabilities	<u>777,298</u>	<u>332,114</u>
Net Assets:		
Unrestricted	4,087,572	4,301,839
Temporarily restricted	8,863,861	6,093,425
Permanently restricted	36,778,841	31,665,729
Total net assets	<u>49,730,274</u>	<u>42,060,993</u>
	<u>\$ 50,507,572</u>	<u>\$ 42,393,107</u>

See accompanying notes.

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENTS OF ACTIVITIES

	Nine Months Ended March 31, 2006			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains (Losses) and Other Support:				
Contributions	\$ 608,510	\$ 828,108	\$ 168,831	\$ 1,605,449
Federal support	-	-	318,000	318,000
State support	-	1,152,957	1,907,218	3,060,175
Rent	532,137	-	-	532,137
Fundraising, net	-	44,898	-	44,898
Interest and dividends	30,143	684,706	-	714,849
Loss on disposal of equipment	(1,480)	-	-	(1,480)
Net realized and unrealized gain (loss) on investments	-	1,014,070	2,719,063	3,733,133
Net assets released for satisfaction of restrictions	954,303	(954,303)	-	-
	<u>2,123,613</u>	<u>2,770,436</u>	<u>5,113,112</u>	<u>10,007,161</u>
Expenses:				
Academic support	1,380,737	-	-	1,380,737
Management and general	725,589	-	-	725,589
Development	231,554	-	-	231,554
	<u>2,337,880</u>	<u>-</u>	<u>-</u>	<u>2,337,880</u>
Change in Net Assets	(214,267)	2,770,436	5,113,112	7,669,281
Net Assets, Beginning of Year	<u>4,301,839</u>	<u>6,093,425</u>	<u>31,665,729</u>	<u>42,060,993</u>
Net Assets, End of Year	<u>\$ 4,087,572</u>	<u>\$ 8,863,861</u>	<u>\$ 36,778,841</u>	<u>\$ 49,730,274</u>

Year Ended June 30, 2005

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 688,850	\$ 326,350	\$ 2,167,323	\$ 3,182,523
-	-	12,000	12,000
-	18,660	1,152,806	1,171,466
709,515	-	-	709,515
-	109,215	-	109,215
17,494	680,290	-	697,784
-	-	-	-
-	95,479	920,655	1,016,134
<u>1,112,716</u>	<u>(1,112,716)</u>	<u>-</u>	<u>-</u>
<u>2,528,575</u>	<u>117,278</u>	<u>4,252,784</u>	<u>6,898,637</u>
1,411,231	-	-	1,411,231
852,814	-	-	852,814
249,447	-	-	249,447
<u>2,513,492</u>	<u>-</u>	<u>-</u>	<u>2,513,492</u>
15,083	117,278	4,252,784	4,385,145
<u>4,286,756</u>	<u>5,976,147</u>	<u>27,412,945</u>	<u>37,675,848</u>
<u>\$ 4,301,839</u>	<u>\$ 6,093,425</u>	<u>\$ 31,665,729</u>	<u>\$ 42,060,993</u>

See accompanying notes.

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

STATEMENTS OF CASH FLOWS

	Nine Months Ended March 31, 2006	Year Ended June 30, 2005
Cash Flows From Operating Activities:		
Change in net assets	\$ 7,669,281	\$ 4,385,145
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	38,388	52,923
Bad debts	5,426	29,737
Decrease in trust liabilities	(11,162)	(11,483)
Net realized and unrealized gain on investments	(3,733,133)	(1,016,134)
Loss of disposal of equipment	1,480	-
Decrease in pledge receivable allowance	(3,000)	(24,000)
Contributions and matching funds restricted for endowments	(954,303)	(1,112,716)
Changes in:		
Pledges receivable	131,233	13,967
Due from state matching	(765,047)	-
Other assets	(19,457)	88,900
Accounts payable and accrued expenses	278,967	(36,159)
Deferred revenue	177,379	-
Net cash provided by operating activities	<u>2,816,052</u>	<u>2,370,180</u>
Cash Flows From Investing Activities:		
Purchase of investments	(11,687,187)	(45,293,342)
Proceeds from sale of investments	10,389,486	42,084,600
Purchase of equipment	(7,717)	(8,907)
Net cash used in investing activities	<u>(1,305,418)</u>	<u>(3,217,649)</u>
Cash Flows From Financing Activities:		
Proceeds from contributions and matching funds restricted for investment in endowments	954,303	1,112,716
Net cash provided by financing activities	<u>954,303</u>	<u>1,112,716</u>
Net Increase in Cash	2,464,937	265,247
Cash and Cash Equivalents at Beginning of Year	<u>4,282,149</u>	<u>4,016,902</u>
Cash and Cash Equivalents at End of Year	<u>\$ 6,747,086</u>	<u>\$ 4,282,149</u>
Supplemental Cash Flow Disclosures:		
Cash paid for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

See accompanying notes.

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

March 31, 2006 and June 30, 2005

1. Summary of Significant Accounting Policies:

Nature of Activities

The Valencia Community College Foundation, Inc. (the "Foundation") was established in 1974 to serve as a direct support organization for Valencia Community College ("Valencia") as provided for in Section 240.331 of the Florida Statutes. The Foundation is included as a discretely presented component unit in the Valencia Community College financial statements.

The Foundation's principal function is to receive, hold, invest, and administer charitable contributions for Valencia Community College.

Basis of Preparation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted – Represents funds that are available without restriction for carrying out the Foundation's objectives.

Temporarily Restricted – Represents funds whose use has been limited by donors for time restrictions or specific purposes. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently Restricted – Represents the nonexpendable portion of funds that are subject to donor, grantor, or other outside party restrictions as to use for the benefit of various programs at Valencia.

The financial statements of the Foundation include program services and supporting activities. Program expenses include primarily grants and aid to students of Valencia. Management and general expenses include staff salaries, professional services, insurance and other general expenses required to administer program services.

Change in Fiscal Year End

Effective for the fiscal year beginning July 1, 2005, the Foundation changed from a fiscal year ending June 30 to a fiscal year ending March 31. Thus the reporting period for March 31, 2006 contains the nine month period July 1, 2005 through March 31, 2006.

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

1. Summary of Significant Accounting Policies – Continued:

Revenue Recognition

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Restricted contributions received in the same year the donor's restriction is met are recorded as unrestricted contributions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are to be received.

Assets donated to the Foundation are recorded at their estimated market value at the date of donation. Contributed services received, other than those rendered by members of the Board of Directors, are recognized as contributions if the services create or enhance nonfinancial assets, or require specialized skills and are performed by people with those skills and would otherwise be purchased by the Foundation. Rent revenue is recognized on the straight-line basis over the terms of the respective leases.

Cash and Cash Equivalents

The Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Investments

Under Statement of Financial Accounting Standards No. 124, "*Accounting for Certain Investments Held by Not-for-Profit Organizations*", investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized and realized gains and losses attributable to investments and all investment income are accounted for as changes in unrestricted net assets. Cost is determined by the specific identification method or the average cost method in computing realized gains and losses on sales of investments.

Pledges Receivable

Pledges that are legally enforceable and measurable are recorded at their estimated realizable value on a discounted basis. Pledges are recorded as revenue when pledged. Specific uncollectible pledges are charged to expense when identified. An allowance for doubtful accounts is maintained which is based on management's assessment of the collectibility of pledges.

Rental Property and Equipment

Rental property and equipment are stated at cost, if purchased, or at estimated market value at the date of the receipt if acquired by gift. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets as follows:

Buildings and improvements	32 – 40 years
Equipment	5 years
Furniture	7 years

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

1. Summary of Significant Accounting Policies – Continued:

Rental Property and Equipment – Continued

The cost of additions or improvements which substantially extend the useful life of a particular asset is capitalized. Repair and maintenance costs are charged to expense. Upon sale or other disposition, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is included in income.

Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those restrictions must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are used as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Trust Liabilities

Trust liabilities represent interests in a charitable remainder trust and a charitable gift annuity.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and is classified as an other-than-private foundation within the meaning of Section 509(a) of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the accompanying financial statements.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Fundraising expenses totaling \$39,922 are included in fundraising, net.

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 revenue, gains, other support and expenses during the reporting period. Actual results could differ from those estimates.

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

2. Investments:

The Foundation invests in premium grade mutual funds, equity securities, and debt securities from companies located throughout the United States.

The following table outlines the asset allocation guidelines with regard to acceptable asset classes, the overall Target Asset Mix (and ranges) in the investment policy, and the representative indices that will be used to evaluate the performance of each asset class:

Asset Classes	Target Asset Mix		
	Minimum	Target	Maximum
Large Cap Equity	27.5%	39.0%	51.0%
Small and Mid Cap Equity	5.0%	7.0%	9.0%
International Equity	10.0%	14.0%	18.0%
Convertible Securities	7.0%	10.0%	13.0%
Fixed Income	17.5%	25.0%	32.5%
Cash and Equivalents	3.5%	5.0%	6.5%

The Foundation's investments as of March 31, 2006 and June 30, 2005, excluding mutual funds, are uninsured and unregistered, with securities held by the Foundation's agent in the Foundation's name. Mutual funds, which are also uninsured, do not have specific securities that are held in physical or book entry form.

Investments consist of the following:

	March 31, 2006		June 30, 2005	
	Cost	Market	Cost	Market
Corporate stocks and bonds	\$ 29,028,284	\$ 33,771,676	\$ 27,273,109	\$ 28,979,333
Mutual funds	150,131	150,333	97,133	97,117
Government obligations	5,240,481	5,052,024	4,908,906	4,866,748
	<u>\$ 34,418,896</u>	<u>\$ 38,974,033</u>	<u>\$ 32,279,148</u>	<u>\$ 33,943,198</u>

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

2. Investments – Continued:

The Foundation's investment return is comprised of the following:

	Nine Months Ended March 31, 2006	Year Ended June 30, 2005
Interest and Dividends	\$ <u>714,849</u>	\$ <u>697,784</u>
Net Gains/(Losses):		
Realized	794,927	5,069,682
Unrealized	<u>2,938,206</u>	<u>(4,053,548)</u>
	<u>3,733,133</u>	<u>1,016,134</u>
Total Investment Return Excluding Fiduciary Fees	\$ <u><u>4,447,982</u></u>	\$ <u><u>1,713,918</u></u>

Fiduciary fees related to the investments for the years ended March 31, 2006 and June 30, 2005 were \$211,502 and \$227,453, respectively.

3. Pledges Receivable:

Substantially all of the Foundation's pledges receivable are due from donors in Central Florida.

Included in pledges receivable are the following unconditional promises to give:

	March 31, 2006	June 30, 2005
General Endowment Fund	\$ <u>466,097</u>	\$ 622,297
Money In/Money Out Fund	<u>10,000</u>	-
	<u>476,097</u>	<u>622,297</u>
Less unamortized discount	32,016	41,557
Less allowance	<u>3,000</u>	<u>6,000</u>
Net unconditional promises to give	\$ <u><u>441,081</u></u>	\$ <u><u>574,740</u></u>

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

3. Pledges Receivable – Continued:

The following is a schedule, by years, of balance due:

Year Ending March 31,		
2007		\$ 119,278
2008		113,620
2009		113,620
2010		113,620
2011		13,620
Thereafter		<u>2,339</u>
		\$ <u><u>476,097</u></u>

Unconditional promises to give in more than one year are reflected at the present value of estimated future cash flows using a discount rate of 4.63%.

4. Rental Property and Equipment:

Rental property and equipment consist of the following:

	<u>March 31,</u> <u>2006</u>	<u>June 30,</u> <u>2005</u>
Rental Property:		
Land, Osceola property	\$ 2,603,062	\$ 2,603,062
Land, downtown center	185,184	185,184
Building, downtown center	<u>1,639,172</u>	<u>1,639,172</u>
Total rental property	<u>4,427,418</u>	<u>4,427,418</u>
Less accumulated depreciation	<u>1,029,276</u>	<u>995,944</u>
Rental property – net	<u>\$ 3,398,142</u>	<u>\$ 3,431,474</u>
Equipment:		
Computer equipment	\$ 57,333	\$ 57,709
Office furniture	<u>4,193</u>	<u>4,193</u>
Total equipment	<u>61,526</u>	<u>61,902</u>
Less accumulated depreciation	<u>43,465</u>	<u>45,022</u>
Equipment – net	<u>\$ 18,061</u>	<u>\$ 16,880</u>

Depreciation expense for the nine months and year ended March 31, 2006 and June 30, 2005 amounted to \$38,388 and \$52,923, respectively.

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

5. Split Interest Agreements:

In previous years, donors established a charitable remainder trust, naming the Foundation as the trustee. Charitable remainder trusts provide for the payment of distributions to designated beneficiaries over the trusts' terms. At the end of the trusts' terms, the remaining assets are to be available for the Foundation's use, subject to donor-imposed restrictions. Assets under the trust aggregating \$87,229 and \$85,075 at March 31, 2006 and June 30, 2005, respectively, are included in investments in the Foundation's statements of financial position. Changes in fair value of charitable remainder trusts are reflected as changes in unrealized gain (loss) in the Foundation's statements of activities. On an annual basis, the Foundation reviews the need to revalue the liability to make distributions to the designated beneficiaries based on actuarial assumptions. The present value of the estimated future payments is calculated using a discount rate of 7% and applicable mortality tables.

In previous years, the Foundation received an interest in a charitable gift annuity which requires that payments be made to the donors until deceased, at which time the remaining principal and income will become available for use by the Foundation.

Liabilities related to these split interest agreements are as follows:

	<u>March 31, 2006</u>	<u>June 30, 2005</u>
Charitable remainder trust	\$ 30,240	\$ 30,841
Charitable gift annuity	<u>142,429</u>	<u>152,990</u>
	<u>\$ 172,669</u>	<u>\$ 183,831</u>

6. Related Party Transactions:

The Foundation leases land and a building to Valencia Community College under two leases that expire on June 30, 2009 and November 18, 2052. The rent specified in these leases may increase by an amount that is mutually determined and agreed upon by the Foundation and Valencia.

The Foundation has received rents and reimbursement for certain operating expenses from Valencia related to these leases. These receipts were \$532,137 and \$709,515 in 2006 and 2005, respectively.

Future minimum rentals under non-cancelable operating leases with initial terms in excess of one year are as follows:

Year Ending March 31,	
2007	\$ 709,515
2008	709,515
2009	709,515
2010	200,000
2011	200,000
Thereafter	<u>8,300,000</u>
	<u>\$ 10,828,545</u>

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

6. Related Party Transactions – Continued:

The Foundation also received an allocation of federal funds from Valencia to support academic advancement and faculty development activities amounting to \$318,000 and \$12,000 during the nine months ended March 31, 2006 and the year June 30, 2005, respectively.

The Foundation received \$271,917 in contributions from local healthcare facilities related to agreements with Valencia to support the college's nursing program. The provisions in the agreements include quarterly payments ending between June 2007 and January 2008, unless terminated earlier as provided within the agreements. The following is a schedule, by years, of the balance due:

Year Ending March 31,	
2007	\$ 478,500
2008	<u>221,250</u>
	\$ <u>699,750</u>

7. Retirement Plan:

The Foundation has established a contributory retirement plan under Section 403(b) of the Internal Revenue Code for all eligible employees. Eligible employees may make contributions to the plan up to the maximum allowed by the Internal Revenue Code. The Foundation will then match a maximum of 50% of employee contributions up to 5% of each employee's salary. Employer contributions were \$25,420 and \$22,135 in 2006 and 2005, respectively.

8. Commitments and Contingencies:

Concentrations of Credit Risk

Financial instruments which potentially expose the Foundation to concentrations of credit risk, as defined by accounting principles generally accepted in the United States of America are as follows:

- Bank and brokerage cash and cash equivalent accounts of \$6,747,086 in high quality financial institutions. In management's opinion, the capitalization and operating history of these financial institutions is such that the likelihood of loss is remote.
- The pledges receivable are divided 84% from a multi-national entertainment conglomerate and 14% from two board members (see Note 3). The Foundation does not require any collateral for the pledges and management considers the likelihood of loss as remote.
- The non-cancelable operating leases are all with Valencia Community College, a related party (refer to Note 6).

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS – CONTINUED

8. Commitments and Contingencies – Continued:

Support and Revenue

The Foundation received approximately 6% and 0.3% of its support from federal governments in 2006 and 2005, respectively and 62% and 27% from state governments in fiscal years ended March 31, 2006 and June 30, 2005, respectively. Since the Foundation receives a substantial amount of its support from grants, a significant reduction in the level of this support, if it were to occur, may have an effect on the Foundation's activities.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time. Although it is a possibility, the Board considers the contingency remote, since by accepting the grants; it has accommodated the objectives of the Foundation to the provisions of the grants.

9. Contributed Services:

Contributed services and donations from Valencia are recognized as revenue and support and expenses in the statements of activities at their estimated fair values at the date of the donation.

In-kind donations and expenses during the nine months ended March 31, 2006 were comprised of the following:

<u>Program</u>	<u>Description</u>	<u>Amount</u>
Academic support	Financial aid program support	\$ 50,689
Management and general expenses	Various general and administrative expenses	19,186
Management and general	Management and accounting services	<u>100,424</u>
		<u>\$ 170,299</u>

COMPLIANCE REQUIREMENTS



AVERETT WARMUS DURKEE
BAUDER THOMPSON

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report on Internal Control Over Financial Reporting
and Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Valencia Community College Foundation, Inc.
Orlando, Florida

We have audited the financial statements of Valencia Community College Foundation, Inc. as of and for the nine months ended March 31, 2006, and have issued our report thereon dated June 7, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Valencia Community College Foundation, Inc.'s internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Valencia Community College Foundation, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Board of Directors
Valencia Community College Foundation, Inc.

This report is intended solely for the information and use of the Board of Directors and management of the Foundation and the Auditor General of the State of Florida and is not intended to be and should not be used by anyone other than these specified parties.

Querrett, Warmus, Durkee, Bauder + Thompson

June 7, 2006

SUPPLEMENTARY INFORMATION



AVERETT WARMUS DURKEE
BAUDER THOMPSON

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report on Supplementary Information

To the Board of Directors
Valencia Community College Foundation, Inc.
Orlando, Florida

Our report on our audits of the basic financial statements of Valencia Community College Foundation, Inc. as of March 31, 2006 and June 30, 2005, and for the nine months and year then ended, respectively, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 25 through 28 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects to the basic financial statements taken as a whole.

Averett, Warmus, Durkee, Bauder + Thompson

June 7, 2006

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

SCHEDULES OF FINANCIAL POSITION BY FUND

March 31, 2006

Description	General Operating Fund	Money In/ Money Out Fund	General Endowment Fund	West Campus Challenge Fund	East Campus Challenge Fund
ASSETS					
Cash and cash equivalents	\$ 957,749	\$ 2,104,330	\$ (413,039)	\$ (2,200)	\$ 3,162
Investments	87,229	-	29,910,514	3,318,658	1,743,906
Due from (to) other funds	(577,074)	(49,700)	998,764	279,237	135,465
Pledges – net	-	10,000	431,081	-	-
Due from state matching	-	278,893	403,327	-	327
Rental property – net	3,398,142	-	-	-	-
Equipment – net	18,061	-	-	-	-
Other assets	139,287	11,148	11,125	-	-
	<u>\$ 4,023,394</u>	<u>\$ 2,354,671</u>	<u>\$ 31,341,772</u>	<u>\$ 3,595,695</u>	<u>\$ 1,882,860</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable and accrued expenses	\$ 162,286	\$ 38,605	\$ 222,152	\$ -	\$ 3,193
Deferred revenue	177,379	-	-	-	-
Trust liabilities	30,239	-	142,430	-	-
Total liabilities	<u>369,904</u>	<u>38,605</u>	<u>364,582</u>	<u>-</u>	<u>3,193</u>
Fund Balance	<u>3,653,490</u>	<u>2,316,066</u>	<u>30,977,190</u>	<u>3,595,695</u>	<u>1,879,667</u>
	<u>\$ 4,023,394</u>	<u>\$ 2,354,671</u>	<u>\$ 31,341,772</u>	<u>\$ 3,595,695</u>	<u>\$ 1,882,860</u>

Osceola Campus Challenge Fund	West Campus Advancement Fund	Osceola Campus Development Fund	Endowment Fund Investment Pool	Combining Adjustments	Combined
\$ 5,012	\$ 250	\$ -	\$ 4,091,822	\$ -	\$ 6,747,086
1,791,927	879,103	1,242,696	38,974,033	(38,974,033)	38,974,033
116,075	30,536	(693)	(932,610)	-	-
-	-	-	-	-	441,081
-	-	82,500	-	-	765,047
-	-	-	-	-	3,398,142
-	-	-	-	-	18,061
-	-	-	2,562	-	164,122
<u>\$ 1,913,014</u>	<u>\$ 909,889</u>	<u>\$ 1,324,503</u>	<u>\$ 42,135,807</u>	<u>\$ (38,974,033)</u>	<u>\$ 50,507,572</u>

\$ 1,014	\$ -	\$ -	\$ 38,974,033	\$ (38,974,033)	\$ 427,250
-	-	-	-	-	177,379
-	-	-	-	-	172,669
<u>1,014</u>	<u>-</u>	<u>-</u>	<u>38,974,033</u>	<u>(38,974,033)</u>	<u>777,298</u>
<u>1,912,000</u>	<u>909,889</u>	<u>1,324,503</u>	<u>3,161,774</u>	<u>-</u>	<u>49,730,274</u>
<u>\$ 1,913,014</u>	<u>\$ 909,889</u>	<u>\$ 1,324,503</u>	<u>\$ 42,135,807</u>	<u>\$ (38,974,033)</u>	<u>\$ 50,507,572</u>

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

SCHEDULES OF FINANCIAL POSITION BY FUND – CONTINUED

June 30, 2005

Description	General Operating Fund	Money In/ Money Out Fund	General Endowment Fund	West Campus Challenge Fund	East Campus Challenge Fund
ASSETS					
Cash and cash equivalents	\$ 891,691	\$ 689,596	\$ (159,143)	\$ -	\$ 4,093
Investments	85,075	-	24,707,294	3,614,788	1,900,152
Due from (to) other funds	(730,652)	(49,700)	2,258,216	(302,874)	(173,847)
Pledges – net	-	-	574,740	-	-
Due from state matching	-	-	-	-	-
Rental property – net	3,431,474	-	-	-	-
Equipment – net	16,880	-	-	-	-
Other assets	128,030	8,110	5,981	-	-
	<u>\$ 3,822,498</u>	<u>\$ 648,006</u>	<u>\$ 27,387,088</u>	<u>\$ 3,311,914</u>	<u>\$ 1,730,398</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable and accrued expenses	\$ 99,377	\$ 10,172	\$ 38,734	\$ -	\$ -
Trust liabilities	30,841	-	152,990	-	-
Total liabilities	<u>130,218</u>	<u>10,172</u>	<u>191,724</u>	<u>-</u>	<u>-</u>
Fund Balance	<u>3,692,280</u>	<u>637,834</u>	<u>27,195,364</u>	<u>3,311,914</u>	<u>1,730,398</u>
	<u>\$ 3,822,498</u>	<u>\$ 648,006</u>	<u>\$ 27,387,088</u>	<u>\$ 3,311,914</u>	<u>\$ 1,730,398</u>

<u>Osceola Campus Challenge Fund</u>	<u>West Campus Advancement Fund</u>	<u>Osceola Campus Development Fund</u>	<u>Endowment Fund Investment Pool</u>	<u>Combining Adjustments</u>	<u>Combined</u>
\$ 5,012	\$ 250	\$ -	\$ 2,850,650	\$ -	\$ 4,282,149
1,951,631	956,902	727,356	36,739,690	(36,739,690)	33,943,198
(198,033)	(122,973)	(112,623)	(567,514)	-	-
-	-	-	-	-	574,740
-	-	-	-	-	-
-	-	-	-	-	3,431,474
-	-	-	-	-	16,880
-	-	-	2,545	-	144,666
<u>\$ 1,758,610</u>	<u>\$ 834,179</u>	<u>\$ 614,733</u>	<u>\$ 39,025,371</u>	<u>\$ (36,739,690)</u>	<u>\$ 42,393,107</u>
\$ -	\$ -	\$ -	\$ 36,739,690	\$ (36,739,690)	\$ 148,283
-	-	-	-	-	183,831
-	-	-	36,739,690	(36,739,690)	332,114
<u>1,758,610</u>	<u>834,179</u>	<u>614,733</u>	<u>2,285,681</u>	<u>-</u>	<u>42,060,993</u>
<u>\$ 1,758,610</u>	<u>\$ 834,179</u>	<u>\$ 614,733</u>	<u>\$ 39,025,371</u>	<u>\$ (36,739,690)</u>	<u>\$ 42,393,107</u>

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

SCHEDULES OF ACTIVITIES BY FUND

Period Ended March 31, 2006

Description	General Operating Fund	Money In/ Money Out Fund	General Endowment Fund	West Campus Challenge Fund	East Campus Challenge Fund
Revenues, Gains (Losses) and Other Support:					
Contributions	\$ 120,104	\$ 1,171,904	\$ 309,529	\$ -	\$ 3,912
Federal support	-	-	-	-	-
State support	-	1,115,561	1,613,306	-	1,308
Rent – DTC	382,137	-	-	-	-
Rent – Osceola	150,000	-	-	-	-
Fundraising, net	-	44,898	-	-	-
Interest and dividends	30,143	-	-	-	-
Investments fees	153,578	-	-	-	-
Loss on disposal of equipment	(1,480)	-	-	-	-
Net realized and unrealized gains (losses) on investments	-	-	-	-	-
Share in investment pool earnings	-	-	3,381,144	379,376	199,356
	<u>834,482</u>	<u>2,332,363</u>	<u>5,303,979</u>	<u>379,376</u>	<u>204,576</u>
Expenses:					
Academic support:					
Financial and program support	-	637,990	603,202	2,200	6,277
Transfers	3	16,141	916,525	93,395	49,030
Community events	18,675	-	-	-	-
Program support	111,379	-	-	-	-
	<u>130,057</u>	<u>654,131</u>	<u>1,519,727</u>	<u>95,595</u>	<u>55,307</u>
Management and general:					
Allocation of earnings	-	-	-	-	-
Bad debt	(101)	-	2,426	-	-
Bank fees	215	-	-	-	-
Compensation	339,351	-	-	-	-
Computer software maintenance	1,210	-	-	-	-
Depreciation	38,388	-	-	-	-
Dues and membership	4,386	-	-	-	-
Fiduciary fees	-	-	-	-	-
Hardware and software	485	-	-	-	-
Health insurance	19,932	-	-	-	-
Maintenance	3,869	-	-	-	-
Marketing	4,220	-	-	-	-
Miscellaneous	20,176	-	-	-	-
Office supplies	6,583	-	-	-	-
Payroll taxes	21,909	-	-	-	-
Printing	4,249	-	-	-	-
Professional services	26,691	-	-	-	-
Property taxes	341	-	-	-	-
Subscription and publications	13,963	-	-	-	-
Telephone	2,137	-	-	-	-
Travel	3,657	-	-	-	-
	<u>511,661</u>	<u>-</u>	<u>2,426</u>	<u>-</u>	<u>-</u>
Development	<u>231,554</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>873,272</u>	<u>654,131</u>	<u>1,522,153</u>	<u>95,595</u>	<u>55,307</u>
Change in Net Assets	(38,790)	1,678,232	3,781,826	283,781	149,269
Net Assets, Beginning of Year	<u>3,692,280</u>	<u>637,834</u>	<u>27,195,364</u>	<u>3,311,914</u>	<u>1,730,398</u>
Net Assets, End of Year	<u>\$ 3,653,490</u>	<u>\$ 2,316,066</u>	<u>\$ 30,977,190</u>	<u>\$ 3,595,695</u>	<u>\$ 1,879,667</u>

Osceola Campus Challenge Fund	West Campus Advancement Fund	Osceola Campus Development Fund	Endowment Fund Investment Pool	Combining Adjustments	Combined
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,605,449
-	-	318,000	-	-	318,000
-	-	330,000	-	-	3,060,175
-	-	-	-	-	382,137
-	-	-	-	-	150,000
-	-	-	-	-	44,898
-	-	-	684,706	-	714,849
-	-	-	-	(153,578)	-
-	-	-	-	-	(1,480)
-	-	-	3,733,133	-	3,733,133
204,846	100,496	142,060	-	(4,407,278)	-
<u>204,846</u>	<u>100,496</u>	<u>790,060</u>	<u>4,417,839</u>	<u>(4,560,856)</u>	<u>10,007,161</u>
1,014	-	-	-	-	1,250,683
50,442	24,786	80,290	(1,230,612)	-	-
-	-	-	-	-	18,675
-	-	-	-	-	111,379
<u>51,456</u>	<u>24,786</u>	<u>80,290</u>	<u>(1,230,612)</u>	<u>-</u>	<u>1,380,737</u>
-	-	-	4,407,278	(4,407,278)	-
-	-	-	-	-	2,325
-	-	-	-	-	215
-	-	-	-	-	339,351
-	-	-	-	-	1,210
-	-	-	-	-	38,388
-	-	-	-	-	4,386
-	-	-	365,080	(153,578)	211,502
-	-	-	-	-	485
-	-	-	-	-	19,932
-	-	-	-	-	3,869
-	-	-	-	-	4,220
-	-	-	-	-	20,176
-	-	-	-	-	6,583
-	-	-	-	-	21,909
-	-	-	-	-	4,249
-	-	-	-	-	26,691
-	-	-	-	-	341
-	-	-	-	-	13,963
-	-	-	-	-	2,137
-	-	-	-	-	3,657
-	-	-	4,772,358	(4,560,856)	725,589
-	-	-	-	-	231,554
<u>51,456</u>	<u>24,786</u>	<u>80,290</u>	<u>3,541,746</u>	<u>(4,560,856)</u>	<u>2,337,880</u>
153,390	75,710	709,770	876,093	-	7,669,281
<u>1,758,610</u>	<u>834,179</u>	<u>614,733</u>	<u>2,285,681</u>	<u>-</u>	<u>42,060,993</u>
\$ <u>1,912,000</u>	\$ <u>909,889</u>	\$ <u>1,324,503</u>	\$ <u>3,161,774</u>	\$ <u>-</u>	\$ <u>49,730,274</u>

VALENCIA COMMUNITY COLLEGE FOUNDATION, INC.

SCHEDULES OF ACTIVITIES BY FUND – CONTINUED

Year Ended June 30, 2005

Description	General Operating Fund	Money In/ Money Out Fund	General Endowment Fund	West Campus Challenge Fund	East Campus Challenge Fund
Revenues, Gains (Losses) and Other Support:					
Contributions	\$ 239,325	\$ 757,716	\$ 1,844,983	\$ -	\$ 9,369
Federal support	-	-	-	-	-
State support	-	7,892	1,136,133	-	774
Rent – DTC	509,515	-	-	-	-
Rent – Osceola	200,000	-	-	-	-
Fundraising, net	-	109,215	-	-	-
Interest and dividends	17,494	-	-	-	-
Investments fees	173,405	-	-	-	-
Net realized and unrealized gains (losses) on investments	-	-	-	-	-
Share in investment pool earnings	-	-	1,236,513	178,656	93,891
	<u>1,139,739</u>	<u>874,823</u>	<u>4,217,629</u>	<u>178,656</u>	<u>104,034</u>
Expenses:					
Academic support:					
Financial and program support	-	685,876	566,224	-	6,364
Transfers	29,897	184,441	1,616,056	213,849	112,545
Community events	22,990	-	-	-	-
Program support	128,647	-	-	-	-
	<u>181,534</u>	<u>870,317</u>	<u>2,182,280</u>	<u>213,849</u>	<u>118,909</u>
Management and general:					
Allocation of earnings	-	-	-	-	-
Bad debt	7,473	-	5,738	-	-
Bank fees	729	-	-	-	-
Compensation	371,928	-	-	-	-
Computer software maintenance	210	-	-	-	-
Depreciation	52,923	-	-	-	-
Dues and membership	4,861	-	-	-	-
Fiduciary fees	-	-	-	-	-
Hardware and software	3,374	-	-	-	-
Health insurance	27,229	-	-	-	-
Maintenance	9,263	-	-	-	-
Marketing	1,380	-	-	-	-
Miscellaneous	32,540	-	-	-	-
Office supplies	9,484	-	-	-	-
Payroll taxes	26,260	-	-	-	-
Printing	18,507	-	-	-	-
Professional services	44,691	-	-	-	-
Property taxes	284	-	-	-	-
Subscription and publications	2,116	-	-	-	-
Telephone	2,159	-	-	-	-
Travel	4,212	-	-	-	-
	<u>619,623</u>	<u>-</u>	<u>5,738</u>	<u>-</u>	<u>-</u>
Development	<u>249,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>1,050,604</u>	<u>870,317</u>	<u>2,188,018</u>	<u>213,849</u>	<u>118,909</u>
Change in Net Assets	89,135	4,506	2,029,611	(35,193)	(14,875)
Net Assets, Beginning of Year	<u>3,603,145</u>	<u>633,328</u>	<u>25,165,753</u>	<u>3,347,107</u>	<u>1,745,273</u>
Net Assets, End of Year	<u>\$ 3,692,280</u>	<u>\$ 637,834</u>	<u>\$ 27,195,364</u>	<u>\$ 3,311,914</u>	<u>\$ 1,730,398</u>

Osceola Campus Challenge Fund	West Campus Advancement Fund	Osceola Campus Development Fund	Endowment Fund Investment Pool	Combining Adjustments	Combined
\$ 1,130	\$ -	\$ 330,000	\$ -	\$ -	\$ 3,182,523
-	-	12,000	-	-	12,000
20,000	-	6,667	-	-	1,171,466
-	-	-	-	-	509,515
-	-	-	-	-	200,000
-	-	-	-	-	109,215
-	-	-	680,290	-	697,784
-	-	-	-	(173,405)	-
-	-	-	1,016,134	-	1,016,134
96,366	47,293	33,928	-	(1,686,647)	-
<u>117,496</u>	<u>47,293</u>	<u>382,595</u>	<u>1,696,424</u>	<u>(1,860,052)</u>	<u>6,898,637</u>
1,130	-	-	-	-	1,259,594
115,763	56,609	48,345	(2,377,505)	-	-
-	-	-	-	-	22,990
-	-	-	-	-	128,647
<u>116,893</u>	<u>56,609</u>	<u>48,345</u>	<u>(2,377,505)</u>	<u>-</u>	<u>1,411,231</u>
-	-	-	1,686,647	(1,686,647)	-
-	-	-	-	-	13,211
-	-	-	-	-	729
-	-	-	-	-	371,928
-	-	-	-	-	210
-	-	-	-	-	52,923
-	-	-	-	-	4,861
-	-	-	400,858	(173,405)	227,453
-	-	-	-	-	3,374
-	-	-	-	-	27,229
-	-	-	-	-	9,263
-	-	-	-	-	1,380
-	-	-	-	-	32,540
-	-	-	-	-	9,484
-	-	-	-	-	26,260
-	-	-	-	-	18,507
-	-	-	-	-	44,691
-	-	-	-	-	284
-	-	-	-	-	2,116
-	-	-	-	-	2,159
-	-	-	-	-	4,212
-	-	-	2,087,505	(1,860,052)	852,814
-	-	-	-	-	249,447
116,893	56,609	48,345	(290,000)	(1,860,052)	2,513,492
603	(9,316)	334,250	1,986,424	-	4,385,145
1,758,007	843,495	280,483	299,257	-	37,675,848
<u>\$ 1,758,610</u>	<u>\$ 834,179</u>	<u>\$ 614,733</u>	<u>\$ 2,285,681</u>	<u>\$ -</u>	<u>\$ 42,060,993</u>