Ventura County Community Foundation and Subsidiary

Consolidated Financial Statements
and Supplementary Information

September 30, 2019
(With Comparative Totals for 2018)

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ventura County Community Foundation and Subsidiary
Camarillo, California

We have audited the accompanying consolidated financial statements of Ventura County Community Foundation and Subsidiary (a California nonprofit corporation) (the "Foundation"), which comprise the consolidated statement of financial position as of September 30, 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our 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 consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ventura County Community Foundation and Subsidiary as of September 30, 2019, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 2 to the financial statements, the Foundation has adopted ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to that matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information on pages 31 - 32 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Ventura County Community Foundation and Subsidiary's 2018 consolidated financial statements, and our report dated February 27, 2019 expressed an unmodified opinion on those audited consolidated financial statements. As part of our audit of the 2019 financial statements, we also audited the adjustments to the 2018 financial statements to apply the change in accounting principle discussed above. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, adjusted for the change in accounting principle discussed above, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived. Also, in our opinion, such adjustments are appropriate and have been properly applied.

Armanino LLP

Armanino LLP
Los Angeles, California

January 27, 2020

Ventura County Community Foundation and Subsidiary
Consolidated Statement of Financial Position
September 30, 2019
(With Comparative Totals for 2018)

	2019	2018
ASSETS		
Cash and cash equivalents	$ 4,268,880	$ 1,988,207
Contributions receivable	3,787,666	2,786,000
Prepaid and other current assets	280,352	156,876
Investments	130,411,674	114,455,312
Planned giving and other assets	749,496	756,807
Fixed assets, net of accumulated depreciation	8,771,258	8,973,616
Total assets	$ 148,269,326	$ 129,116,818
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 331,868	$ 255,560
Grants payable	340,414	419,442
Notes payable	6,419,359	6,477,353
Funds held as agency endowments	15,101,916	13,606,317
Planned giving liability	355,105	368,329
Other liabilities	60,300	56,051
Total liabilities	22,608,962	21,183,052
Commitments and contingencies (Note 11)		
Net assets		
Without donor restrictions		
Funds under management	111,762,185	98,632,566
General	4,766,667	3,742,448
Total without donor restrictions	116,528,852	102,375,014
With donor restrictions	9,131,512	5,558,752
Total net assets	125,660,364	107,933,766
Total liabilities and net assets	$ 148,269,326	$ 129,116,818

The accompanying notes are an integral part of these consolidated financial statements.

Ventura County Community Foundation and Subsidiary
Consolidated Statement of Activities
For the Year Ended September 30, 2019
(With Comparative Totals for 2018)

	Without Donor Restrictions	With Donor Restrictions	2019 Total	2018 Total
Revenues and other support				
Revenue and other support				
Grants and contributions	$ 15,493,344	$ 12,646,701	$ 28,140,045	$ 4,274,639
Rental income	754,192	-	754,192	512,466
Other revenue	243,349	-	243,349	234,432
Total revenue and other support	16,490,885	12,646,701	29,137,586	5,021,537
Investment return, net of expenses	3,154,534	69,919	3,224,453	6,511,182
Net assets released from restriction	9,143,860	(9,143,860)	-	-
Total revenues, gains, and other support	28,789,279	3,572,760	32,362,039	11,532,719
Functional expenses				
Program services				
Grantmaking and distributions	12,058,140	-	12,058,140	5,267,108
Other program services	1,186,146	-	1,186,146	1,912,452
Total program services	13,244,286	-	13,244,286	7,179,560
Supporting services				
Management and general	694,772	-	694,772	692,186
Fundraising	267,517	-	267,517	137,286
Donor services	428,866	-	428,866	-
Total support services	1,391,155	-	1,391,155	829,472
Total functional expenses	14,635,441	-	14,635,441	8,009,032
Change in net assets	14,153,838	3,572,760	17,726,598	3,523,687
Net assets, beginning of year	102,375,014	5,558,752	107,933,766	104,410,079
Net assets, end of year	$116,528,852	$ 9,131,512	$125,660,364	$107,933,766

The accompanying notes are an integral part of these consolidated financial statements.

Ventura County Community Foundation and Subsidiary
Consolidated Statement of Functional Expenses
For the Year Ended September 30, 2019
(With Comparative Totals for 2018)

	Program Services			Supporting Services					
	Grantmaking and Distributions	Other Program Services	Total Program Services	Management and General	Fundraising	Donor Services	Total Support Services	2019 Total	2018 Total
Personnel expenses									
Salaries and wages	$ 185,690	$ 207,150	$ 392,840	$ 401,209	$ 127,600	$ 171,171	$ 699,980	$ 1,092,820	$ 747,987
Retirement plan contributions	5,928	7,630	13,558	12,808	4,073	5,464	22,345	35,903	32,104
Payroll taxes	12,366	16,547	28,913	26,720	8,498	11,399	46,617	75,530	58,980
Employee benefits	10,066	19,878	29,944	21,723	6,920	9,284	37,927	67,871	40,040
Total personnel expenses	214,050	251,205	465,255	462,460	147,091	197,318	806,869	1,272,124	879,111
Accounting fees	-	-	-	63,335	-	-	63,335	63,335	75,976
Advertising and public relations	14,502	17,263	31,765	20,315	33,322	39,135	92,772	124,537	55,726
Bank charges	455	772	1,227	979	313	420	1,712	2,939	2,621
Depreciation and amortization	-	203,383	203,383	4,723	-	-	4,723	208,106	266,448
Grants	11,681,167	-	11,681,167	-	-	-	-	11,681,167	5,267,108
Information technology	20,989	-	20,989	29,404	16,828	25,242	71,474	92,463	64,917
Insurance	14,781	14,595	29,376	21,571	11,721	17,458	50,750	80,126	73,140
Interest expense	-	264,014	264,014	43,156	-	-	43,156	307,170	377,507
Legal fees	47,461	14,263	61,724	10,257	17,982	67,948	96,187	157,911	94,062
Miscellaneous	-	411	411	617	-	-	617	1,028	6,346
Office supplies	2,605	257	2,862	3,649	2,088	3,133	8,870	11,732	9,073
Officer life insurance	509	570	1,079	1,096	350	5,470	6,916	7,995	11,930
Other professional services	42,639	90,035	132,674	199	29,049	37,055	66,303	198,977	460,129
Printing and copying	1,819	-	1,819	2,548	1,459	2,188	6,195	8,014	3,153
Property management fees	-	32,948	32,948	-	-	-	-	32,948	22,970
Property taxes	-	6,593	6,593	324	-	-	324	6,917	6,100
Rent	700	-	700	1,772	561	842	3,175	3,875	3,600
Repairs and maintenance	-	188,819	188,819	4,091	-	-	4,091	192,910	171,753
Telephone	3,382	-	3,382	4,738	2,712	4,067	11,517	14,899	14,660
Training, membership and conferences	11,558	4,839	16,397	16,180	1,541	28,183	45,904	62,301	26,799
Travel	1,523	230	1,753	3,358	2,500	407	6,265	8,018	2,332
Utilities	-	95,949	95,949	-	-	-	-	95,949	113,571
	$ 12,058,140	$ 1,186,146	$ 13,244,286	$ 694,772	$ 267,517	$ 428,866	$ 1,391,155	$ 14,635,441	$ 8,009,032

The accompanying notes are an integral part of these consolidated financial statements.

Ventura County Community Foundation and Subsidiary
Consolidated Statement of Cash Flows
For the Year Ended September 30, 2019
(With Comparative Totals for 2018)

	2019	2018
Cash flows from operating activities		
Change in net assets	$ 17,726,598	$ 3,523,687
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	208,106	266,448
Realized and unrealized gains on investments	(1,806,104)	(5,172,099)
Donated stock	(137,452)	(372,518)
Changes in operating assets and liabilities		
Decrease (increase) in contributions receivable, net	(1,001,666)	434
Decrease (increase) in prepaid and other current assets	(123,476)	55,481
Increase in planned giving and other assets	7,311	47,638
Increase in accounts payable and accrued expenses	76,308	67,662
Increase in grants payable	(79,028)	(1,196,598)
Increase in funds held as agency endowment	1,495,599	416,531
Decrease in planned giving liability	(13,224)	(46,423)
Increase in tenant security deposits	4,249	2,480
Decrease (increase) in deferred revenue	-	1,232
Net cash provided by (used in) operating activities	16,357,221	(2,406,045)
Cash flows from investing activities		
Purchases of investments	(88,276,652)	(22,785,820)
Proceeds from sales of investments	74,263,846	24,222,264
Purchases of fixed assets	(2,653)	-
Net cash provided by (used in) investing activities	(14,015,459)	1,436,444
Cash flows from financing activities		
Principal payments on long-term debt	(61,089)	(165,351)
Net cash used in financing activities	(61,089)	(165,351)
Net increase (decrease) in cash and cash equivalents	2,280,673	(1,134,952)
Cash and cash equivalents, beginning of year	1,988,207	3,123,159
Cash and cash equivalents, end of year	$ 4,268,880	$ 1,988,207

Supplemental disclosure of cash flow information

	2019	2018
Cash paid during the year interest	$ 307,170	$ 377,507

Supplemental schedule of noncash investing and financing activities

	2019	2018
In-kind contribution of stock	$ 137,452	$ 372,518

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS

Ventura County Community Foundation (the "Foundation"), was formed to provide a vehicle through which contributions and bequests can be made for charitable and related purposes, primarily in Ventura County, enabling and promoting philanthropy to improve our communities, with the provision that these funds would be administered and distributed by an independent organization. The Foundation is a fiduciary over more than 600 individual funds, each established with a gift instrument describing either the general or specific purpose for which grants are made.

Additionally, the Foundation is the sole member of the VCCF Nonprofit Center LLC ("VCNC"), which houses 18 nonprofit organizations and provides conference room space to over 3,000 nonprofits in its community and is described more fully in Note 2.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Change in accounting principle

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 makes certain improvements to current reporting requirements, including:

1. Reducing the classes of net assets from three (unrestricted, temporarily restricted, and permanently restricted) to two (with donor restrictions and without donor restrictions).
2. Enhancing disclosures about:
    a. Amounts and purposes of governing board designations, appropriations, and similar actions that result in self-imposed limits on the use of resources without donor-imposed restrictions.
    b. Composition of net assets with donor restrictions and how the restrictions affect the use of resources.
    c. Qualitative information about management of liquid resources and quantitative information about the availability of liquid resources to meet cash needs for general expenditures within one year of the statement of financial position date.
    d. Amounts of expenses by both their natural classification and their functional classification in one location as a separate statement or in the notes to the financial statements.
    e. Methods used to allocate costs among program and support functions.
    f. Underwater endowment funds.
3. Reporting investment return net of external and direct internal investment expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Change in accounting principle (continued)

4. Use, in the absence of explicit donor stipulations, the placed-in-service approach for reporting expirations of restrictions on gifts of cash or other assets to be used to acquire or construct a long-lived asset and reclassify any amounts from net assets with donor restrictions to net assets without donor restrictions for such long-lived assets that have been placed in service as of the beginning of the period of adoption (thus eliminating the current option to release the donor-imposed restriction over the estimated useful life of the acquired asset).

The amendments have been applied on a retrospective basis in 2018 and the Organization has elected the option to omit the prior period's statement of functional expense.

Basis of accounting and financial statement presentation

The accompanying consolidated financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S GAAP").

Basis of consolidation

VCCF Nonprofit Center, LLC is a wholly-owned subsidiary of the Foundation whose primary operating asset is an office building located in Camarillo, California, serving as the VCCF Nonprofit Center, the Foundation's offices, and the VCCF resource library. The Foundation's investment in the VCCF Nonprofit Center utilized 83% of the Cornerstone Administrative funds, whose designated purpose was to support the operations of the Foundation and the VCCF resource library. Returns from the building are allocated to the Cornerstone Administrative funds (at approximately 63%) and to the Foundation (at approximately 37%) representing the proportionate share of their full investments, respectively. The accounts of VCCF Nonprofit Center, LLC are included in these financial statements. The Foundation has eliminated all material intercompany accounts and transactions.

Supporting organization

The Foundation works with one supporting organization, the Martin V. and Martha K. Smith Foundation (the "Smith Foundation"). The Foundation appoints a majority of the members of the governing board of the Smith Foundation. The Smith Foundation's governing board may create its own investment policy and grant guidelines. The assets of the Smith Foundation are under management by the Foundation and totaled $10,726,134 at September 30, 2019. Currently, the Foundation has the option of including the activities of the Smith Foundation within its consolidated financial statements but has opted not to. In 2028, the Foundation will obtain an economic interest in the Smith Foundation and will be required to include the activities of the Smith Foundation within its consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Classification of net assets

The Foundation reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

- *Net assets without donor restrictions* - Includes contributions with no donor-imposed restrictions. Contributions with donor imposed restrictions that are subject to the variance power established by the Foundation's governing documents are also considered without donor restrictions. The variance provision gives the Board of Directors (the "Board") the power to modify any restriction placed on gifts to the Foundation that become incapable of fulfillment or is no longer consistent with the charitable needs of the community. Accordingly, unless time restrictions have been imposed on contributions, net assets are generally classified as without donor restrictions. It is the Foundation's policy that, absent contrary explicit directions in the transferring instrument from the donor regarding the use of the principal, all or part of the principal of any fund may be used subject to certain conditions, including the approval of the Board consistent with all legal requirements. These funds have been separated as "Funds Under Management" on the statement of financial position. Contributions with donor imposed restrictions that are met during the same fiscal year as the contribution is made are included as without donor restriction support that net assets without donor restrictions.

- *Net assets with donor restrictions* - (See Note 9): These are subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Investment income generated from perpetually donor restricted net assets is temporarily donor restricted by law until appropriated by the Board in support of the purpose of each fund and in accordance with the Foundation's programs and operations. The Foundation's perpetually donor restricted net assets consist of contributions from and related activity of perpetual funds not subject to the variance power, and held by the Foundation as defined under the Uniform Prudent Management of Institutional Funds Act ("UPMIFA").

Classifications on fund basis

Within net assets, the Foundation has further classified its funds as:

- Endowed - Consists of funds for various purposes, mostly subject to the variance power and are all governed by UPMIFA, that are intended to last in perpetuity. These funds are invested in the Foundation's investment pool, and are subject to the Foundation's spending policy which provides for a specific appropriation for distribution on an annual basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Classifications on fund basis (continued)

- Quasi-endowed – Consists of funds for particular purposes, subject to the variance power, that were established with the intent that they are available to be spent at any time if so desired, but are intended to be long term assets of the Foundation. These funds are invested in the Foundation's investment pool.
- Pass-through – Consists of donor-advised funds for particular purposes, subject to a variance power, that were established with the intent that they would be spent within 12 to 18 months and are held in a money market fund.

Within these classifications there are additional types of funds:

- Advised funds – The Foundation offers several types of funds that enable donors to identify funding opportunities aligned with their values and charitable interest. Donor advised funds allow donors to recommend grant recipients, subject to the Foundation's due diligence and approval. At September 30, 2019, total advised funds included within net assets was $27,212,895.
- Agency and Designated Funds – The Foundation receives and distributes assets under certain agency and intermediary arrangements. U.S. GAAP establishes standards for transactions in which a recipient organization accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both, to another entity that is specified by the donor. U.S. GAAP requires that if a not-for-profit organization establishes a fund at a recipient organization with its own funds and specifies itself or its affiliate as the beneficiary of that fund (Agency Funds), the recipient organization must account for the transfer of such assets as a liability. The liability is reflected under funds held as agency endowments on the accompanying consolidated statement of financial position. In addition, related amounts received or distributed, investment income or loss, and expenses are presented separately in the accompanying consolidated statement of activities. At September 30, 2019, total designated funds included within net assets was $44,552,251.
- Board-designated endowment – Unrestricted funds which were previously donor-advised and currently do not have a donor-advisor so the Board of the Foundation acts as the advisor. At September 30, 2019, total board-designated endowment funds included within net assets was $14,602,104.
- Field of Interest – These funds enable donors to identify a broad charitable purpose or a category of interest (e.g., arts, education or human services) and/or geographic area or target population (e.g., senior citizens, children and youth or immigrants). At September 30, 2019, total field of interest funds included within net assets was $25,615,971.
- General – Unrestricted funds that are available for operations of the Foundation. At September 30, 2019, total general funds included within net assets was $4,766,667.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Classifications on fund basis (continued)

- Planned giving – These include charitable remainder trusts, charitable gift annuities, life insurance and pooled income funds. At September 30, 2019, total planned giving funds included within net assets was $298,850.
- Scholarship funds – The Foundation administers a scholarship program. The majority are designed for current or former residents of Ventura County. At September 30, 2019, total scholarship funds included within net assets was $22,126,704.
- Other funds under management included within net assets totaled $1,586,838 at September 30, 2019.

Income tax status

The Foundation is a nonprofit public benefit corporation organized under the laws of California and, as such, is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and corresponding state provisions.

The consolidated financial statements also contain VCNC, a single member limited liability company that is taxed as a partnership under the IRC. Taxable income of VCNC is passed through to its member and reported on their respective income tax return.

The Foundation's federal income tax and informational returns for tax years ending September 30, 2016 and subsequent remain subject to examination by the Internal Revenue Service. The returns for California, the Foundation's only state tax jurisdiction, remain subject to examination by the California Franchise Tax Board for tax years ending September 30, 2015 and subsequent.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts and disclosures. It is at least reasonably possible that the significant estimates could change in the coming year and accordingly, actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of estimates (continued)

Significant estimates used in the preparation of these consolidated financial statements include:

- Allocation of certain expenses by function
- Discount factors used in determining pledges receivable and annuities payable by charitable trusts
- Allowance for contributions receivable
- Fair market value of assets held by charitable trusts
- Fair market value of certain investments
- Depreciable lives of property and equipment

Cash and cash equivalents

For purposes of the consolidated statement of cash flows, the Foundation considers all highly liquid financial instruments purchased with an original maturity of three months or less to be cash equivalents. There are additional cash and cash equivalents in the investment portfolio that are part of the strategic investment allocation as advised by our investment consultant, and approved by the Investment Committee and the Foundation's full board. These are detailed in Note 3.

Contributions and contributions receivable

Contributions received are recorded at their fair value on the date of donation. Unconditional promises to give are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Foundation routinely assesses the financial strength of its donors and records an allowance for potentially uncollectible accounts when deemed necessary. At September 30, 2019, management anticipates collecting all receivables and has not established an allowance for doubtful accounts.

Accounts receivable

Accounts receivable consists primarily of cash held in trust by the property management firm for the VCCF Nonprofit Center, LLC. These funds are for operations and tenant deposits. In addition, there is a receivable due from the VCCF Nonprofit Center, LLC's property management company for the reimbursement of shared expenses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are monitored by the Board of Directors' investment oversight committee and are stated at fair value. Unrealized gains and losses are recognized aggregately. Realized gains and losses are recognized immediately and are computed using the specific identification method.

Fixed assets

Purchases of fixed assets are recorded at cost. Donated items are recorded at fair value when received.

Depreciation and amortization on both purchased and donated items are recorded using the straight-line method over the shorter of the estimated useful life of the related asset or the term of the lease for leasehold improvements as follows:

Buildings	40 years
Furniture and equipment	5 - 7 years
Leasehold improvements	5 years

Normal repairs and maintenance are expensed as incurred, whereas significant charges which materially increase values or extend useful lives are capitalized and depreciated or amortized over the estimated useful lives of the related assets.

Depreciation and amortization for the year ended September 30, 2019 was $208,106.

Impairment of long-lived assets

Management reviews each asset or asset group for impairment whenever events or circumstances indicate that the carrying value of an asset or asset group may not be recoverable. During the year ended September 30, 2019, the Foundation determined that no assets were impaired.

Grants and grants payable

Grants are recorded as expenses when they are recommended by the donor and the Board approves grants retrospectively, subject to the due diligence process of the Foundation. For funds held to benefit specific Agencies, the Board approves those grants at the beginning of the fiscal year, and those are recorded as expenses when they are requested by the Agency. The grants included in the grants payable balance at September 30, 2019 are all scheduled to be paid during the fiscal year ended September 30, 2020 and accordingly have been classified as short-term liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Concentrations

The Foundation maintains cash balances at Wells Fargo Bank. Accounts at Wells Fargo Bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. At times during the year, cash in these accounts may exceed the federally insured amounts. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

The Foundation maintains a majority of its investment cash balances in money market funds. Such balances are not fully insured.

A majority of the donors to the Foundation are from Ventura County.

Donated services

Donated goods and services received by the Foundation are recorded at fair market value at the time of the donation. During the fiscal year ended September 30, 2019, approximately one hundred volunteers gave their time and expertise to the Foundation in a wide variety of areas including service on the Board; grants and scholarship committees; administrative, technical and financial advice; and office and public relations activities. This contribution, despite its considerable value to the mission of the Foundation, is not reflected in the financial statements.

Donated property and investments

Donated property and investments are recorded as contributions at their fair market value at date of receipt.

Functional expenses

The Foundation allocated its expenses on a functional basis among its various program and support services. Expenses that can be identified with a specific program or support service are allocated directly according to their functional classification. Expenses that are common to several functions are allocated based on the number of full-time equivalent employees working in each functional area, since the benefit received is most closely related to the time spent by the employees.

Reclassifications

Certain 2018 balances have been reclassified in order to conform to the 2019 presentation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent events

The Foundation has evaluated events subsequent to September 30, 2019, to assess the need for potential recognition or disclosure in the consolidated financial statements. Such events were evaluated through January 27, 2020, the date which the financial statements were available to be issued. Based upon this evaluation it was determined no subsequent events occurred that require recognition or additional disclosure in the consolidated financial statements.

3. FAIR VALUE MEASUREMENT

Accounting Standards Codification (ASC) 820, Fair Value Measurement and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

- *Level 1* - Quoted prices in active markets for identical assets or liabilities.
- *Level 2* - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active market that are not active; discounted cash flows; 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; including general partner estimates and recent third-party appraisals.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

3. FAIR VALUE MEASUREMENT (continued)

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of September 30, 2019:

	Level 1	Level 2	Level 3	Fair Value
Cash and cash equivalents	$ 2,485,481	$ -	$ -	$ 2,485,481
Fixed income composite	26,025,153	2,605,518	-	28,630,671
Hedge fund composite	-	-	11,552,432	11,552,432
Non-U.S. equity composite	33,545,399	-	-	33,545,399
Private equity composite	-	-	7,663,595	7,663,595
Real asset composite	6,398,632	-	-	6,398,632
U.S. equity composite	40,135,464	-	-	40,135,464
	108,590,129	2,605,518	19,216,027	130,411,674
Life insurance	-	263,195	-	263,195
Planned gifts	-	422,111	-	422,111
	$ 108,590,129	$ 3,290,824	$ 19,216,027	$ 131,096,980

Life insurance and planned gifts are included within planned giving and other assets on the statement of financial position.

The following table provides a reconciliation of assets measured at fair value using significant unobservable inputs (Level 3) during the year ended September 30, 2019:

	Beginning of Year	Purchases	Sales	Net Returns	End of Year
Hedge fund composite	$ 11,519,739	$ 4,000,000	$ (3,680,491)	$ (286,816)	$ 11,552,432
Private equity composite	8,292,579	1,083,259	(2,213,921)	501,678	7,663,595
	$ 19,812,318	$ 5,083,259	$ (5,894,412)	$ 214,862	$ 19,216,027

Limited partnerships holding publicly traded securities, limited partnerships holding real estate, and private equity holdings are recorded at estimated fair value based on the net asset value of the Foundation's ownership interest in the partners' capital, which includes assumptions and methods that were prepared by the general partner of the limited partnerships and were reviewed by the Foundation's management. The Foundation believes that the reported amounts for these investments are a reasonable estimate of fair value at September 30, 2019.

4. INVESTMENTS

The following schedule summarizes the investment returns for non-agency and agency funds in the statement of activities and the statement of financial position, respectively, for the year ended September 30, 2019:

	Non-agency (VCCF)	Agency	Total
Investment earnings			
Net realized gains	$ 7,409,403	$ 992,383	$ 8,401,786
Net unrealized losses	(5,604,965)	(722,701)	(6,327,666)
Dividends and interest	1,946,492	247,215	2,193,707
	3,750,930	516,897	4,267,827
Investment expense	(526,477)	(64,657)	(591,134)
	$ 3,224,453	$ 452,240	$ 3,676,693

While many of the investment managers report costs in net dollars, some managers report gross of fees which VCCF accounts for as a separate expense. Investment expenses that were reported separately for the year ended September 30, 2019 totaled $526,477 and is included within management and general expenses in the accompanying statement of activities. Part of these expenses includes the investment consultant fee which is explained in more detail in Note 11. Administrative fees represent fees charged by the Foundation for services provided and all non-agency administrative fees totaling $1,348,969 have been eliminated from the consolidated financial statements.

The amounts reported above under "Agency" reflect the investment earnings and fees related to the funds held as agency endowments and are accounted for as changes to the funds held as agency endowments liability.

In seeking to attain the investment objectives set forth in the governing investment policy, the Board exercises prudence and appropriate care in accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA requires fiduciaries to apply the standard of prudence in investment decision making, stating "Management and investment decisions about an individual asset must be made not in isolation but rather in the context of the institutional fund's Portfolio…" All investment actions and decisions must be based solely on the interest of the Foundation. Fiduciaries must provide full and fair disclosure to the Board of all material facts regarding any potential conflicts of interests.

5. PLANNED GIFTS AND OTHER ASSETS

Planned gifts and other assets consisted of the following:

Charitable gift annuities	$	422,111
Cash surrender value of life insurance		263,195
Due from property manager		64,053
Pooled income fund		137
	$	749,496

Charitable gift annuities

Donors have contributed assets to the Foundation in exchange for a promise by the Foundation to pay to the donor or to individuals or organizations designated by the donor a fixed amount for a specified period of time. Under the terms of the charitable gift annuity agreements, no trust exists, as the assets received are held by, and the liability is an obligation of, the Foundation. The present value of payments to beneficiaries under these arrangements is calculated using discount rates representing risk-free rates in existence at the date of the gift. The liability ("planned giving liability" - see below) is the value of the annuity contract as determined by Section 72 of the Internal Revenue Code and the tax tables thereunder. Charitable gift annuities are included within other assets on the statement of financial position.

Charitable remainder trusts

The Foundation is the residual beneficiary of irrevocable trusts, which may be earmarked for restricted purposes and/or other agencies, the assets of which are not in the possession of the Foundation. Upon termination of each trust, the Foundation shall receive some portion of the assets remaining in the trust. The Foundation recognizes annually the change in the present value of the estimated future benefits to be received when the trust assets are distributed as increases or decreases in the value of split-interest agreements on the Statements of Activities. Charitable remainder trusts are included within other assets on the statement of financial position.

Pooled income fund

The Foundation is the beneficiary of a pooled income fund maintained by a trustee. A pooled income fund pools, invests and manages life income gifts from different donors. During the term of the life income fund, the donors receive the actual income earned on their units in the fund. Upon their death, the donor's units revert to the Foundation. The Foundation recognizes annually the change in the present value of the estimated future benefits to be received when the fund assets are distributed as an increase or decrease in the value of split-interest agreements on the Statement of Activities. Pooled income fund is included within other assets on the statement of financial position.

5. PLANNED GIFTS AND OTHER ASSETS (continued)

Pooled income fund (continued)

Planned gifts consisted of the following:

Charitable gift annuities	$	422,111
		422,111
Planned giving liability		(355,105)
	$	67,006

6. FIXED ASSETS

Fixed assets consisted of the following:

Land	$	2,185,000
Buildings		7,866,373
Furniture and equipment		470,068
Leasehold improvements		124,931
		10,646,372
Accumulated depreciation and amortization		(1,875,114)
	$	8,771,258

7. NOTES PAYABLE

Notes payable are detailed as follows:

Note payable to Clearinghouse Community Development Financial Institution (CDFI). Interest only payments for the first 12 months due monthly at 6.25% and then interest and principal payments will be due monthly at 5.75% until the note matures in April 2044. All unpaid accrued interest and principal will be due at maturity.	$	4,495,187
Unsecured Program Related Investment note payable to the Conrad Hilton Foundation. Interest only payments due quarterly at 2%. Note initially matures January 2019. Will automatically renew for one year increments for five more years. Unpaid accrued interest and principal of $2,000,000 due at maturity.		2,000,000
		6,495,187
Less unamortized debt issuance costs		(75,828)
	$	6,419,359

7. NOTES PAYABLE (continued)

The future maturities of the notes payable are as follows:

Year ending September 30,	
2020	$ 64,592
2021	69,194
2022	73,337
2023	77,729
2024	81,698
Thereafter	6,128,637
	$ 6,495,187

Total interest expense on notes payable for the year ended September 30, 2019 was $307,170.

8. EFFECTS OF IMPLEMENTATION OF ASU 2016-14

The following table shows the effects of accounting changes in adopting ASU 2016-14 of the Organization's net assets as of September 30, 2018:

	Unrestricted - Without Donor Restrictions	Temporarily Restricted	Permanently Restricted	With Donor Restrictions	Total
Net assets as previously reported, September 30, 2018	$ 102,375,014	$ 4,413,021	$ 1,145,731	$ -	$ 107,933,766
Reclassification resulting from ASU 2016-14	-	(4,413,021)	(1,145,731)	5,558,752	-
	$ 102,375,014	$ -	$ -	$ 5,558,752	$ 107,933,766

9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

Subject to expenditure for specified purpose:		
Regranting	$	2,896,639
Purpose restricted		474,018
Planned giving		298,851
		3,669,508
Time-restricted:		
Earnings on donor-restricted endowments not yet appropriated for spending		658,507
Subject to passage of time		3,657,766
		4,316,273
Donor-restricted endowment funds:		
Donor corpus restricted in perpetuity		1,145,731
		1,145,731
	$	9,131,512

Included within donor purpose restricted net assets are $129,900 of net assets also restricted due to time.

10. ENDOWMENTS

Interpretation of relevant law

The Foundation's governing board has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains the original value of all gifts to the donor-restricted endowment plus unspent accumulated earnings in accordance with the applicable donor gift instrument.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation.

Return objectives, risk parameters and strategies

Short-Term Portfolio - The Foundation offers a Short-Term Portfolio for funds or that portion of a fund that will be distributed in less than three years. The Short-Term Portfolio is intended to be invested in a manner consistent with the objectives of (i) maintaining the principal value of the invested assets, (ii) minimizing the potential that the principal value of assets will be impaired, and (iii) providing a liquid source of funds for distributions.

Due to the objective of preserving principal value of assets, the Short-Term Portfolio is expected to be invested exclusively in money market instruments and short-term fixed income securities such that the average credit quality of the portfolio is "A" or higher and the average duration of the portfolio is less than 24 months. Despite the intention to maintain principal value, the Board acknowledge that no securities with affiliated credit and/or interest rate risk are completely free of risk and principal losses may occur over short periods.

10. ENDOWMENTS (continued)

Return objectives, risk parameters and strategies (continued)

Long-Term Portfolio - The Long-Term Portfolio is designed for funds with an investment horizon of seven or more years. The primary investment objective of the Long-Term Portfolio is to achieve an annualized total return, net of fees and expenses, that is equal to or greater than the rate of inflation (as measured by the broad, domestic Consumer Price Index) plus any spending and investment expenses, such that purchasing power is maintained over time. The assets are to be managed in a manner that will meet the primary investment objective, while at the same time attempting to limit volatility in annual distributions. The primary objective of the portfolio may be expressed as:

Total Return greater than Consumer Price Index + Spending Policy + Investment Expenses

Given that this benchmark is not directly related to market performance, success or failure in achieving this goal should be evaluated over 10 to 20 years. A secondary objective is to achieve a total return in excess of the Policy Benchmark comprised of each strategic asset category benchmark weighted by its target allocation.

This portfolio has a broad target allocation of 50% equity, 20% fixed income and 30% alternative investments. It is designed for endowed funds and funds with a long-term spending horizon of seven or more years, and is generally appropriate for funds intended to be fully expended over a donor's lifetime.

Spending policy and how investment objectives relate to spending policy

The purpose of the spending policy is to calculate the amount of money annually distributed from the Foundation's various endowment funds, for grant-making and administration. The primary objectives of the spending policy are to balance the interests of current and future beneficiaries by not over spending in the short-term or over accumulating in the long-term, and maintain the purchasing power of distributions over time by growing the corpus of each endowment fund to pace long-term inflation.

The Foundation's spending and investment policies work in tandem to achieve these objectives. The investment policy establishes an achievable return objective through a diversified investment strategy. Over long periods of time (7+ years), the Foundation's spending rate plus that of inflation should be in alignment with the average annual total return achieved through investment earnings. In other words, by distributing an amount that is equal to investment earnings less inflation, the Board seeks to preserve purchasing power of future distributions by growing each endowed fund at the rate of inflation. Mathematically, this is represented by the following hypothetical formula:

5% spending + 2% inflation = 7% net investment return objective

10. ENDOWMENTS (continued)

Spending policy and how investment objectives relate to spending policy (continued)

A secondary objective is to achieve a reasonable degree of stability in payout for annual distributions to grantees. Predictability of distributions allows recipients, including the Foundation, to more accurately budget future income. Predictability also helps to insulate the Foundation's investment managers from pressure to generate undo short term liquidity, which allows them to focus on achieving the best total return over the long term. The Foundation utilizes a smoothing formula to help achieve stable and predictable year-over-year distributions.

In California, UPMIFA includes the provision that an appropriation of greater than 7% of the average fair market value averaged over the past three years is presumptively imprudent.

Spending rate and smoothing formula

The current spending rate is 5% (or less for underwater funds based on the schedule below). This spending rate is applied to the trailing 12-quarter average market value for each endowment fund for the period ending June 30 of the prior fiscal year. Beginning in June 2019, the spending rate will be based on a 16-quarter average market value.

Additionally, a support fee based on the market value for each endowment fund is assessed semi-annually in December (based on September 30 value) and June (based on March 31 value).

Where a fund has not been in existence for 12 quarters, the actual number of quarters that the fund has been in existence will be used. All new endowment funds must be invested for four full quarters before any distributions are made.

The spending policy will be applied to both donor restricted and board designated (quasi) endowment funds. It does not apply to endowment funds with specific donor restrictions as to expenditure where the gift instrument defines a specific spending formula.

The Foundation will maintain a record of the historic gift value of each donor restricted endowment fund. This includes the terms of any Foundation solicitation from which a donor restricted fund resulted. Historic gift value means a) the fair value in dollars of an endowment fund at the time it first became an endowment fund, b) plus the fair value in dollars of each subsequent donation to the fund at the time it is made, c) plus accumulations to the endowment fund if specifically directed by the donor's gift instrument.

10. ENDOWMENTS (continued)

Spending rate and smoothing formula (continued)

Underwater Funds - From time to time, the fair value of the assets associated with individual donor restricted funds may fall below the level that current law requires the Foundation to retain for a fund of perpetual duration. In accordance with accounting principles generally accepted in the United States of America, these deficiencies are reported as a reduction in net assets without donor restrictions. Such deficiencies may result from unfavorable market fluctuations, particularly if the funds were invested in the endowment pool shortly prior to significant market declines. As of September 30, 2019, the Foundation held 24 endowment funds where the market value had fallen below the original corpus due to market conditions. The amount of the shortfall totaled $43,245. Underwater funds will experience a reduction in payout based on the schedule below. The reduced payout is intended to allow for recovery of the historic gift value over a reasonable period of time, while not completely eliminating payout in support of charitable programs.

Underwater Amounts	Adjusted Spending Rates
Less than 15%	5.00%
5% to less than 10%	3.75%
10% to less than 15%	3.35%
15% or more	2.50%

Endowment net assets composition by type of fund

Endowment net asset composition by type of fund as of September 30, 2019 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 1,804,238	$ 1,804,238
Funds functioning as endowments	114,989,243	3,121,000	118,110,243
	$ 114,989,243	$ 4,925,238	$ 119,914,481

Donor restricted funds functioning as endowments are entirely comprised of time-restricted bequests that when received, will become a part of the managed fund and reclassified as funds without donor restrictions.

10. ENDOWMENTS (continued)

Changes in endowment net assets during the year ended

Changes in endowment net assets for the fiscal year ended September 30, 2019 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, September 30, 2018	$ 101,364,819	$ 4,655,087	$ 106,019,906
Investment return, net of expenses	3,001,123	366,169	3,367,292
Contributions	16,316,881	-	16,316,881
Appropriation of net assets	(5,693,580)	(96,018)	(5,789,598)
	13,624,424	270,151	13,894,575
Balance, September 30, 2019	$ 114,989,243	$ 4,925,238	$ 119,914,481

11. COMMITMENTS AND CONTINGENCIES

Leases

The Foundation leases its office space from the VCCF Nonprofit Center, LLC for $5,641 per month plus operating expenses that expires in November 2022. During the year ended September 30, 2019, the Foundation paid or accrued $69,510 in rents to the VCCF Nonprofit Center, LLC, which has been eliminated in the consolidated financial statements.

VCCF Nonprofit Center, LLC leases office space to several Ventura County focused nonprofit organizations which expire at various dates through October 2024.

The future scheduled minimum rental income under the lease terms is as follows:

Year ending September 30,	
2020	$ 763,297
2021	811,910
2022	850,161
2023	600,786
2024	56,203
Thereafter	2,986
	$ 3,085,343

11. COMMITMENTS AND CONTINGENCIES (continued)

Investment commitments

At September 30, 2019, the Foundation had made investment commitments to partnerships that are not readily marketable in an amount not to exceed $9,283,923.

Investment consultant fees

On October 1, 2018, the Foundation entered into an Outsourced Chief Investment Officer Agreement (the "Agreement") with Canterbury Consulting, Inc. ("Canterbury") which requires annual payments of $250,000 which increase 4% after one year, and annually each year thereafter, for a term of three years. The Agreement may be terminated by written notice from either party to the other upon 30 days prior written notice.

During the year ended September 30, 2019, the Foundation paid $250,000 to Canterbury.

Patterson Park

The Foundation has a Right of Termination on land that now makes up Patterson Park that it donated to the City of Oxnard under the condition that it be used only as a park for public use or else ownership of the land will revert back to Ventura County Community Foundation. At the time of the donation the land had a recorded book value of $3,810,000.

12. RETIREMENT PLAN

Foundation employees who work at least 20 hours per week are eligible to participate in a deferred salary savings plan under Section 403(b) of the Internal Revenue Code after one full calendar month of services. The Foundation matches at its discretion up to 6% of the eligible salary after one year of employment. For the year ended September 30, 2019, Foundation contributions to the 403(b) Plan totaled $35,903.

13. FIDUCIARY LIABILITY

In September 2015, the Foundation contracted with a "Big 4" accounting firm to conduct an independent fiduciary review on approximately 90% of the assets under the Foundation's management. Three main issues were uncovered during the review which included:

- Improper investment of funds in money market accounts
- Over allocation of interest income to the Foundation's unrestricted fund
- Assessment of fund administrative fees in excess of agreed upon amounts

13. FIDUCIARY LIABILITY (continued)

As soon as the Foundation received notice from the independent firm of these issues, the Foundation self-disclosed the situation to the California Attorney General ("AG"). The Foundation also calculated the cost of reimbursing the approximately 48 funds impacted (of the total 600 funds) to make them whole. The cost of resolving these issues is $1,554,500 with a repayment strategy approved by the AG's office. The repayment terms are as follows:

- Interest rate is set at 3%
- Two years of interest only payments
- Ten years of fully amortizing principal and interest payments

At the same time, the AG directed the Foundation to replenish the funds invested from the Cornerstone Administrative Endowment into the VCCF Nonprofit Center LLC. This replenishment is tied to the payoff of the note for the building that was secured with Clearinghouse. The AG also required the Foundation to have its policies and procedures revised by a third party, particularly with regard to classification and monitoring of its funds. The Foundation engaged with the Silicon Valley Community Foundation to complete this work. On December 6, 2017, the AG confirmed that the Foundation had taken the necessary steps to close the investigation.

On advice of counsel, on December 31, 2018, the Foundation repaid $295,013 of this liability. The remaining balance will continue to be repaid according to the original terms. As of September 30, 2019, the remaining cost to correct these issues was $1,259,487 and was eliminated in the consolidated financial statements.

14. LIQUIDITY AND AVAILABILITY

The Foundation's financial assets are predominantly held for its philanthropic purposes. The Ventura County Community Foundation offers several philanthropic gift planning options, including a Charitable Gift Annuity program, Charitable Lead Trusts, and Charitable Remainder Trusts, and accepting gifts of real estate and other complex assets. The organization is also responsible for the oversight of a 53,000 sq. ft. building that houses 18 nonprofit organizations. Having a robust reserve policy continues to be a key priority. Philanthropic funds cannot be used for reserves.

The Organization is focused on building reserves equal to three years of unrestricted operating cash needs in an effort to best meet the philanthropic planning requirements of its donors and nonprofit community in Ventura County.

The following reflects the Organization's financial assets reported on the statement of financial position, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions.

14. LIQUIDITY AND AVAILABILITY (continued)

Liquidity of financial assets as of September 30, 2019 is as follows:

Cash	$ 4,268,880
Contributions and grants receivable	3,787,666
Investments	130,411,674
	138,468,220
Net assets with donor purpose restrictions (Note 8)	(9,131,512)
Funds held for agency endowments	(15,101,916)
Funds under management	(111,762,185)
	$ 2,472,607

The Organization also has signed leases that will bring in $763,297 in cash through the next year. See Note 11 for more details.

During the year ended September 30, 2019, the Organization incurred $2,943,583 of expenses to support operations, which includes expenses for operating the 53,000 square foot office building. Based on liquid assets available as of September 30, 2019, the Organization can sustain operations for approximately 10 months after year-end.

SUPPLEMENTARY INFORMATION

Ventura County Community Foundation and Subsidiary
Statement of Financial Position by Segment
September 30, 2019

ASSETS

	Operating and Non-profit Center	Under Management	Eliminating Entries	2019 Total
Cash and cash equivalents	$ (106,878)	$ 4,375,758	$ -	$ 4,268,880
Contributions receivable	533,333	3,254,333	-	3,787,666
Prepaid and other current assets	280,352	-	-	280,352
Investments	2,879,834	127,531,840	-	130,411,674
Planned giving and other assets	122,306	627,190	-	749,496
Fixed assets, net of accumulated depreciation	8,771,258	-	-	8,771,258
Earnings due to funds	145,000	1,061,383	(1,206,383)	-
Total assets	$ 12,625,205	$136,850,504	$ (1,206,383)	$148,269,326

LIABILITIES AND NET ASSETS

	Operating and Non-profit Center	Under Management	Eliminating Entries	2019 Total
Liabilities				
Accounts payable and accrued expenses	$ 319,197	$ 12,671	$ -	$ 331,868
Grants payable	-	340,414	-	340,414
Notes payable	6,419,359	-	-	6,419,359
Funds held as agency endowments	-	15,101,916	-	15,101,916
Planned giving liability	-	355,105	-	355,105
Other liabilities	58,599	1,701	-	60,300
Due from funds	1,206,383	-	(1,206,383)	-
Total liabilities	8,003,538	15,811,807	(1,206,383)	22,608,962
Net assets				
Without donor restrictions	4,088,334	112,440,518	-	116,528,852
With donor restrictions	533,333	8,598,179	-	9,131,512
Total net assets	4,621,667	121,038,697	-	125,660,364
Total liabilities and net assets	$ 12,625,205	$136,850,504	$ (1,206,383)	$148,269,326

Ventura County Community Foundation and Subsidiary
Statement of Activities by Segment
For The Year Ended September 30, 2019

	Operating and Non-profit Center	Under Management	Eliminating Entries	2019 Total
Revenue, gains and other support				
Revenue and support				
Grants and contributions	$ 1,565,183	$ 27,156,460	$ (581,598)	$ 28,140,045
Rental income	754,192	-	-	754,192
Other revenue	1,586,555	-	(1,343,206)	243,349
Total revenue and support	3,905,930	27,156,460	(1,924,804)	29,137,586
Investment return, net	61,872	3,197,398	(34,817)	3,224,453
Total revenue, gains and other support	3,967,802	30,353,858	(1,959,621)	32,362,039
Functional expenses				
Grants & distributions	454,465	12,185,273	(581,598)	12,058,140
Other program services	1,097,963	88,183	-	1,186,146
Management and general	694,772	1,378,023	(1,378,023)	694,772
Fundraising	267,517	-	-	267,517
Donor services	428,866	-	-	428,866
Total functional expenses	2,943,583	13,651,479	1,959,621	14,635,441
Changes in net assets	1,024,219	16,702,379	-	17,726,598
Net assets, beginning of year	3,742,448	104,191,318	-	107,933,766
Net assets, end of year	$ 4,766,667	$120,893,697	$ -	$125,660,364