



To the Board of Directors and Management
Desert Community College District Auxiliary Services
Palm Desert, California

We have audited the financial statements of Desert Community College District Auxiliary Services (the Auxiliary) for the year ended June 30, 2015, and have issued our report thereon dated December 21, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Auxiliary are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2015. We noted no transactions entered into by the Auxiliary during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the useful lives of capital assets and the related depreciation expense is based on industry recognized standard lives. We evaluated the key factors and assumptions used to develop the depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We noted no transactions which required adjustment in the financial statements.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 21, 2015. Management has signed and returned the representation letter to us.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Auxiliary's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Auxiliary's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention. We have provided, under separate cover, a letter with suggested recommendations for improvements in the procedures of the Auxiliary.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and Management of Desert Community College District Auxiliary Services, and is not intended to be and should not be used by anyone other than these specified parties.

Vaurick Fine, Day & Co. LLP

Riverside, California
December 21, 2015



To the Board of Directors and Management
Desert Community College District Auxiliary Services
Palm Desert, California

In planning and performing our audit of the financial statements of Desert Community College District Auxiliary Services (the Auxiliary) as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Auxiliary's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Auxiliary's internal control. Accordingly, we do not express an opinion on the effectiveness of the Auxiliary's internal control.

Our consideration of internal control was for the limited purpose described in the previous paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

We consider the following deficiencies in the Auxiliary's control structure to be significant deficiencies:

Observation

Cash Deposit Procedures

Best practices related to cash deposit procedures recommend all deposits to the bank be made within one week of receipt and not held over weekends. We noted there was no receipt log maintained during the 2014-2015 year which makes it difficult to ensure all monies received are deposited timely and intact to the bank. The Auxiliary does maintain all cash and checks in a vault, but through conversations and analysis of check dates, we noted time spans in excess of 10 business days from receipt to deposit.

Recommendation

All monies received for deposit by the Auxiliary, whether cash or check, should be logged in with the date and purpose of the receipt. Deposits to the bank should be made at least weekly to ensure the safekeeping of the funds.

Golf Driving Range Cash

Observation

Cash collected at the Golf Driving Range, primarily for the use of range balls, has remained on site at the Golf Driving Range and not deposited with the College Bursar in a timely manner. Transmittals were consistently noted in excess of 10 business days. Additionally, a petty cash fund is maintained in the amount of \$8,000. When the fund was reconciled during the audit, it was noted \$1,514 was not accounted for, and no receipts were available to support the shortage.

Recommendation

All cash collected at the Golf Driving Range should be reconciled and transmitted for deposit, both before a weekend and on Mondays after the weekend, due to the high volume of activity. Cash on hand at the Golf Driving Range should be maintained at a low level to ensure the safekeeping of the monies. The petty cash fund procedures should be reviewed with a monthly accounting of all uses of the fund provided to the Auxiliary bookkeeper. The fund should be reconciled to the imprest balance of \$8,000 each month with any discrepancies noted and resolved immediately.

Observation

As noted in our prior year management letter comments, the Auxiliary includes the activities of the Golf Driving Range which provides services to support the College athletic program, as well as the community. Services provided to the general public include professional instruction, as well as use of the driving range. Over the past five years, the Golf Driving Range has incurred significant operating deficits as follows:

	<u>Revenue</u>	<u>Expenses</u>	<u>Income/(Loss)</u>
2015	\$326,676	\$364,863	\$(38,187)
2014	\$330,779	\$423,309	\$(92,530)
2013	\$327,311	\$386,900	\$(59,589)
2012	\$385,333	\$393,520	\$(8,187)
2011	\$315,525	\$410,104	\$(94,570)
2010	\$329,344	\$384,888	\$(55,544)

These deficits have been funded through ongoing commission income provided through the bookstore and other sources of revenue. As a program of the Auxiliary, the intent is for the Golf Driving Range to be self supporting.

Recommendation

A comprehensive budget should be developed and implemented for all programs of the Auxiliary including the Golf Driving Range. Expenditures should be monitored on a monthly basis and adjusted when revenue shortfalls are noted. Any expenditures over the budgeted amounts should be specifically approved prior to incurring further deficits within the program.

As part of our audit, we have reviewed the comments noted in our 2013-2014 management letter and, except as noted above, have found them to have been implemented. We appreciate the time and assistance provided by the Auxiliary Staff, as well as the District Business Office staff in conducting our audit.

To the Board of Directors and Management
Desert Community College District Auxiliary Services
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This information is intended solely for the use of the Board of Directors and management of Desert Community College District Auxiliary Services and is not intended to be and should not be used by anyone other than these specified parties.

Vaurin, Fine, Day & Co. LLP

Riverside, California
December 21, 2015

**DESERT COMMUNITY COLLEGE DISTRICT
AUXILIARY SERVICES
(A California Nonprofit Corporation)**

ANNUAL FINANCIAL REPORT

JUNE 30, 2015

**DESERT COMMUNITY COLLEGE DISTRICT AUXILIARY SERVICES
(A California Nonprofit Corporation)**

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Desert Community College District Auxiliary Services
Palm Desert, California

Report on the Financial Statements

We have audited the accompanying financial statements of Desert Community College District Auxiliary Services (the Auxiliary) (a California nonprofit corporation), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Auxiliary as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter - Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Auxiliary's basic financial statements. The supplementary information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Warrick Dine, Day & Co. LLP

Riverside, California
December 21, 2015

DESERT COMMUNITY COLLEGE DISTRICT AUXILIARY SERVICES
(A California Nonprofit Corporation)

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

ASSETS

Current Assets

Cash - unrestricted	\$ 1,369,075
Cash - restricted	103,233
Accounts receivable	78,946
Accounts receivable - related party	14,941
Total Current Assets	<u>1,566,195</u>

Noncurrent Assets

Capital assets, net	24,346
Total Assets	<u>\$ 1,590,541</u>

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 32,267
Accounts payable - related party	31,770
Deposit	1,000
Total Current Liabilities	<u>65,037</u>

NET ASSETS

Unrestricted	1,422,271
Temporarily restricted	83,233
Permanently restricted	20,000
Total Net Assets	<u>1,525,504</u>
Total Liabilities and Net Assets	<u>\$ 1,590,541</u>

See the accompanying notes to financial statements.

DESERT COMMUNITY COLLEGE DISTRICT AUXILIARY SERVICES
(A California Nonprofit Corporation)

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES				
Contributions	\$ -	\$ 2,100	\$ -	\$ 2,100
Commission income	375,691	-	-	375,691
Golf driving range	326,676	-	-	326,676
Collections	-	19,800	-	19,800
Assets released from restrictions	20,571	(20,571)	-	-
Total Revenues	<u>722,938</u>	<u>1,329</u>	<u>-</u>	<u>724,267</u>
EXPENSES				
Program expenses	580,686	-	-	580,686
Operating expenses	31,472	-	-	31,472
Total Expenses	<u>612,158</u>	<u>-</u>	<u>-</u>	<u>612,158</u>
OTHER INCOME				
Interest	849	-	-	849
Total Other Income	<u>849</u>	<u>-</u>	<u>-</u>	<u>849</u>
CHANGE IN NET ASSETS	111,629	1,329	-	112,958
NET ASSETS, BEGINNING OF YEAR	<u>1,310,642</u>	<u>81,904</u>	<u>20,000</u>	<u>1,412,546</u>
NET ASSETS, END OF YEAR	<u>\$ 1,422,271</u>	<u>\$ 83,233</u>	<u>\$ 20,000</u>	<u>\$ 1,525,504</u>

See the accompanying notes to financial statements.

DESERT COMMUNITY COLLEGE DISTRICT AUXILIARY SERVICES
(A California Nonprofit Corporation)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 112,958
Adjustments to Reconcile Change in Net Assets to Net Cash From Operating Activities	
Contributions restricted for long-term purposes	(2,100)
Depreciation	7,349
Change in assets and liabilities	
Change in accounts receivable	(16,793)
Change in accounts receivable - related party	(6,131)
Change in accounts payable	2,066
Change in accounts payable - related party	(207,664)
Net Cash Flows From Operating Activities	<u>(110,315)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(3,445)
Change in restricted cash	<u>(1,329)</u>
Net Cash Flows From Investing Activities	<u>(4,774)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Collections of contributions for restricted purposes	<u>2,100</u>
Net Cash Flows From Financing Activities	<u>2,100</u>
NET CHANGE IN UNRESTRICTED CASH AND CASH EQUIVALENTS	(112,989)
UNRESTRICTED CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,482,064</u>
UNRESTRICTED CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,369,075</u>

See the accompanying notes to financial statements.

DESERT COMMUNITY COLLEGE DISTRICT AUXILIARY SERVICES
(A California Nonprofit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Program</u>	<u>Operating</u>	<u>Total</u>
Golf driving range expenses	\$ 357,514	\$ -	\$ 357,514
Support for District programs	171,176	-	171,176
Textbooks for District library	24,076	-	24,076
Emergency loans to students	18,043	-	18,043
Scholarships	2,528	-	2,528
Data processing expense	-	3,797	3,797
Office supplies and miscellaneous expenses	-	460	460
Payroll expenses	-	17,875	17,875
Professional fees	-	9,340	9,340
Depreciation - golf driving range	7,349	-	7,349
Total Expenses	<u>\$ 580,686</u>	<u>\$ 31,472</u>	<u>\$ 612,158</u>

See the accompanying notes to financial statements.

**DESERT COMMUNITY COLLEGE DISTRICT AUXILIARY SERVICES
(A California Nonprofit Corporation)**

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

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by Desert Community College District Auxiliary Services (the Auxiliary) are described below to enhance the usefulness of the financial statements to the reader.

Organization

Desert Community College District Auxiliary Services (the Auxiliary) is a nonprofit public benefit corporation organized under the Nonprofit Public Benefit Law of the State of California. The Auxiliary was incorporated in the State of California in July 1985 pursuant to California Assembly Bill No. 2627, Chapter 858, *Community Colleges Auxiliary Organizations*, with the express purpose of promoting and assisting the educational programs of Desert Community College District (the District) in accordance with the mission, policies, and priorities of the District. The members of the Auxiliary's Board of Directors are composed of members from the District administration.

At June 30, 2015, the Board of Directors included:

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Lisa Howell	Chairperson	2015
Dr. Joel L. Kinnamon	Vice Chairperson	2015
John Ramont	Secretary/Treasurer	2015
Anna Davies	Member at Large	2015

Financial Statement Presentation

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

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

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

Support and Expenses

Contributions are measured at their fair value at the date of contribution and are reported as an increase in net assets. The Auxiliary reports gifts of cash or other assets in the category designated by the donor. The Auxiliary reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulation about where the contributions are to be spent, the Auxiliary reports these contributions as unrestricted.

**DESERT COMMUNITY COLLEGE DISTRICT AUXILIARY SERVICES
(A California Nonprofit Corporation)**

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

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with maturities of less than 90 days.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from the outstanding balance. Management provides an analysis of the probable collection of the accounts through a provision for bad debt expense and an adjustment to a valuation allowance. At June 30, 2015, management had reviewed all accounts receivable and determined all amounts were fully collectable. No allowance for doubtful accounts has been established.

Income Taxes

The Auxiliary is a charitable, not-for-profit, tax-exempt organization qualified under provisions of Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions. Accordingly, no provision for income taxes has been provided in the financial statements. The Auxiliary has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(A)(vi). The Auxiliary annually files information returns Forms 990, 991, and RRF-1, with the appropriate agencies. The Auxiliary annually files Forms 990T and 109 to report unrelated business activity. At June 30, 2015, these activities recorded a loss, and no unrelated business tax was paid or accrued.

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

Income tax returns for 2011 and forward may be audited by Federal or State regulatory agencies; however, the Auxiliary is not aware of such actions at this time.

Allocation of Functional Expenses

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

DESERT COMMUNITY COLLEGE DISTRICT AUXILIARY SERVICES
(A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 2 - CONCENTRATION OF RISK

Cash accounts maintained by the Auxiliary are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2015, the Auxiliary had \$986,921 of uninsured funds.

NOTE 3 - ACCOUNTS RECEIVABLE

As of June 30, 2015, the Auxiliary's account receivables consisted of amounts due within the normal course of business, and all are due within one year.

NOTE 4 - CAPITAL ASSETS

The Auxiliary's policy is to not capitalize acquired property and equipment except for golf driving range property and equipment. Capital assets acquired are donated by memorandum to the District, where they are recorded within the District's property and equipment. Golf driving range property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of five to fifteen years.

Equipment	\$ 56,687
Less: accumulated depreciation	(32,341)
Capital assets, net	<u>\$ 24,346</u>

Depreciation expense for the year ended June 30, 2015, was \$7,349.

NOTE 5 - DONATED SERVICES

A substantial number of volunteers have donated their time and experience to the Auxiliary's program services and fundraising campaigns during the year. However, these donated services are not reflected in the financial statements since there is no readily determined method of valuing the services.

During the year, office space, supplies, and general support was provided by the District. The value of the donated space and support has not been determined and is not recognized in the financial statements.

NOTE 6 - PERMANENTLY RESTRICTED NET ASSETS

Permanently restricted net assets are gifts of cash and securities restricted by donors in ways that permit only the earnings to be used for specific programs, scholarships, and general operations of the Auxiliary. These earnings are recorded within either the temporarily restricted or the unrestricted funds as applicable.

Permanently restricted net assets totaled \$20,000 at June 30, 2015.

**DESERT COMMUNITY COLLEGE DISTRICT AUXILIARY SERVICES
(A California Nonprofit Corporation)**

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

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are gifts of cash restricted by the donor for a specific use or for a time in the future. As restrictions on the net assets expire due to the passage of time or satisfaction of purpose, the assets are released to the unrestricted fund for expenditure.

Temporarily restricted net assets are comprised of the following:

	Beginning Balance	Contributions	Assets Released	Ending Balance
Scholarships	\$ 42,346	\$ 19,800	\$ -	\$ 62,146
Program support	39,558	2,100	(20,571)	21,087
Total	<u>\$ 81,904</u>	<u>\$ 21,900</u>	<u>\$ (20,571)</u>	<u>\$ 83,233</u>

NOTE 8 - RELATED PARTY TRANSACTIONS

The Auxiliary uses District facilities such as the College Bookstore, College Cafeteria, and Golf Driving Range. In return for the use of the facilities, the Auxiliary and the District have agreed to a Master Agreement which calls for the Auxiliary to pay the District up to 99 percent of the Food Services contract commissions. The Master Agreement is amended periodically and approved by both the Auxiliary Board of Directors and the District Board of Trustees.

The Auxiliary also provides various levels of monetary support and service to the District. The transactions are recorded within the financial statements as contributions, student programs, and scholarship expense. During the year ended June 30, 2015, the Auxiliary provided emergency student loans to students of the District in the amount of \$18,043. Student scholarships were awarded in the amount of \$2,528. The Auxiliary also provided \$195,252 in program support and contributions to the District for the year ended June 30, 2015. At June 30, 2015, the District owed the Auxiliary \$14,941 for services, and the Auxiliary owed the District \$31,770 for agreed-upon reimbursements.

The District provides office space and other support to the Auxiliary. The value of this support has not been calculated and is not reflected within these financial statements.

NOTE 9 - SUBSEQUENT EVENTS

The Auxiliary's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through December 21, 2015, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.

SUPPLEMENTARY INFORMATION

DESERT COMMUNITY COLLEGE DISTRICT AUXILIARY SERVICES
(A California Nonprofit Corporation)

FUND LEVEL STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

	General Operating Fund	Trust Agency Fund	Student Loan Fund	Total (Memorandum Only)
REVENUE				
Contributions	\$ -	\$ 2,100	\$ -	\$ 2,100
Commission income				
Bookstore	268,775	-	-	268,775
Cafeteria	54,322	-	-	54,322
Sponsorships	52,594	-	-	52,594
Golf driving range	326,676	-	-	326,676
Collections	-	-	19,800	19,800
Assets released from restrictions	20,571	(20,571)	-	-
Total Revenue	<u>722,938</u>	<u>(18,471)</u>	<u>19,800</u>	<u>724,267</u>
EXPENSES				
Program				
Golf driving range	364,863	-	-	364,863
Support for District programs	171,176	-	-	171,176
Textbooks for District library	24,076	-	-	24,076
Loans	18,043	-	-	18,043
Scholarships	2,528	-	-	2,528
Total Program Expenses	<u>580,686</u>	<u>-</u>	<u>-</u>	<u>580,686</u>
Operating				
Administrative	31,472	-	-	31,472
Total Operating Expenses	<u>31,472</u>	<u>-</u>	<u>-</u>	<u>31,472</u>
Total Expenses	<u>612,158</u>	<u>-</u>	<u>-</u>	<u>612,158</u>
OTHER REVENUE				
Interest	849	-	-	849
Total Other Revenue	<u>849</u>	<u>-</u>	<u>-</u>	<u>849</u>
CHANGE IN NET ASSETS	111,629	(18,471)	19,800	112,958
NET ASSETS				
Beginning of year	1,310,642	59,558	42,346	1,412,546
End of year	<u>\$ 1,422,271</u>	<u>\$ 41,087</u>	<u>\$ 62,146</u>	<u>\$ 1,525,504</u>
CLASSIFICATION OF NET ASSETS				
Unrestricted	\$ 1,422,271	\$ -	\$ -	\$ 1,422,271
Temporarily restricted	-	41,087	42,146	83,233
Permanently restricted	-	-	20,000	20,000
Total Net Assets	<u>\$ 1,422,271</u>	<u>\$ 41,087</u>	<u>\$ 62,146</u>	<u>\$ 1,525,504</u>

**DESERT COMMUNITY COLLEGE DISTRICT AUXILIARY SERVICES
(A California Nonprofit Corporation)**

**NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

NOTE 1 - PURPOSE OF THE SCHEDULE

The fund level statement of activities is presented on the full accrual basis of accounting. This information is not a required component of the financial statements, but is presented at the request of management to provide further information and analysis of the activities of the Auxiliary.