

**VITAL LINK EDUCATION-BUSINESS CONSORTIUM
FINANCIAL STATEMENTS
SEPTEMBER 30, 2014**

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LICENSED BY THE CALIFORNIA BOARD OF
ACCOUNTANCY

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Vital Link Education-Business Consortium

We have audited the accompanying financial statements of Vital Link Education-Business Consortium, which comprise the statement of financial position of September 30, 2014, and the related statements of activities and changes in net assets, functional expenses and cash flows for the Three Months 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

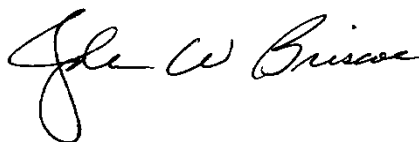
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 Vital Link Education-Business Consortium as of September 30, 2014, and the results of its operations and its cash flows for the Three Months then ended in conformity with accounting principles generally accepted in the United States of America.



Fountain Valley, CA
March 21, 2015

Vital Link Education-Business Consortium
Statement of Financial Position
September 30, 2014

Assets:

Current Assets:

Cash in bank	\$ 27,613	
Accounts receivable	209,708	
Prepaid expenses	<u>8,546</u>	
Total current assets		245,867
<i>Equipment:</i>		
Office furniture/equipment	74,167	
Less accumulated depreciation	<u>(50,397)</u>	
Total equipment, net		<u>23,770</u>
Total Assets		<u>\$269,637</u>

Liabilities and Net Assets:

Current Liabilities:

Payables	<u>\$129,739</u>	
Total Liabilities		129,739
<i>Net Assets:</i>		
Unrestricted	<u>139,898</u>	
Total net assets		<u>139,898</u>
Total Liabilities and Net Assets		<u>\$269,637</u>

See accompanying notes and independent auditor's report

Vital Link Education-Business Consortium
Statement of Activities and Changes in Net Assets
For the Three Months ended September 30, 2014

SUPPORT AND REVENUE

Donations	\$ 21,334
Government contracts and fees	276,909
Events	2,275
Interest	<u>3</u>

Total Support and Revenue	300,521
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EXPENSES

Program Services	282,350
Management and General	4,200
Fundraising	<u>2,152</u>

Total Expenses	<u>288,702</u>
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Change in Net Assets	11,819
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Net assets as of beginning of period	<u>128,079</u>
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Net assets as of end of period	<u>\$139,898</u>
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See accompanying notes and independent auditor's report

Vital Link Education-Business Consortium
Statement of Functional Expenses
For the Three Months ended September 30, 2014

	<u>Functional Expenses</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund-Raising</u>	
SB70 Stems	\$ 16,283	\$ -	\$ -	\$ 16,283
WIB ICT	106,203	-	-	106,203
Career Exploration Programs	52,135	-	-	52,135
Program operation	13,555	-	-	13,555
Program management	255	152	203	610
Curriculum	76,377	-	-	76,377
Teacher training	6,950	-	-	6,950
Rent	1,836	490	123	2,449
OC CPP/G-Cademy	2,604	-	-	2,604
Interest	150	65	-	215
Professional fees	-	1,200	-	1,200
Fundraising	-	-	594	594
Depreciation	-	988	-	988
Utilities	376	99	26	501
Office	5,626	1,206	1,206	8,038
Total	<u>\$282,350</u>	<u>\$ 4,200</u>	<u>\$ 2,152</u>	<u>288,702</u>

See accompanying notes and independent auditor's report

Vital Link Education-Business Consortium
Statement of Cash Flows
For the Three Months ended September 30, 2014

Cash flows from operating activities

Change in net assets	\$ 11,819
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	988
(Increase) decrease in:	
Receivables	(118,757)
Increase (decrease) in:	
Payables	<u>42,499</u>
Net (decrease) in cash	(63,451)
Cash as of beginning of period	<u>91,064</u>
Cash as of end of period	<u>\$ 27,613</u>

See accompanying notes and independent auditor's report

Vital Link Education-Business Consortium
Notes to Financial Statements
For the Three Months ended September 30, 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Vital Link Education-Business Consortium (the “Organization”) is a private, non-profit organization incorporated in the State of California in 1989. The Organization is governed by a volunteer board of directors, and its principal function is to create a link between business and education to prepare students for a successful transition to meaningful employment.

Basis of Accounting

The Organization prepares its financial statements in accordance with U.S. generally accepted accounting principles, (GAAP). This basis of accounting involves the application of accrual accounting, consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Basis of Presentation

The Organization reports in accordance with the American Institute of Certified Public Accountants industry audit guide, Audits of Voluntary Health and Welfare Organizations. Vital Link Education-Business Consortium reports adhere to the following accounting policies:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in Accounting Standards Codification (ASC) No. 958, Not-for-Profit Entities. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes on net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Vital Link Education-Business Consortium

Notes to Financial Statements

For the Three Months ended September 30, 2014

Income Taxes

Vital Link Education-Business Consortium is a public charity, nonprofit organization as defined in the Internal Revenue Code Section 501(c)3 and is therefore exempt from federal and state income taxes.

The Organization's tax filings are subject to audit by various taxing authorities. The Organization's federal income tax returns for the prior three years remain open to examination by the Internal Revenue Service and the California Franchise Tax Board. As of September 30, 2014, the tax year's that remain subject to examination by taxing authorities begin with 2010. In evaluating the Association's tax provisions and accruals, the Organization believes that its estimates are appropriate based on current facts and circumstances.

Date of Management's Review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through March 21, 2015, the date that financial statements were available to be issued.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Vital Link Education-Business Consortium
Notes to Financial Statements
For the Three Months ended September 30, 2014

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Functional Allocation

The cost of providing the programs and other activities has been summarized on a functional basis in the Statement of Activity. Accordingly, certain costs have been allocated between the program support services benefited as estimated by the Organization's management

Contributed Services

A number of unpaid volunteers have made significant contributions of their time to develop the Organization's programs and meet its objectives. The value of this contributed time is not reflected in these statements since it is not subject to objective measurement or valuation.

NOTE 2: TEMPORARILY RESTRICTED NET ASSETS

Currently there are no temporarily restricted net assets.

Vital Link Education-Business Consortium
Notes to Financial Statements
For the Three Months ended September 30, 2014

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment are stated at cost, if purchased, or fair market value at the date of contribution, if donated. Depreciation is computed using straight-line method over the estimated lives of the assets for financial reporting which reasonably approximates for the actual useful lives of the assets. Depreciation expense for the period was \$988.