VASCULAR CURES
AND
PACIFIC VASCULAR RESEARCH INSTITUTE

COMBINED FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

VASCULAR CURES
AND
PACIFIC VASCULAR RESEARCH INSTITUTE

CONTENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Vascular Cures and Pacific Vascular Research Institute

We have audited the accompanying combined statements of financial position of Vascular Cures (a not-for-profit organization) (the "Corporation") and Pacific Vascular Research Institute (a not-for-profit organization) (the "Institute") as of June 30, 2017 and 2016 and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 the combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

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

MARCUMGROUP
MEMBER

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined financial position of Vascular Cures and Pacific Vascular Research Institute as of June 30, 2017 and 2016, and the changes in their net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Marcum LLP

San Francisco, CA
February 2, 2018

VASCULAR CURES
AND
PACIFIC VASCULAR RESEARCH INSTITUTE

COMBINED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2017 AND 2016

	2017	2016
Assets		
Current Assets		
Cash and cash equivalents	$ 127,464	$ 172,680
Restricted cash and cash equivalents	178,325	132,255
Investments	2,254,055	2,417,889
Contributions receivable	371,062	571,262
Prepaid expenses	6,821	7,067
Total Current Assets	2,937,727	3,301,153
Long-Term Assets		
Contributions receivable	74,000	352,250
Property and equipment, net of accumulated depreciation	6,944	8,894
Deposits	--	2,093
Total Long-Term Assets	80,944	363,237
Total Assets	$ 3,018,671	$ 3,664,390
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 24,381	$ 110,944
Net Assets		
Unrestricted	705,829	1,233,713
Temporarily restricted	785,961	817,233
Permanently restricted	1,502,500	1,502,500
Total Net Assets	2,994,290	3,553,446
Total Liabilities and Net Assets	$ 3,018,671	$ 3,664,390

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

VASCULAR CURES
AND
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COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2017	Total 2016
Revenues, Gains, and Other Support					
Contributions	$ 111,083	$ 43,500	$ --	154,583	$ 177,609
In-kind revenue	20,885	--	--	20,885	28,219
Event income	135,019	--	--	135,019	119,677
Total Revenues, Gains and Other Support	266,987	43,500	--	310,487	325,505
Investment Income					
Dividends	106	50,268	--	50,374	63,651
Interest income	65	--	--	65	97
Net realized and unrealized gain (loss) on investments	--	216,346	--	216,346	(64,578)
Total Investment Income (Expense)	171	266,614	--	266,785	(830)
Net Assets Released From Restrictions	326,893	(326,893)	--	--	--
Total Revenue and Support	594,051	(16,779)	--	577,272	324,675
Operating Expenses					
Program Services					
Wylie Scholar Program	153,430	--	--	153,430	152,496
Project Voice	174,932	--	--	174,932	260,439
Vascular Cures Research Network	285,476	--	--	285,476	161,716
Binkley Visiting Professor Program	12,400	--	--	12,400	7,746
Education and Community Awareness	191,192	--	--	191,192	139,214
Total Program Services	817,430	--	--	817,430	721,611
Supporting Services					
Development	167,709	--	--	167,709	161,833
General and administrative	136,796	14,493	--	151,289	120,556
Total Supporting Services	304,505	14,493	--	318,998	282,389
Total Operating Expenses	1,121,935	14,493	--	1,136,428	1,004,000
Increase (Decrease) in Net Assets	(527,884)	(31,272)	--	(559,156)	(679,325)
Net Assets - Beginning	1,233,713	817,233	1,502,500	3,553,446	4,232,771
Net Assets - Ending	$ 705,829	$ 785,961	$ 1,502,500	$ 2,994,290	$ 3,553,446

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

VASCULAR CURES
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COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2017 (WITH COMPARATIVE TOTALS FOR 2016)

	Vascular Cures Research Network	Project Voice	Wylie Scholar Program	Education and Community Awareness	Binkley Visiting Professor Program	Total Program Services	Development	General and Administrative	Total Supporting Services	Total Expenses 2017	Total Expenses 2016
Expenses											
Salaries	$ 104,993	$ 89,047	$ 2,680	$ 56,653	$ --	$ 253,373	$ 75,124	$ 40,270	$ 115,394	$ 368,767	$ 242,181
In-kind services and goods	--	--	--	8,073	--	8,073	3,812	9,000	12,812	20,885	28,219
Accounting	--	--	--	--	--	--	--	29,910	29,910	29,910	31,235
Consulting	22,576	6,968	--	42,047	--	71,591	45,750	20,471	66,221	137,812	135,514
Health insurance	9,611	8,277	185	5,237	--	23,310	5,041	1,984	7,025	30,335	43,339
Rent	2,012	2,151	64	1,281	--	5,508	1,641	2,204	3,845	9,353	34,020
Payroll taxes	7,322	6,153	131	3,937	--	17,543	3,639	3,416	7,055	24,598	14,645
Events/activities	--	--	--	38,177	10,000	48,177	22,746	--	22,746	70,923	51,840
Marketing and communication	--	--	--	32,865	--	32,865	4,897	500	5,397	38,262	13,544
IT infrastructure	581	517	12	321	--	1,431	381	240	621	2,052	3,107
Office expenses	882	2,684	15	493	--	4,074	467	(836)	(369)	3,705	2,582
Investment management fee	--	--	--	--	2,400	2,400	--	12,093	12,093	14,493	14,171
Insurance	586	505	11	320	--	1,422	308	3,810	4,118	5,540	5,320
Receivable present value discount	--	--	--	--	--	--	--	--	--	--	9,713
Postage and delivery	--	684	61	488	--	1,233	346	572	918	2,151	1,961
Telephone/internet	328	316	8	194	--	846	221	413	634	1,480	3,189
Research database	10,575	--	--	--	--	10,575	--	--	--	10,575	7,963
Research support	124,812	53,750	150,000	--	--	328,562	--	18,418	18,418	346,980	346,350
Office infrastructure	--	--	--	1,106	--	1,106	1,963	440	2,403	3,509	3,446
Depreciation	--	--	--	--	--	--	--	1,875	1,875	1,875	1,757
Travel, meals and meetings	1,198	3,042	263	--	--	4,503	1,373	2,427	3,800	8,303	4,558
Bad debt expense	--	--	--	--	--	--	--	750	750	750	-
Miscellaneous expense	--	838	--	--	--	838	--	3,332	3,332	4,170	5,346
Total Expenses	$ 285,476	$ 174,932	$ 153,430	$ 191,192	$ 12,400	$ 817,430	$ 167,709	$ 151,289	$ 318,998	$ 1,136,428	$ 1,004,000

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

VASCULAR CURES
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COMBINED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
Cash Flows Used in Operating Activities		
Change in net assets	$ (559,156)	$ (679,325)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,950	1,757
Bad debt expense	750	--
Net realized and unrealized gain on investments	(216,346)	64,578
Dividends, net of fees from investments	(35,820)	(38,120)
Changes in assets and liabilities:		
Restricted cash and cash equivalents	(46,070)	(19,171)
Contributions receivable	477,700	286,313
Prepaid expenses	246	3,019
Deposits	2,093	--
Accounts payable and accrued expenses	(86,563)	56,078
Net Cash Used In Operating Activities	(461,216)	(324,871)
Cash Flows From Investing Activities		
Proceeds from sale of investments	416,000	587,485
Purchase of investments	--	(403,426)
Purchases of property and equipment	--	(10,651)
Net Cash Provided By Investing Activities	416,000	173,408
Net Decrease in Cash and Cash Equivalents	(45,216)	(151,463)
Cash and Cash Equivalents - Beginning	172,680	324,143
Cash and Cash Equivalents - Ending	$ 127,464	$ 172,680

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

NOTE 1 - NATURE OF THE ORGANIZATIONS

Vascular Cures ("VC" or the "Corporation"), formerly the Pacific Vascular Research Foundation, is a nonprofit public benefit corporation that was incorporated in the state of California on March 29, 1982. The Corporation changed its name in April 2008 to The Foundation for Accelerated Vascular Research, on November 13, 2009 to Vascular Cures – The Foundation for Accelerated Vascular Research and again on April 1, 2010 to Vascular Cures.

VC is transforming vascular health through supporting innovative patient-centered research, catalyzing breakthrough collaborations and empowering people in their vascular health journeys. It has provided funding to 19 surgeon-scientists across North America through its Wylie Scholarship Programs, created the Vascular Cures Research Network and Collaborative Patient-Centered Research Grants, and Project Voice. VC has initiated Project Voice to advance patient engagement and the use of patient-reported outcomes research, to improve patient-physician partnerships and shared decision-making. VC receives financial support from the general public and grant giving institutions and foundations, and supports health programs and medical research in the area of vascular disease by the use of grants and contributions

In July 1999, VC formed the Pacific Vascular Research Institute (the "Institute"), a nonprofit public benefit corporation. The Institute provided funds to a vascular research laboratory, known as the Laboratory for Accelerated Vascular Research ("LAVR"), within the Parnassus facilities of the University of California, San Francisco ("UCSF"). The Institute is managed by leaders of Vascular Cures and does not receive independent funding.

The accompanying combined financial statements include the accounts of VC and the Institute. All material intercompany transactions and accounts have been eliminated.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The net assets, revenues, gains and losses, expenses, and other charges in the accompanying combined financial statements are classified based on the existence or absence of donor-imposed restrictions. Accordingly, for reporting purposes, the net assets of VC and changes therein are classified as follows:

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION (CONTINUED)

Unrestricted Net Assets
Represent net assets that are not subject to donor-imposed stipulations and are available to support VC's operations.

Temporarily Restricted Net Assets
Represent contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations. Upon satisfaction of such stipulations, the associated net assets are released from temporarily restricted net assets and recognized as unrestricted net assets. Contributions restricted for a purpose that are met within the year are considered unrestricted.

Permanently Restricted Net Assets
Represent contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the organization. Contributions are to be held as investments in perpetuity, but VC is permitted to expend the income (or the economic benefits) derived from the donated assets as directed by the original donor.

USE OF ESTIMATES

The preparation of combined 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 combined financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS

VC places their cash and money market accounts with high quality institutions. Cash and cash equivalents include highly liquid investments with original maturities of three months or less at time of purchase. The balances in these accounts may at times exceed federally insured limits or may not be federally insured. Management of VC believes these funds are not exposed to significant credit risk.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RESTRICTED CASH

VC holds a separate cash account for the tracking and recording of the Wylie Scholar Program, a temporarily restricted account. All deposits are maintained in money market accounts, which mature in three months or less.

INVESTMENTS

Investments are carried at the quoted market value of the securities and are subject to market fluctuations. VC classifies securities with maturity dates of 12 months or less as current assets and securities with maturity dates of over 12 months as long-term assets on the statement of net assets. Generally, gains and losses are reflected as increases or decreases in the unrestricted net assets unless the donor or relevant laws place temporary or permanent restrictions on the gains and losses. Currently, VC classifies, in accordance with the donor's stipulation, investment returns on restricted donations as temporarily restricted net assets until VC approves the use of these funds.

FAIR VALUE OF FINANCIAL INSTRUMENTS

Per ASC 820-10, "Fair Value Measurements and Disclosures", VC has used a three-tiered fair value hierarchy of valuation techniques, which prioritizes the inputs used in the valuation methodologies, as follows:

- Level 1 - Valuations based on quoted prices for identical assets and liabilities in active markets.
- Level 2 - Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.
- Level 3 - Valuations based on unobservable inputs reflecting the entity's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The following table represents VC's fair value hierarchy for its financial assets measured at fair value on a recurring basis as of June 30, 2017. There were no changes in classification between June 30, 2017 and June 30, 2016:

	June 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity mutual Funds	$ 1,050,563	$ 1,050,563	$ --	$ --
Bond mutual funds	552,922	552,922	--	--
Money market mutual funds	247,807	247,807	--	--
Exchange traded funds	402,763	402,763	--	--
Total	$ 2,254,055	$ 2,254,055	$ --	$ --

In accordance with ASC 820-10, the following table represents VC's fair value hierarchy for its financial assets measured at fair value on a recurring basis as of June 30, 2016:

	June 30, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity mutual Funds	$ 513,915	$ 513,915	$ --	$ --
Bond mutual funds	516,304	516,304	--	--
Money market mutual funds	987,089	987,089	--	--
Exchange traded funds	400,581	400,581	--	--
Total	$ 2,417,889	$ 2,417,889	$ --	$ --

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONTRIBUTIONS RECEIVABLE

Contributions receivable are unconditional promises to give and are recognized as contribution revenue when the promise is received. Contributions receivable are recorded at net realizable value if expected to be collected within one year and at fair value if expected to be collected beyond one year. VC uses the present value of future cash flows, which is an income valuation technique, for measuring the fair value of unconditional contributions receivable. In determining this fair value, VC may consider when the promise is expected to be collected, the credit worthiness of the donor, the past collections experience, collection enforcement policies, and uncertainties inherent in estimating future cash flows (i.e. variation in timing and amounts).

Bad debts are provided on the allowance method based on aging of the receivable and management's evaluation of outstanding receivables and past due balances. There were no allowances for uncollectible amounts as of June 30, 2017 and 2016, as all amounts were considered fully collectable.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets, which range from five to seven years for furniture and three years for software. VC capitalizes assets over $1,000.

REVENUE RECOGNITION

A contribution is recognized when actually received by VC or the Institute. Promises to give are recognized when any condition upon which they depend are substantially met. Cash from conditional gifts that is received prior to the condition being met is classified as deferred revenue. Contributions that are receivable over a period longer than a year have a present value discount deducted from them at the time the contribution is recognized. That discount is amortized over the period of payment.

Contributions received are recorded either as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. 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 combined statement of activities as net assets released from restrictions.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONTRIBUTIONS AND VOLUNTEER HOURS

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

The Board of VC and other individuals have made significant contributions of their time and materials to support the programs of VC. However, the value of this contributed time is not reflected in these combined financial statements as revenue and operating expense, since it is not susceptible to objective measurement or valuation, under ASC 958-605-25 "Not-for-Profit Entities Revenue Recognition".

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing VC's various programs and other activities have been summarized on a functional basis in the combined statements of functional expenses.

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function (i.e. salaries, wages, payroll taxes, benefits, rent, etc.) are charged to programs and supporting services on the basis of periodic time and expense analyses. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of VC.

INCOME TAXES

VC and the Institute are nonprofit organizations as described in Section 501(3)(c) of the Internal Revenue Code and Section 23701(d) of the California Tax Code and have obtained determination letters from the Internal Revenue Service and the California Franchise Tax Board to that effect. Accordingly, the primary operations of VC and the Institute are currently considered exempt from federal income and state franchise taxes.

VC applies ASC 740 regarding the accounting for uncertainty in income taxes. Under ASC 740, VC utilizes a two-step approach to recognizing and measuring uncertain tax positions (tax contingencies). The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

position will be sustained on audit, including resolution of related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon ultimate settlement. For the years ended June 30, 2017 and 2016, there were no additional liabilities recorded for unrecognized tax benefits related to tax positions taken in the current year. VC considers many factors when evaluating and estimating its tax positions and tax benefits, which may require periodic adjustments and which may not accurately forecast actual outcomes.

In accordance with ASC 740, VC has elected to include interest and penalties related to its tax contingencies in income tax expense. There were no accruals for interest and penalties related to uncertain tax positions at the inception date or for the years ended June 30, 2017 and 2016.

VC files a Federal and State annual information returns. VC has determined that its major tax jurisdictions are the United States and California. The tax years 2012 through 2015 for California and 2012 through 2015 for Federal remain open and subject to examination by the appropriate governmental agencies.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment at June 30 is summarized as follows:

	2017	2016
Office furniture and equipment	$ 25,925	$ 26,000
Software	12,764	12,764
	38,689	38,764
Less: accumulated depreciation	(31,745)	(29,870)
Total	$ 6,944	$ 8,894

Depreciation expense for the years ended June 30, 2017 and 2016 was $1,875 and $1,757 respectively.

NOTE 4 - IN-KIND REVENUE

VC received donated services and goods totaling $20,885 and $28,219 during the years ended June 30, 2017 and 2016, respectively, which are recorded as in-kind revenue in the combined statements of activities and changes in net assets and as in-kind services and goods in the combined statements of functional expenses. During the current year there were no significant in-kind legal services provided by the pro-bono legal counsel. These donated services and goods consisted of the following for the years ended June 30:

	2017	2016
Goods	$ 11,885	$ 19,219
Services	9,000	9,000
Total	$ 20,885	$ 28,219

NOTE 5 - RETIREMENT PLAN

VC maintains a 403(b) retirement plan for its full time employees. VC does not make any matching contributions to the participating employee's salary deferrals.

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS AND ENDOWMENTS

VC's Binkley, Madden and Stiegele Endowments include only donor-restricted funds for donor stipulated purposes. The Madden Endowment includes funds from other donors who have similar restrictions to the Madden Endowment. As discussed in Note 2 - Basis of Presentation, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS AND ENDOWMENTS (CONTINUED)

TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are subject to donor imposed stipulations that will be met either by actions of VC and/or the passage of time – temporarily restricted net assets are allocated as follows as of June 30:

	2017	2016
Binkley Endowment (Visiting Professor Program)	$ 476,667	$ 444,276
Madden Endowment	168,240	124,259
Wylie Scholar Program	45,771	152,271
Margaret N. Stiegele Endowment	90,283	91,427
Event	5,000	5,000
Total	$ 785,961	$ 817,233

Net assets were released from donor restrictions during the years ended June 30, 2016 and 2015 by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by the donors as follows:

	2017	2016
Wylie Scholar Program	$ 150,000	$ 150,000
Madden Endowment	31,000	--
Margaret N. Stiegele Endowment	135,000	--
Binkley Endowment (Visiting Professor Program)	10,893	--
Total	$ 326,893	$ 150,000

Included in permanently restricted net assets are net assets subject to donor-imposed stipulations that they be maintained permanently by VC. Generally, the donors of these assets permit VC to use all or part of the income earned on related investments for general or specific purposes. Permanently restricted net assets are allocated as follows as of June 30:

	2016	2015
Madden Endowment	$ 502,500	$ 502,500
Margaret N. Stiegele Endowment	1,000,000	1,000,000
Total	$ 1,502,500	$ 1,502,500

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS AND ENDOWMENTS (CONTINUED)

FUNDS

In accordance with ASC 958-205, the following table represents the Corporation's Endowment Net Asset Composition:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
June 30, 2017				
Donor-restricted endowment funds	$ --	$ 785,961	$ 1,502,500	$ 2,288,461
June 30, 2016				
Donor-restricted endowment funds	$ --	$ 817,233	$ 1,502,500	$ 2,319,733

Changes in restricted net assets during the year ended June 30, 2017:

	Temporarily Restricted	Permanently Restricted	Total
Restricted Net Assets - Beginning	$ 817,233	$ 1,502,500	$ 2,319,733
Donations	43,500	--	43,500
Investment income, net	35,775	--	35,775
Investment net decrease	216,346	--	216,346
Expenditures	(326,893)	--	(326,893)
Restricted Net Assets - Ending	$ 785,961	$ 1,502,500	$ 2,288,461

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS AND ENDOWMENTS (CONTINUED)

Changes in restricted net assets during the fiscal year ended June 30, 2016:

	Temporarily Restricted	Permanently Restricted	Total
Restricted Net Assets - Beginning	$ 918,927	$ 1,502,500	$ 2,421,427
Donations	63,000	--	63,000
Investment income, net	49,350	--	49,350
Investment net decrease	(64,044)	--	(64,044)
Expenditures	(150,000)	--	(150,000)
Restricted Net Assets - Ending	$ 817,233	$ 1,502,500	$ 2,319,733

VC is subject to UPMIFA, as enacted by California in 2008 as SB 1329, which requires the preservation of the fair value of the original gift as of the gift date of the donor-restricted Madden and Margaret N. Stiegele Endowments absent explicit donor stipulations to the contrary. VC therefore classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent Madden and Margaret N. Stiegele Endowments and (b) the original value of subsequent gifts to the permanent Madden and Margaret N. Stiegele Endowments. The remaining portion of the donor-restricted Madden and Margaret N. Stiegele Endowments not classified in permanently restricted net assets are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, VC considers the following factors in marking a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the organization.
7. The investment policies of the organization

NOTE 6 - TEMPORARILY RESTRICTED NET ASSETS AND ENDOWMENTS (CONTINUED)

INVESTMENT RETURN OBJECTIVES AND RISK PARAMETERS

VC has adopted an investment policy with the objective of capital preservation and long-term growth. Under this policy, the Madden, Binkley and Margaret N. Stiegele endowment assets are currently allocated 70% in stocks, 25% in fixed income securities and 5% in cash.

STRATEGIES EMPLOYED FOR ACHIEVING OBJECTIVES

VC's investment strategy involves under and over weighting various asset classes based on an assessment of the risk and return potential specific to each asset class at any point in time.

SPENDING POLICY AND HOW THE INVESTMENT OBJECTIVES RELATE TO SPENDING POLICY

VC has a policy such that a distribution each year of up to 5% of the average closing market value of the Madden Endowment investments may be considered for general operational use. The Stiegele Endowment allows for spending earnings above the $1 million principal contribution.

The distributions for the Madden Endowment may be used for research or general operating expenses. The distributions for the Margaret N. Stiegele Endowment may be used for research purposes. This percentage may be adjusted up or down in the future in order to maintain a fiscally prudent program for distribution consistent with VC's objective to grow and conserve principal in the Madden Endowment with interest and dividend income to be used to help meet the operating expenses. The approval of such distribution is at the discretion of the board.

NOTE 7 - COMMITMENTS

VC entered into an operating lease on August 13, 2010 for its office facility under a non-cancellable operating lease expiring on August 31, 2013. The lease was renewed in August 2013, and expired on August 31, 2016. VC did not renew the lease, and is currently working on a remote basis.

Rental expense was $8,505 and $34,020 during the years ended June 30, 2017 and 2016, respectively.

NOTE 8 - SUBSEQUENT EVENTS

VC has evaluated all events and transactions that occurred after June 30, 2017, and through February 2, 2018 the date the combined financial statements were available to be issued. During this period, no events or transactions occurred that would require adjustment to, or disclosure in the combined financial statements.