



CALIFORNIA EMERGING TECHNOLOGY FUND

(A California Not-for-Profit Public Benefit Corporation)

FINANCIAL STATEMENTS

JUNE 30, 2018 AND JUNE 30, 2017



CALIFORNIA EMERGING TECHNOLOGY FUND

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Independent Auditors' Report

The Board of Directors
California Emerging Technology Fund

We have audited the accompanying financial statements of California Emerging Technology Fund (a California not-for-profit public benefit corporation) which comprise the statement of financial position as of June 30, 2018 and June 30, 2017, and the related statements of activities, functional expenses and cash flows for the years 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.

Auditors' 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 California Emerging Technology Fund as of June 30, 2018 and June 30, 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Rina Accountancy Corporation

Certified Public Accountants
San Francisco, California
November 22, 2018

CALIFORNIA EMERGING TECHNOLOGY FUND

STATEMENTS OF FINANCIAL POSITION

<u>ASSETS</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
CURRENT:		
Cash and cash equivalents	\$ 9,334,869	\$ 8,683,926
Grants receivable, current	6,520,000	6,520,000
Prepaid expenses	27,308	39,050
TOTAL CURRENT ASSETS	<u>15,882,177</u>	<u>15,242,976</u>
GRANTS RECEIVABLE, net of current	13,000,000	19,500,000
PROPERTY AND EQUIPMENT, net	3,081	4,856
	<u>\$ 28,885,258</u>	<u>\$ 34,747,832</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
CURRENT:		
Accounts payable and accrued expenses	\$ 94,194	\$ 63,854
Cash held for Frontier grants	303,339	695,024
Grants payable - short term	552,340	-
TOTAL CURRENT LIABILITIES	<u>949,873</u>	<u>758,878</u>
Grants payable - long term	289,800	-
TOTAL LIABILITIES	<u>1,239,673</u>	<u>758,878</u>
NET ASSETS:		
Unrestricted	801,727	2,268,607
Temporarily restricted	26,843,858	31,720,347
Permanently restricted	-	-
TOTAL NET ASSETS	<u>27,645,585</u>	<u>33,988,954</u>
	<u>\$ 28,885,258</u>	<u>\$ 34,747,832</u>

See notes to financial statements.

CALIFORNIA EMERGING TECHNOLOGY FUND

STATEMENT OF ACTIVITIES

	For the Year Ended June 30, 2018			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
SUPPORT AND REVENUE:				
Non federal grants	\$ -	\$ 50,000	\$ -	\$ 50,000
Interest income, net	1,166	5,073	-	6,239
Other miscellaneous income	528	-	-	528
Reimbursed expenses	-	-	-	-
Loss on disposal of assets	(357)	-	-	(357)
Net assets released from restrictions	4,931,562	(4,931,562)	-	-
TOTAL SUPPORT AND REVENUE	4,932,899	(4,876,489)	-	56,410
EXPENSES:				
Program services	5,949,654	-	-	5,949,654
Management and general	450,125	-	-	450,125
TOTAL EXPENSES	6,399,779	-	-	6,399,779
DECREASE IN NET ASSETS	(1,466,880)	(4,876,489)	-	(6,343,369)
NET ASSETS, beginning of year	2,268,607	31,720,347	-	33,988,954
NET ASSETS, end of year	\$ 801,727	\$ 26,843,858	\$ -	\$ 27,645,585

See notes to financial statements.

CALIFORNIA EMERGING TECHNOLOGY FUND

STATEMENT OF ACTIVITIES

	For the Year Ended June 30, 2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
SUPPORT AND REVENUE:				
Non federal grants	\$ -	\$ 32,640,000	\$ -	\$ 32,640,000
Interest income, net	30,880	-	-	30,880
Other miscellaneous income	8,632	-	-	8,632
Reimbursed expenses	-	-	-	-
Net assets released from restrictions	2,990,849	(2,990,849)	-	-
TOTAL SUPPORT AND REVENUE	3,030,361	29,649,151	-	32,679,512
EXPENSES:				
Program services	5,010,548	-	-	5,010,548
Management and general	456,615	-	-	456,615
TOTAL EXPENSES	5,467,163	-	-	5,467,163
DECREASE IN NET ASSETS	(2,436,802)	29,649,151	-	27,212,349
NET ASSETS, beginning of year	4,705,409	2,071,196	-	6,776,605
NET ASSETS, end of year	\$ 2,268,607	\$ 31,720,347	\$ -	\$ 33,988,954

See notes to financial statements.

CALIFORNIA EMERGING TECHNOLOGY FUND

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2018

	Program Services	Management and General	Total
Personnel costs:			
Salaries, other compensation and expense reimbursement	\$ 1,061,387	\$ 187,304	\$ 1,248,691
Employee benefits	101,655	17,939	119,594
Employee retirement	94,716	16,714	111,430
Payroll taxes	57,119	10,080	67,199
Vacation liability expense	25,788	4,551	30,339
	1,340,665	236,588	1,577,253
Other expenses:			
School2Home	1,386,939	-	1,386,939
Consultants and outside services	265,428	-	265,428
Programs - Charter Territory	936,594	-	936,594
Broadband adoption	216,329	-	216,329
Grant awards	1,440,040	-	1,440,040
Media relations and communications	150,653	-	150,653
Professional services	-	133,742	133,742
Occupancy	67,044	11,831	78,875
Board leadership and meetings	-	53,432	53,432
Information technology	43,369	-	43,369
Telephone	20,375	3,595	23,970
Regional roundtables and outreach	20,242	-	20,242
Insurance	16,927	2,987	19,914
Equipment lease and maintenance	7,468	1,318	8,786
Printing and reproduction	14,567	2,571	17,138
Postage and delivery services	11,685	2,062	13,747
Depreciation	1,206	213	1,419
Miscellaneous	10,123	1,786	11,909
	\$ 5,949,654	\$ 450,125	\$ 6,399,779

See notes to financial statements.

CALIFORNIA EMERGING TECHNOLOGY FUND

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2017

	Program Services	Management and General	Total
Personnel costs:			
Salaries, other compensation and expense reimbursement	\$ 1,169,842	\$ 206,443	\$ 1,376,285
Employee benefits	89,553	15,803	105,356
Employee retirement	106,097	18,723	124,820
Payroll taxes	70,128	12,375	82,503
Vacation liability expense	(4,708)	(831)	(5,539)
	1,430,912	252,513	1,683,425
Other Expenses:			
School2Home	1,782,645	-	1,782,645
Consultants and outside services	813,855	-	813,855
Grant awards	572,500	-	572,500
Media relations and communications	492,877	-	492,877
Professional services	-	135,224	135,224
Occupancy	67,023	11,827	78,850
Board leadership and meetings	-	44,036	44,036
Information technology	36,737	-	36,737
Telephone	25,820	4,557	30,377
Regional roundtables and outreach	17,256	-	17,256
Insurance	16,249	2,868	19,117
Equipment lease and maintenance	9,027	1,593	10,620
Printing and reproduction	5,469	965	6,434
Postage and delivery services	2,969	524	3,493
Depreciation	2,899	512	3,411
Grant rescinded	(277,000)	-	(277,000)
Miscellaneous	11,310	1,996	13,306
	\$ 5,010,548	\$ 456,615	\$ 5,467,163
Total expenses	\$ 5,010,548	\$ 456,615	\$ 5,467,163

See notes to financial statements.

CALIFORNIA EMERGING TECHNOLOGY FUND

STATEMENTS OF CASH FLOWS

	Year Ended June 30, 2018	Year Ended June 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ (6,343,369)	\$27,212,349
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	\$ 1,419	\$ 3,411
Realized and unrealized loss on sale of investments	-	76,194
Loss on disposal of property and equipment	357	-
Changes in operating assets and liabilities:		
Prepaid expenses	11,741	151
Grants receivable	6,500,000	(26,020,000)
Accounts payable and accrued expenses	30,340	(5,563)
Cash held for Frontier grants	(391,685)	695,024
Grants payable	842,140	(1,431,651)
	6,994,312	(26,682,434)
NET CASH PROVIDED BY OPERATING ACTIVITIES	650,943	529,915
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	-	(1,406)
Proceeds from sale of marketable securities	-	11,186,227
Purchases of marketable securities	-	(6,575,950)
	-	4,608,871
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	4,608,871
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	650,943	5,138,786
CASH AND CASH EQUIVALENTS, beginning of year	8,683,926	3,545,140
CASH AND CASH EQUIVALENTS, end of year	\$ 9,334,869	\$ 8,683,926

See notes to financial statements.

CALIFORNIA EMERGING TECHNOLOGY FUND

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2018 AND JUNE 30, 2017

Note 1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of business:

The California Emerging Technology Fund (CETF) was established and funded through the SBC/AT&T and Verizon/MCI merger agreements approved by the California Public Utilities Commission (CPUC) in November 2005 to help bridge the Digital Divide. It became a qualified public benefit entity in May 2006.

As a condition of approval of the mergers, CPUC required the surviving companies, AT&T and Verizon, to collectively provide a total of \$60 million over a 5-year period to CETF in shareholder contributions “for the purpose of achieving ubiquitous access to broadband and advanced services in California, particularly in underserved communities, through the use of emerging technologies by 2010”. AT&T and Verizon are required to contribute \$9 million and \$3 million each per year, respectively. Funds dedicated to CETF were used to attract matching funds in like amounts from other organizations. As a result, CETF total audited expenditures to date through June 30, 2017 exceed \$79 million. Additional match funds from grantees were documented and verified by CETF and external audits although their match dollars did not flow through CETF.

The stated mission of CETF is to provide leadership statewide to minimize the Digital Divide by accelerating the deployment and adoption of broadband and other advanced communication services to un-served and underserved communities. These tasks and initiatives will be accomplished by making investments in programs and projects to improve access, applications, affordability, accessibility and assistance to broadband - the “5As” of the Digital Divide - while utilizing its core paradigm of Communicate, Connect and Compete.

The initial priority consumer communities for project focus are:

- Rural communities that lack the broadband infrastructure.
- Urban poor and disadvantaged communities that lack the computers and affordable connections to the Internet with relevant applications.
- Disabled populations that lack technology accessibility.

The CETF Board of Directors set overall goals to be accomplished in a decade (by June 2017) of 98% deployment (98% of all households having access to high-speed Internet infrastructure) and 80% adoption (80% of all households using the Internet from their homes with high-speed service). Thus, CETF spent all \$60 million of the original Seed Capital by June 2017.

During the year ended June 30, 2017, CETF entered into Memoranda of Understanding with both Frontier Communications, Inc. and Charter Communications, Inc. to implement public benefits as a result of corporate consolidations. CETF will be managing charitable funds from Frontier to achieve new broadband adoptions by low-income households in their service areas. And, CETF will receive \$32.5 million from Charter through 2021 to continue organizational operations and support School2Home and other digital inclusion programs in their service areas.

CALIFORNIA EMERGING TECHNOLOGY FUND

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2018 AND JUNE 30, 2017

Note 1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Financial statement presentation:

Professional accounting standards require CETF to report 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. A description of the three net asset categories follows:

Unrestricted net assets:

The portion of net assets that is neither temporarily restricted nor permanently restricted by donor imposed stipulations.

Temporarily restricted net assets:

The portion of net assets whose use by CETF is limited by donor imposed stipulations that either will be fulfilled or expire by passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets:

The portion of net assets whose use by CETF is limited by donor imposed stipulations that the net assets are held in perpetuity and its income be used for the stipulated purposes. Generally, the donors of these assets permit CETF to use all or part of the income earned on any related investments for general or specific purposes. There were no permanently restricted net assets at June 30, 2018 and 2017.

Basis of presentation:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method, revenues are recorded when rights to receive them are earned, or when services have been provided, and expenditures are recorded when an obligation to pay is incurred.

Revenue recognition:

Contribution income is recognized when there is an unconditional promise to give. Revenues are reported as increases in unrestricted net assets unless their use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Appreciation or depreciation in market value of investments and gains and losses on other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expiration of temporary restrictions on net assets is reported as net assets released from restrictions. Grant income is recognized when the service is provided and conditions are satisfied.

Cash and cash equivalents:

CETF considers all unrestricted highly liquid investments with original maturities of three months or less to be cash equivalents.

CALIFORNIA EMERGING TECHNOLOGY FUND

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2018 AND JUNE 30, 2017

Note 1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Contributions and unconditional promises to give:

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation. Contributions to be received after one year are presented at their discounted value.

A substantial number of unpaid volunteers and board of director members have made significant contributions of their time and other resources to support CETF's activities. The value of these services is not reflected in these statements since it is not susceptible to objective measurement or valuation.

Property and equipment:

Property and equipment are recorded at cost and depreciated on a straight-line basis over their estimated useful life. Major additions are capitalized, and repair and maintenance that do not improve or extend the life of the assets are expensed.

Grant commitments and payments:

CETF made grant commitments of approximately \$1.4 million. Total grant payments were approximately \$600 thousand and \$2.2 Million, with the remaining commitments of \$850 thousand and \$0 accrued as a liability as of June 30, 2018 and 2017, respectively

Functional allocation of expenses:

Costs of providing programs and other activities are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated to the programs and supporting services by a method which best measured the relative degree of benefit. Accordingly, certain costs have been allocated between the program and supporting services in reasonable ratios determined by management.

Contingent liabilities:

Conditions contained within various contracts and grants awarded to CETF are subject to the funding organizations' criteria and regulations, as well as CPUC enabling order, under which expenditures may be charged against and may be subject to audits under such regulations and criteria. Occasionally, such audits may determine that certain costs incurred against the contracts or grant awards may not comply with the established criteria that govern them. In such cases, CETF could be held responsible for payments to the funding organizations and/or oversight public agencies for the costs or be subject to the reductions of future funding in the amount of the costs. Management does not anticipate any material questioned costs for the contracts administered and/or grants received and/or awarded during the audit period.

CALIFORNIA EMERGING TECHNOLOGY FUND

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2018 AND JUNE 30, 2017

Note 1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Income tax status:

CETF is a not-for-profit organization, exempt from income tax under Section 501(c)(3) and the applicable code section of the State of California Revenue and Taxation Code. In addition, CETF qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2) of the U.S. Internal Revenue Code.

Subsequent Events:

Management has evaluated subsequent events through November 22, 2018, the date which the financial statements were available for issue. No significant events were identified that require additional disclosure.

Note 2. NATURE 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 certain reported amounts of assets and disclosures. Accordingly, actual results could differ from those estimates.

Note 3. CONCENTRATIONS OF CREDIT RISK:

Financial instruments that potentially subject CETF to concentrations of credit risk consist principally of cash and cash equivalents. Cash and cash equivalents were held in financial institutions in the United States of America. Cash and cash equivalents in interest bearing accounts were held in financial institutions in amounts exceeding the guaranteed amounts of the FDIC. CETF is exposed to credit loss for amounts in excess of insured limits in the event of non-performance by the institutions. However, management does not anticipate non-performance by these institutions and has not experienced any losses on deposits of cash and cash equivalents.

Note 4. GRANTS RECEIVABLE:

During the year ended June 30, 2017 CETF received a five-year grant from Charter Communications pursuant to a Memorandum of Understanding (MOU) as part of their public benefit obligations in conjunction with their acquisition of Time Warner Cable in California which were approved and imposed by the California Public Utilities Commission. The MOU provides for \$6.5 million per year for five years, of which \$13 million has been received. Future grant receivable payments are as follows:

Year Ending June 30,	
2019	\$ 6,500,000
2020	6,500,000
2021	<u>6,500,000</u>
	<u>\$ 19,500,000</u>

CALIFORNIA EMERGING TECHNOLOGY FUND

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2018 AND JUNE 30, 2017

Note 5. PROPERTY AND EQUIPMENT:

Property and equipment and accumulated depreciation consist of the following:

	June 30,	
	2018	2017
Furniture and fixtures	\$ 32,347	\$ 32,347
Computers	68,799	70,204
Totals	101,146	102,551
Less accumulated depreciation	(98,065)	(97,695)
	\$ 3,081	\$ 4,856

Total depreciation expense for the years ended June 30, 2018 and 2017 was \$1,419 and \$3,411, respectively.

Note 6. GRANTS PAYABLE:

CETF's future grants payable are expected to be paid as follows:

Year Ending June 30,		
2019	\$	552,340
2020		289,800
	\$	842,140

Note 7. CASH HELD FOR FRONTIER GRANTS:

CETF and Frontier Communications entered in a Memorandum of Understanding (MOU) to work to ensure tangible public benefits are derived from the Frontier acquisition of the Verizon wireline network in California. The MOU provides that CETF and Frontier will outreach to community-based organizations (CBOs) to achieve 50,000 broadband adoptions by low-income households. The MOU requires Frontier to provide \$3 million and 50,000 Internet-enabled devices to be available for grants to CBOs to be administered by CETF. CETF has encumbered through grant agreements with CBOs all \$3 million and 50,000 devices. The grant agreements are subject to funding and devices being made available by Frontier.

Frontier has transferred \$0 and \$1 million to CETF during the years ended June 30, 2018 and 2017, respectively. Grants totaling \$385,250 and \$312,900 were paid, leaving cash held for future grants of \$303,339 and \$695,024, for the years ended June 30, 2018 and 2017, respectively. CETF has future commitments to conditional grants totaling \$2,308,930 at June 30, 2018 which are subject to MOU compliance by Frontier. Frontier also owes \$25,000 to CETF to support grantee learning community workshops. CETF has filed a petition with the California Public Utilities Commission (CPUC) seeking assistance in securing Frontier's compliance with the public benefits obligations in the MOU. The CPUC has accepted the petition and the matter will be addressed through a regulatory proceeding.

CALIFORNIA EMERGING TECHNOLOGY FUND

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2018 AND JUNE 30, 2017

Note 8. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets consisted of the following at June 30, 2018 and 2017:

	Beginning June 30, 2017	Contributions and Income	Released from Restrictions	Ending Balance June 30, 2018
Charter territory	\$ 31,700,461	\$ 5,073	\$ 4,861,676	\$ 26,843,858
Other broadband adoption	19,886	-	19,886	-
Oscar Romero School	-	50,000	50,000	-
Totals	\$ 31,720,347	\$ 55,073	\$ 4,931,562	\$ 26,843,858

Temporarily restricted net assets consisted of the following at December 31, 2017 and 2016:

	Beginning June 30, 2016	Contributions and Income	Released from Restrictions	Ending Balance June 30, 2017
Charter territory	\$ -	\$ 32,500,000	\$ 799,539	\$ 31,700,461
Other broadband adoption	2,071,196	-	2,051,310	19,886
Totals	\$ 2,071,196	\$ 32,500,000	\$ 2,850,849	\$ 31,720,347

Note 9. RETIREMENT PLAN:

CETF has established a 401(k) retirement plan to provide eligible employees with retirement benefits. Eligible employees include all employees, except for leased and hourly paid employees. The CETF contributes 10% of active participants' compensation to the plan. For the years ended June 30, 2018 and 2017, contributions to the plan amounted to \$111,430 and \$124,820, respectively. It is the organization's policy to offset contributions with amounts forfeited. During the year ended June 30, 2018 and 2017, there were forfeitures of \$0.

CALIFORNIA EMERGING TECHNOLOGY FUND

NOTES TO FINANCIAL STATEMENTS – JUNE 30, 2018 AND JUNE 30, 2017

Note 10. LEASE COMMITMENTS:

CETF is a party to a three-year non-cancelable operating sub-lease ending in year 2021 for facility located in a commercial building in Oakland, CA. The monthly rent ranges from \$4,300 to \$4,850.

Effective December 1, 2014, CETF entered into a two year lease at the office in Southern California. CETF is required to pay shared costs associated with the operation of the facility and other occupancy related common costs based on a prorated allocation formula. CETF also leases certain equipment under monthly operating leases.

CETF's future minimum rental commitments and operating lease shared costs under all such non-cancellable operating leases are as follows:

Years Ending June 30,	<u>Real Property</u>	<u>Equipment</u>	<u>Total</u>
2019	\$ 52,510	\$ 8,628	\$ 61,138
2020	54,070	8,628	62,698
2021	22,800	8,628	31,428
2022	-	6,891	6,891
2023	-	1,680	1,680
Total	<u>\$ 129,380</u>	<u>\$ 34,455</u>	<u>\$ 163,835</u>

Total operating lease and facilities related expenses for the years ended June 30, 2018 and 2017 were \$78,875 and \$81,531, respectively.

SUPPLEMENTAL INFORMATION

CALIFORNIA EMERGING TECHNOLOGY FUND

STATEMENT OF FINANCIAL POSITION BY REVENUE SOURCE

<u>ASSETS</u>	June 30, 2018				
	Seed Capital Earnings	Charter Grant	Consolidated	Frontier	Total
CURRENT:					
Cash and cash equivalents	\$ 3,387,672	\$ 5,643,858	\$ 9,031,530	\$ 303,339	\$ 9,334,869
Investments	-	-	-	-	-
Advances from charter	(1,700,000)	1,700,000	-	-	-
Grants receivable, current	20,000	6,500,000	6,520,000	-	6,520,000
Prepaid expenses	27,308	-	27,308	-	27,308
TOTAL CURRENT ASSETS	1,734,980	13,843,858	15,578,838	303,339	15,882,177
GRANTS RECEIVABLE	-	13,000,000	13,000,000	-	13,000,000
PROPERTY AND EQUIPMENT	3,081	-	3,081	-	3,081
	\$ 1,738,061	\$ 26,843,858	\$ 28,581,919	\$ 303,339	\$ 28,885,258
 <u>LIABILITIES AND NET ASSETS</u>					
CURRENT:					
Accrued expenses	\$ 94,194	\$ -	\$ 94,194	\$ -	\$ 94,194
Grants payable - short term	552,340	-	552,340	2,308,930	2,861,270
TOTAL CURRENT LIABILITIES	646,534	-	646,534	2,308,930	2,955,464
Grants payable - long term	289,800	-	289,800	-	289,800
TOTAL LIABILITIES	936,334	0	936,334	2,308,930	3,245,264
NET ASSETS:					
Unrestricted	801,727	-	801,727	(2,005,591)	(1,203,864)
Temporarily restricted	-	26,843,858	26,843,858	-	26,843,858
Permanently restricted	-	-	-	-	-
TOTAL NET ASSETS	801,727	26,843,858	27,645,585	(2,005,591)	25,639,994
	\$ 1,738,061	\$ 26,843,858	\$ 28,581,919	\$ 303,339	\$ 28,885,258

See notes to financial statements.