



**Crafton Hills College Foundation**

**Financial Statements  
With Independent Auditor's Report**

**June 30, 2024**




CRAFTON HILLS COLLEGE FOUNDATION


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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Crafton Hills College Foundation  
Yucaipa, California

### Opinion

We have audited the accompanying financial statements of Crafton Hills College Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Crafton Hills College Foundation as of June 30, 2024, 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.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Crafton Hills College Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Crafton Hills College Foundation's ability to continue as a going concern for one year after the date that the financial statements available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Crafton Hills College Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Crafton Hills College Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Eadie and Payne, LLP*

Riverside, California  
October 21, 2024

**CRAFTON HILLS COLLEGE FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
For the year ended June 30, 2024

**Assets**

Current Assets

Cash and cash equivalents	\$ 145,876
Short-term investments	2,249,595
Pledges receivable, net	<u>53,422</u>
Total Current Assets	<u>2,448,893</u>

Noncurrent Assets

Restricted cash	514,746
Long-term investments	4,526,795
Title V Endowment - restricted	64,638
Charitable gift annuities	27,129
Community Foundation	154,659
California Community Colleges Scholarship Endowment Fund	<u>42,078</u>
Total Noncurrent Assets	<u>5,330,045</u>

**Total Assets**

\$ 7,778,938

**Liabilities and Net Assets**

Current Liabilities

Accounts payable	\$ 4,823
Total Current Liabilities	<u>4,823</u>

**Net Assets**

Without donor restrictions	1,778,410
With donor restrictions	<u>5,995,705</u>
Total Net Assets	<u>7,774,115</u>

**Total Liabilities and Net Assets**

\$ 7,778,938

The accompanying notes are an integral part of the financial statements.

# CRAFTON HILLS COLLEGE FOUNDATION

## STATEMENT OF ACTIVITIES

For the year ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and Other Support</b>			
Contributions	\$ 148,616	\$ 1,306,100	\$ 1,454,716
Fundraising	141,207	778	141,985
Donated services revenue	371,425	-	371,425
Interest and dividends	41,203	102,610	143,813
Investment income	126,814	405,657	532,471
Other income	152	-	152
Net assets released from restrictions	497,265	(497,265)	-
<b>Total Revenues and Support</b>	<u>1,326,682</u>	<u>1,317,880</u>	<u>2,644,562</u>
<b>Expenses</b>			
Program Services			
Scholarships	273,236	-	273,236
Academic support and other	265,106	-	265,106
<b>Total Program Expenses</b>	<u>538,342</u>	<u>-</u>	<u>538,342</u>
Supporting Services			
General and administrative	334,534	-	334,534
Fundraising	130,586	-	130,586
<b>Total Supporting Services</b>	<u>465,120</u>	<u>-</u>	<u>465,120</u>
<b>Total Program and Supporting Services</b>	<u>1,003,462</u>	<u>-</u>	<u>1,003,462</u>
<b>Change in Net Assets</b>	323,220	1,317,880	1,641,100
<b>Net Assets, Beginning of Year</b>	1,477,786	4,655,229	6,133,015
<b>Reclassification of Beginning Net Assets</b>	<u>(22,596)</u>	<u>22,596</u>	<u>-</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,778,410</u>	<u>\$ 5,995,705</u>	<u>\$ 7,774,115</u>

The accompanying notes are an integral part of the financial statements.

**CRAFTON HILLS COLLEGE FOUNDATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended June 30, 2024

	Programs			Support Services		
	Scholarships	Academic Support and Other	Total	General and Administrative	Fundraising	Total
Scholarship awards	\$ 253,718	\$ -	\$ 253,718	\$ -	\$ -	\$ 253,718
Direct student support	-	39,817	39,817	-	-	39,817
Materials and supplies	-	5,273	5,273	1,218	-	6,491
Marketing and promotion	-	693	693	1,466	-	2,159
Donated services	19,518	35,943	55,461	244,191	66,950	366,602
Professional fees	-	-	-	20,431	39,024	59,455
Taxes and licensing	-	-	-	623	-	623
Investment fees	-	-	-	61,481	-	61,481
Equipment and computers	-	-	-	4,816	-	4,816
Engagement	-	54,956	54,956	-	-	54,956
Split interest agreement	-	899	899	-	-	899
Travel and conferences	-	-	-	130	-	130
Specialized training	-	127,443	127,443	-	-	127,443
Cultivation expenses	-	-	-	-	24,612	24,612
Direct employee support	-	82	82	-	-	82
Other	-	-	-	178	-	178
<b>Total Program Costs</b>	<b>\$ 273,236</b>	<b>\$ 265,106</b>	<b>\$ 538,342</b>	<b>\$ 334,534</b>	<b>\$ 130,586</b>	<b>\$ 1,003,462</b>

The accompanying notes are an integral part of the financial statements.

# CRAFTON HILLS COLLEGE FOUNDATION

## STATEMENT OF CASH FLOWS

For the year ended June 30, 2024

### Cash Flows From Operating Activities

Change in net assets	\$ 1,641,100
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Permanently restricted contributions	(1,306,878)
Gain on investments	(532,472)
Increase in charitable gift annuities	898
Changes in operating assets and liabilities:	
Pledges receivable, net	10,007
Title V endowment	(3,185)
Community Foundation	(15,570)
California Colleges Scholarship Endowment Fund	(2,569)
Accounts payable	2,900
<b>Net Cash Used By Operating Activities</b>	<u>(205,769)</u>

### Cash Flows from Investing Activities

Purchase of investments	(2,837,908)
Proceeds from sale of investments	1,625,292
<b>Net Cash Used By Investing Activities</b>	<u>(1,212,616)</u>

### Cash Flows from Financing Activities

Proceeds from permanently restricted contributions	1,306,878
<b>Net Cash Provided By Financing Activities</b>	<u>1,306,878</u>

**Net Decrease in Cash and Cash Equivalents** (111,507)

**Beginning Unrestricted and Restricted Cash and Cash Equivalents** 772,129

**Ending Unrestricted and Restricted Cash and Cash Equivalents** \$ 660,622

### Supplemental Disclosure of Cash Flow Information

Cash and Cash Equivalents - Without Donor Restrictions	\$ 145,876
Cash and Cash Equivalents - With Donor Restrictions	514,746
	<u><u>\$ 660,622</u></u>

The accompanying notes are an integral part of the financial statements.



# CRAFTON HILLS COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### 1. Nature of Activities

The Crafton Hills College Foundation (Foundation) is an independent nonprofit corporation whose mission is to promote gifts for the support and enhancement of quality education at Crafton Hills College. The Foundation's programs include scholarships and other student awards, academic support, and the acquisition of instructional equipment and improvements to facilities for both vocational and academic enrichment.

### 2. Summary of Significant Accounting Policies

#### A. Basis of Presentation

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

**Net Assets Without Donor Restrictions:** Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's Board of Directors. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

**Net Assets With Donor Restrictions:** Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

The Foundation and the San Bernardino Community College District (District) are financially interrelated organizations as defined by ASC Topic 958-605 *Transfer of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others*. The Foundation 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.

#### B. Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses during the reporting period. Actual results could vary from estimates.

#### C. Cash and Cash Equivalents

Cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

# CRAFTON HILLS COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### 2. Summary of Significant Accounting Policies (Continued)

#### D. Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair value in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities.

Investment income/(loss) is reported net in the statements of activities and consists of realized and unrealized gains and losses, less external and direct internal investment expenses. Interest and dividends and investment return are reflected in the statements of activities as income without donor restrictions or income with donor restrictions based upon the existence and nature of any donor restrictions. Interest and dividends and investment return that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the interest and dividends and investment return are recognized.

#### E. Pledges Receivable

Pledges receivables represent written unconditional promises to be given by donors. Pledges receivable, other than endowment pledges, are recognized as contribution revenue in the period pledged if they are verifiable, measurable, probable of collection, and they meet all the eligibility requirements. Endowment pledges are recognized as contributions to permanent endowment at the time payment is received. Pledge payments, expected to be collected during the next fiscal year, are recorded at estimated net realizable value. Management has determined that all the pledges receivables are collectable and therefore no allowance for uncollectable promises to give is necessary.

#### F. Title V Restricted Funds

The Foundation has elected to restrict Title V funds as a temporary endowment for a period of 20 years. The restriction was placed on the amount of \$58,000 which will be released on August 18, 2029.

#### G. Split-Interest Agreements

The Foundation is the beneficiary of four irrevocable split-interest agreements. All of the agreements are charitable gift annuities whereby the Community College League of California is the third-party trustee. The terms and discount rates for these agreements are based upon the life expectancy of the donor(s) and present value tables provided by the IRS for determining the amount of the charitable contribution. Per the agreements, the donors are also the annuitant, and upon termination the Foundation is entitled to the residual value of the annuity. The Foundation's source for measuring the fair value of these annuities is statements received from the Community College League of California's trust company, whereby the value of donated assets is reduced by the present value of expected future cash payments to the annuitants. Accordingly, this is considered a Level III fair value measurement.

#### H. Income Taxes

The Foundation is exempt from federal and State income tax under Section 501(c)(3) of the Internal Revenue Code (IRC) and Section 23701(d) of the California Tax Code. The Foundation is not considered a private foundation under Section 509 (a) of the Internal Revenue Code.

Consequently, the accompanying financial statements do not reflect any provision for income taxes. The Foundation uses the same accounting methods for tax and financial reporting with the exception of investment, which are valued at cost for tax purposes.

# CRAFTON HILLS COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### 2. Summary of Significant Accounting Policies (Continued)

#### I. Contributed Goods and Services

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets, or services that require specialized skills, are provided by individuals possessing those skills, and would typically be purchased if not provided through donation, are recorded and fair value in the period received.

#### J. Fair Value of Financial Instruments

The Foundation's financial instruments, including cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable, accrued expenses, and deferred revenue are carried at cost, which approximates fair value because of the short-term nature of these instruments. The investment in debt and equity securities are carried at fair value based on quoted prices in active markets.

Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels as described in Note 4.

#### K. Functional Allocation of Expenses

Expenses are allocated on a functional basis among the various programs and support services benefited. Expenses that can be identified with a specific program and support service are charged directly to that program or service. Expenses that are common to both programs or services are allocated proportionate to usage.

#### L. New Pronouncements

On July 1, 2023, the Company adopted ASU 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326)*. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities, and some off-balance sheet credit exposures such as unfunded commitments to extend credit. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses.

In addition, CECL made changes to the accounting for available for sale debt securities. One such change is to require credit losses to be presented as an allowance rather than as a write-down on available for sale debt securities if management does not intend to sell and does not believe that it is more likely than not, they will be required to sell.

The Company adopted ASC 326 and all related subsequent amendments thereto effective July 1, 2023 using the modified retrospective approach for all financial assets measured at amortized cost. Upon adoption of ASC 326, the Company determined that an allowance for credit losses on available for sale securities was not deemed material and no adjustment was made for the cumulative effect.

# CRAFTON HILLS COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### 2. **Summary of Significant Accounting Policies (Continued)**

#### **K. Restricted Net Assets Accounting and Investing**

The Foundation Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), in accordance with California state law, as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. Accordingly, the Foundation classifies the original value of the gifts made to such endowment as permanently restricted.

The Foundation's investment policy stipulates that a prudent portion of money is to be placed in interest-bearing accounts, to maximize the potential earnings on the gifts. The unappropriated investment earnings on permanently and temporarily restricted net assets are classified as temporarily restricted net assets until the funds are released from their temporarily restricted purpose.

The general rule for acceptable investments for the aggregated endowment funds (federal and non-federal) are savings accounts or in low-risk securities in which a regulated insurance company may invest under the law of the State in which the institution is located. This typically includes savings accounts such as a federally insured bank savings account, a comparable interest-bearing account offered by a bank, or a money market fund. "Low-risk securities" includes certificates of deposit, mutual funds, stocks, or bonds.

Income from the endowment may be spent for costs necessary to operate the Foundation, including general operating and maintenance costs, costs to administer and manage the endowment fund, and costs associated with buying and selling securities, such as stockbroker commissions and fees to "load" mutual funds. Income from the endowment cannot be spent for a school or department of divinity or any religious worship or sectarian activity, an activity that is inconsistent with a state plan for desegregation application to the grantee, or an activity that is inconsistent with a state plan applicable to the grantee.

#### **L. Subsequent Events**

The Foundation has evaluated subsequent events through October 21, 2024, which is the date the financial statements were available to be issued.

# CRAFTON HILLS COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### 3. Investments

The amortized cost and estimated fair value of securities available for sale and held to maturity along with gross unrealized gains and losses and allowance for credit losses are summarized as follows:

	Fair Value	Adjusted Cost	Unrealized Gain/(Loss)
<b>Available for Sale</b>			
Government & agency securities	\$ 666,642	\$ 729,079	\$ (62,437)
Corporate bonds	343,708	359,156	(15,448)
Equity securities	3,185,354	2,433,698	751,656
Mutual funds	1,407,958	1,377,435	30,523
Cash	183,646	183,646	-
	<u>5,787,308</u>	<u>5,083,014</u>	<u>704,294</u>
<b>Held to Maturity</b>			
Government & agency securities	249,163	249,229	(66)
Certificates of deposit	739,919	743,000	(3,081)
	<u>989,082</u>	<u>992,229</u>	<u>(3,147)</u>
<b>Total</b>	<u>\$ 6,776,390</u>	<u>\$ 6,075,243</u>	<u>\$ 701,147</u>

There is no allowance for credit losses for available for sale and held to maturity securities at June 30, 2024.

The following table shows the gross unrealized losses and estimated fair value of available sale securities for which an allowance for credit losses has not been recorded aggregated by category and length of time that securities have been in a continuous unrealized loss position at June 30, 2024.

	Less Than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Government & agency securities	\$ 17,630	\$ (2)	\$ 898,175	\$ (62,501)	\$ 915,805	\$ (62,503)
Corporate bonds	26,172	(248)	317,536	(15,200)	343,708	(15,448)
Certificates of deposit	250,000	-	489,919	(3,081)	739,919	(3,081)
<b>Total</b>	<u>\$ 293,802</u>	<u>\$ (250)</u>	<u>\$ 1,705,630</u>	<u>\$ (80,782)</u>	<u>\$ 1,999,432</u>	<u>\$ (81,032)</u>

Unrealized losses on all investment types above have not been recognized into income because the issuers are of high credit quality, management does not intend to sell and it is likely that management will not be required to sell the securities prior to their anticipated recovery, and the decline in fair value is largely due to changes in interest rates and other market conditions. The fair value is expected to recover as the investments approach maturity.

# CRAFTON HILLS COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### 3. Investments (Continued)

At June 30, 2024, investments in debt securities mature as follows:

	<u>Held-to-Maturity</u>	<u>Available-for-Sale</u>
Maturity		
Within one year	\$ 250,000	\$ 99,428
1 - 5 years	739,082	404,217
6 - 10 years	-	345,443
Over ten years	-	161,262
<b>Total</b>	<u>\$ 989,082</u>	<u>\$ 1,010,350</u>

The Foundation is exposed to concentration risk, which arises when a substantial portion of its investment portfolio is concentrated in a limited number of equity securities, mutual funds, or industry sectors. A significant downturn in the performance of these securities or sectors may adversely affect the Foundation's financial position and results of operations.

The Foundation held investments in equity securities and mutual funds. These investments are subject to market volatility due to changes in the financial performance of individual companies, market conditions, and economic factors.

### 4. Fair Value Measurements

Financial Accounting Standards Board's (FASB) codification ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

#### Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.

#### Level 2

Inputs to the valuation methodology are inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.

#### Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

# CRAFTON HILLS COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### 4. Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2024:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Merrill Lynch				
Cash	\$ 183,646	\$ -	\$ -	\$ 183,646
Government & agency securities	915,805	-	-	915,805
Corporate bonds	347,310	-	-	347,310
Equity securities	3,185,354	-	-	3,185,354
Mutual funds	1,407,958	-	-	1,407,958
Certificates of deposit	489,919	-	-	489,919
Chase Bank certificate of deposit	250,000	-	-	250,000
Community Foundation	-	-	154,659	154,659
California Community Colleges	-	-	42,078	42,078
Title V Endowment	64,638	-	-	64,638
Annuities	-	-	27,129	27,129
	<u>\$ 6,844,630</u>	<u>\$ -</u>	<u>\$ 223,866</u>	<u>\$ 7,068,496</u>

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2024:

#### Community Foundation

Beginning Balance July 1, 2023	\$ 139,089
Income and gains	18,267
Losses and fees	(2,697)
Ending Balance at June 30, 2024	<u>\$ 154,659</u>

#### California Community Colleges Scholarship Endowment Fund

Beginning Balance July 1, 2023	\$ 39,509
Income and gains	4,627
Losses and fees	(2,058)
Ending Balance at June 30, 2024	<u>\$ 42,078</u>

#### Community College League of California (Charitable Annuities)

Beginning Balance July 1, 2023	\$ 28,026
Income and gains	646
Losses and fees	(1,543)
Ending Balance at June 30, 2024	<u>\$ 27,129</u>

# CRAFTON HILLS COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### 5. **Community Foundation**

The Foundation has transferred assets to the Community Foundation which is holding them as an agency fund (Fund) for the benefit of the Foundation. The Foundation has granted the Community Foundation variance power which gives the Foundation's Board of Trustees the power to use the Fund for other purposes in certain circumstances. The Fund is subject to the Foundation's investment and spending policies which currently result in a distribution to the Foundation of 4% of the fund balance per year. The Foundation reports the fair value of the Fund, the Beneficial Interest in Assets, held at the Community Foundation in the statement of financial position as Community Foundation and reports distributions received as investment income. Changes in the value of the Fund are reported as gains or losses in the statement of activities. Refer to Note 4 for changes in the value of the fund.

### 6. **Foundation for California Community Colleges (CCCSE)**

CCCSE was established to benefit, support, and enhance the California Community Colleges and was established on May 6, 2008, with an upfront matching gift of \$25 million dollars from the Bernard Osher Foundation California. The Foundation along with all California Community Colleges raised the matching funds. Each California Community College maintains a percentage ownership in CCCSE. The funds are invested under the direction of a Board of Directors and the earnings are distributed in the form of student scholarships. See Note 2 Section M for additional information. Refer to Note 4 for changes in the value of the fund.

### 7. **Information About Financial Instruments**

The Foundation maintains its cash balances at financial institutions, which at times may exceed amounts covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC), up to \$250,000 per institution. As of June 30, 2024, the Foundation has a balance of \$402,050 in excess of FDIC limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

### 8. **Liquidity and Availability**

Financial assets available for general expenditure within one year of the balance sheet date, comprise of the following:

Financial assets at year end:	
Cash and cash equivalents	\$ 145,876
Short-term investments	2,249,595
Pledges receivable	<u>53,422</u>
Financial assets available to meet cash needs for general expenditures over the next twelve months	<u>\$ 2,448,893</u>

As part of the Foundation's liquidity management plan, the Foundation has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due, as well as any unexpected needs.



# CRAFTON HILLS COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2024

### 9. Donated Services

The activities carried on by the Foundation are conducted by employees of the District using the physical resources of Crafton Hills College. Costs incurred by the District on behalf of the Foundation include wages and occupancy expenses. The estimated amount of donated services rendered to the Foundation for the year ended June 30, 2024 was \$371,425.

### 10. Related Party Transactions

The Foundation provides various levels of support and services to Crafton Hills College. The transactions are recorded within the financial statements as distributions, student programs, and scholarship expenses. The District provides office space and other support to the Foundation. The value of this support has been calculated and is reflected in the financial statements.

### 11. Net Assets With Donor Restrictions

The details of net assets with donor restrictions as of June 30, 2024 are as follows:

	<u>Total</u>
Endowment Net Assets Beginning of Year	\$ 4,677,825
Contributions and gains	315,747
Interest and dividends	102,610
Investment income	405,657
Grants	991,131
Appropriation of endowment assets	<u>(497,265)</u>
<b>Total</b>	<b><u>\$ 5,995,705</u></b>
Restrictions of Net Asset Balances	
Time and Purpose Restrictions	\$ 692,212
Perpetual Restrictions	<u>5,303,493</u>
Total Net Assets with Donor Restrictions	<b><u>\$ 5,995,705</u></b>