



Financial Statements  
June 30, 2022

# Cypress College Foundation

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Financial Statements

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## Independent Auditor's Report

Board of Directors  
Cypress College Foundation  
Cypress, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Cypress College Foundation (the Foundation) (a California nonprofit corporation), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2022, 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 audit 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 of the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 these 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 the Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### ***Auditor's Responsibilities of 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 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 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.

*Eide Bailly LLP*

Rancho Cucamonga, California  
January 20, 2023

Cypress College Foundation  
Statement of Financial Position  
June 30, 2022

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Assets

Current Assets

Cash and cash equivalents	\$	355,518
Accounts receivable		<u>11,982</u>

Total current assets		<u>367,500</u>
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Noncurrent Assets

Investments		3,343,531
Beneficial interest in charitable remainder trust held by others		12,298
Beneficial interest in assets held by the Foundation for California Community Colleges (FCCC)		<u>281,958</u>

Total noncurrent assets		<u>3,637,787</u>
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Total assets		<u><u>\$ 4,005,287</u></u>
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Liabilities and Net Assets

Current Liabilities

Due to North Orange County Community College District	\$	105,414
Amounts held for others		<u>345,040</u>

Total current liabilities		<u>450,454</u>
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Net Assets

Without donor restrictions		169,012
With donor restrictions		<u>3,385,821</u>

Total net assets		<u>3,554,833</u>
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Total liabilities and net assets		<u><u>\$ 4,005,287</u></u>
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Cypress College Foundation  
Statement of Activities  
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues</b>			
Contributions	\$ 45,712	\$ 436,657	\$ 482,369
Grants	50,000	-	50,000
President's Circle	28,300	-	28,300
Donated facilities	8,500	-	8,500
In-kind donations	48,800	-	48,800
Special events	384,562	-	384,562
Other revenues	10,679	3,000	13,679
Management fees	66,959	(66,959)	-
Assets released from restrictions	531,430	(531,430)	-
	<u>1,174,942</u>	<u>(158,732)</u>	<u>1,016,210</u>
<b>Expenses</b>			
Program	789,117	-	789,117
Management and general	34,479	-	34,479
Fundraising	178,952	-	178,952
	<u>1,002,548</u>	<u>-</u>	<u>1,002,548</u>
<b>Other Income (Losses)</b>			
Investment income (loss), net of fees	(37,403)	(410,204)	(447,607)
Change in beneficial interest in assets held by the FCCC	-	(39,680)	(39,680)
	<u>(37,403)</u>	<u>(449,884)</u>	<u>(487,287)</u>
Change in Net Assets	134,991	(608,616)	(473,625)
Net Assets, Beginning of Year	<u>34,021</u>	<u>3,994,437</u>	<u>4,028,458</u>
Net Assets, End of Year	<u>\$ 169,012</u>	<u>\$ 3,385,821</u>	<u>\$ 3,554,833</u>

Cypress College Foundation  
Statement of Cash Flows  
Year Ended June 30, 2022

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Operating Activities	
Change in net assets	\$ (473,625)
Adjustments to reconcile change in net assets to net cash flows from operating activities	
Realized loss on investments, net	721,849
Realized gain on investments, net	(148,090)
Contribution of beneficial interests in charitable remainder trusts held by others	(12,298)
Change in beneficial interest in assets held by the FCCC	39,680
Contributions and grants restricted for long-term purposes	(292,680)
Changes in assets and liabilities	
Accounts receivable	58,689
Accounts payable	(15,197)
Due to North Orange County Community College District	75,949
Amounts held for others	69,292
	<hr/>
Net Cash from Operating Activities	23,569
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Investing Activities	
Purchase of investments	(1,060,560)
Sale of investments	1,099,777
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Net Cash Flows From Investing Activities	39,217
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Financing Activities	
Collections of contributions and grants restricted for long-term purposes	292,680
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Change in Cash and Cash Equivalents	355,466
Cash and Cash Equivalents, Beginning of Year	52
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Cash and Cash Equivalents, End of Year	<u><u>\$ 355,518</u></u>

Cypress College Foundation  
Statement of Functional Expenses  
Year Ended June 30, 2022

	Program	Management and General	Fundraising	Total
Salaries and benefits	\$ 226,509	\$ 16,988	\$ 39,639	\$ 283,136
Donated facilities	6,800	510	1,190	8,500
In-kind contributions	16,000	-	32,800	48,800
Scholarships, grants and other awards	360,323	-	-	360,323
Dues, memberships, and subscriptions	18,771	-	-	18,771
Professional fees	56,847	4,263	9,948	71,058
Postage and printing	29,121	2,184	5,096	36,401
Banking expenses	3,704	278	648	4,630
Hospitality	1,409	106	247	1,762
Special events	65,700	9,855	88,695	164,250
Supplies	1,181	89	207	1,477
Advertising	243	18	43	304
Services and other operating expenses	2,509	188	439	3,136
	<u>\$ 789,117</u>	<u>\$ 34,479</u>	<u>\$ 178,952</u>	<u>\$ 1,002,548</u>



## **Note 1 - Nature of Organization and Summary of Significant Accounting Policies**

### **Organization and Nature of Activities**

Cypress College Foundation (the Foundation) is a nonprofit organization founded in 1972 for the purpose of receiving contributions for the support and advancement of education on behalf of Cypress College (the College). The primary purpose of the Foundation is to assist in the institutional development and encourage community support to the College.

### **Financial Statement Presentation**

The accompanying financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-210-50. Under ASC 958-210-50, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. In addition, the Foundation is required to present a statement of cash flows. The Foundation does not use fund accounting. Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting.

The Foundation and the District are financial interrelated organizations as defined by Accounting Standards Codification (ASC) Topic 958-605, *Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others*. Under ASC Topic 958-605, 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.

### **Net Asset Accounting**

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets without Donor Restrictions* - Net assets available for general operations and not subject to donor restrictions. Net assets without donor restrictions represents all resources over which the Board of Directors has discretionary control for use in operating the Foundation.

*Net Assets with Donor Restrictions* - Net assets subject to donor restrictions. Some donor imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Revenue Recognition**

The Foundation recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. Contributions of assets other than cash are recorded at their estimated fair value at the time of the gift.

The Foundation's special events revenue is recognized at a point in time based on the transfer services provided, such as the events being held. The performance obligation of delivering such services is simultaneous with the date of the event. All amounts received prior to the event are deferred to the applicable period. In addition, the Foundation's special event contracts do not contain variable consideration and contract modifications are generally minimal.

**In-kind Contributions**

In-kind contributions include donated facilities and other in-kind contributions which are recorded at the respective fair values of the goods or services received. The Foundation records the value of donated facilities when there is an objective basis available to measure their value. Donated facilities are reflected as support in the accompanying statements at their estimated values at date of donation, based on the fair value of facilities for the year. During the year, many individuals, College staff, and administrators donate significant amounts of time and services to the Foundation in an effort to advance the programs and objectives of the Foundation. However, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The Foundation does not sell donated gifts-in-kind.

**Cash and Cash Equivalents**

Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with original maturities of less than 90 days, which are neither held for nor restricted by donors for long-term purposes.

**Investments**

Investments in marketable securities with readily determinable fair values are presented at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

**Concentrations**

The Foundation maintains cash and investment balances at banks in excess of Federal Deposit of Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC) limits. Deposit concentration risk is managed by placing cash and investment balances with financial institutions believed by the Foundation to be creditworthy. Management believes credit risk is limited.

**Accounts Receivable**

Accounts receivable consists primarily of interest and donations receivable. Bad debts are accounted for by the direct write-off method. Management has deemed all amounts as collectable; therefore, no allowance for doubtful accounts is considered necessary.

**Beneficial Interests in Charitable Remainder Trusts Held by Others**

The Foundation has been named as an irrevocable beneficiary of several charitable trust held and administered by independent trustees. The trust was created independently by donors and are administered by outside agents designated by the donors. The Foundation has neither possession nor control over the assets of the trusts. At the date the Foundation receives notice of a beneficial interest, a contribution with donor restrictions is recorded in the statements of activities and a beneficial interest in charitable remainder trusts held by others is recorded in the statements of financial position at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the expected distributions to be received under the agreement. Thereafter, beneficial interests in the trusts are reported at fair value in the statements of financial position, with changes in fair value recognized in the statements of activities.

Upon receipt of trust distributions or expenditures, or both, in satisfaction of the donor-restricted purpose, if any, net assets with donor-imposed time or purpose restrictions are released to net assets without donor restrictions. Trust distributions with donor-imposed restrictions that are perpetual in nature are transferred to the endowment, in which case, net assets with donor-restrictions are not released.

**Beneficial Interest in Assets Held by Community Foundation**

The Foundation established an endowment fund that is perpetual in nature (the Fund) under a community foundation's (the CF) Osher Endowment Scholarship program and named the Foundation as a beneficiary. The Foundation granted variance power to the CF which allows the CF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the CF's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The Fund is held and invested by the CF for the Foundation's benefit and is reported at fair value in the statement of financial position, with distributions and changes in fair value recognized in the statements of activities.

**Allocation of Functional Expenses**

The costs of providing various programs and activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, based upon management's estimates on the basis of time and effort, costs have been allocated among the programs, management and general, and fundraising activities.

### **Management Fee**

Endowments received by the Foundation are subject to a 0.6% annual investment management fee. A Cypress College Foundation management fee of 2% is charged on all investments, with the exception of Legacy Society Endowments, bank certificate of deposits, and funds held by others such as the Osher fund. A fee of 0.4% is charged for Legacy Society Endowments on the corpus value of the endowed asset. Additionally, all temporarily restricted and campaign contribution gifts received are subject to a 5.0% operational support expense fee, with the exception of gifts to named scholarship recipients. Revenues received from these management fees are used by the Foundation to further advancement efforts on behalf of Cypress College.

### **Estimates**

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

### **Income Taxes**

The Foundation is a nonprofit public benefit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation and qualifies for deductible contributions as provided in Section 170(b) (A) (vi). It is also exempt from State franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code.

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

### **Change in Accounting Principle**

As of July 1, 2021, the Foundation adopted the provisions of Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires enhanced presentation and disclosure of contributed nonfinancial assets. Management has adopted the amendments of this update on a retrospective basis, because it provides increased and more transparent disclosure around contributed nonfinancial assets.

**Note 2 - Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date comprise of the following:

Cash and cash equivalents	\$	250,146
Accounts receivable		11,982
		11,982
Total financial assets available within one year	\$	262,128

The Foundation uses these sources to meet its ongoing obligations with respect to general expenditures, liabilities and other obligations as they become due. Cash in excess of daily requirements is invested in various short-term investments with maturities designed to meet obligations as they come due.

**Note 3 - Investments**

Investments are presented at fair value in the financial statements and are composed of the following at June 30, 2022:

		Fair Market Value
Mutual funds	\$	3,139,338
Certificates of deposit		204,193
		204,193
Total	\$	3,343,531

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2022:

Realized gain on investments, net	\$	148,090
Unrealized loss on investments, net		(721,849)
Interest and dividends		150,282
		150,282
Total investment income (loss)		(423,477)
Investment expenses		(24,130)
		(24,130)
Total investment income (loss), net of expenses	\$	(447,607)

**Note 4 - Beneficial Interest in Assets Held by the Foundation for California Community Colleges-Osher Endowment Scholarship**

The Foundation for California Community Colleges (FCCC) has created a permanent endowment fund intended to provide scholarship support to California Community College students in perpetuity. The fund began in May 2008 with a \$25 million lead gift from The Bernard Osher Foundation. The Bernard Osher Foundation will provide scholarship matching funds annually to colleges that participate. In order to take advantage of this opportunity, the College and its donors have contributed \$227,295. As of June 30, 2022, the ending balance of the Osher Endowment Scholarship was \$281,958. The Foundation receives no additional interest or dividends on the balance held at the FCCC and does not participate in the investment management of the funds. All donations to the FCCC Osher Endowment Scholarship must remain in the fund permanently and cannot be returned or used for other purposes.

**Note 5 - Fair Value Measurements and Disclosures**

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 - Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

The fair values of beneficial interests in charitable remainder trusts are determined using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets and are based on the fair values of trust investments as reported by the trustees. The fair value of the beneficial interest in assets held by the Foundation for California Community Colleges is based on the fair values of fund investments as reported by the Foundation. These are considered to be Level 3 measurements.

**Assets and Liabilities Recorded at Fair Value on a Recurring Basis**

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2022. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2022.

	Level 1	Level 2	Level 3	Total
Assets				
Mutual funds	\$ 3,139,338	\$ -	\$ -	\$ 3,139,338
Certificates of deposit	-	204,193	-	204,193
Beneficial interest in charitable remainder trust held by others			12,298	12,298
Beneficial interest in assets held by the Foundation for California Community Colleges	-	-	281,958	281,958
	<u>\$ 3,139,338</u>	<u>\$ 204,193</u>	<u>\$ 294,256</u>	<u>\$ 3,637,787</u>
Total	<u>\$ 3,139,338</u>	<u>\$ 204,193</u>	<u>\$ 294,256</u>	<u>\$ 3,637,787</u>

**Note 6 - Amounts Held for Others**

The Foundation acts as a fiscal agent for departments, organizations, and groups of Cypress College. Accordingly, at June 30, 2022, \$345,040 of the Foundation's assets belong to other parties. The Foundation does not have legal access nor any discretion over the amounts held for others behalf.

**Note 7 - Net Assets with Donor Restrictions**

Donor-restricted net assets with time and/or purpose restrictions consist of the following at June 30, 2022:

Scholarships and programs for the College	\$ 685,787
Endowment earnings	88,473
Title V Grant	1,483,362
	<u>\$ 2,257,622</u>

Donor-restricted net assets with perpetual restrictions consist of the following at June 30, 2022:

Scholarships and programs for the College	\$ 846,241
Osher scholarships	281,958
	<u>\$ 1,128,199</u>

#### **Note 8 - Endowment Grant**

The District provided the Foundation with an endowment grant, which was awarded by the U.S. Department of Education in the fiscal year ended June 30, 2004. The grant was a Title V, Hispanic Serving Institution Grant and its purpose was to expand educational opportunities for, and improve the academic attainment of, Hispanic students, and expand and enhance the academic offerings, program quality, and institutional stability of colleges that are educating Hispanic students. The Foundation received \$300,000 over a five-year period ending June 30, 2010, upon certification that matching funds from acceptable resources were met. The corpus of the endowment was to be invested over a period of twenty years, and the Foundation may not spend more than 50% of the aggregate income earned in years six through twenty for allowable expenses. No earnings were allowed to be spent in years one through five. At the end of twenty years, the Foundation may use the corpus for any educational purpose.

#### **Note 9 - Donor Designated Endowments**

The Foundation has interpreted the California Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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. At June 30, 2022 and 2021 there were no such donor stipulations. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

- a. The duration and preservation of the fund
- b. The mission of the Foundation and the purpose of the donor-restricted endowment fund
- c. General economic conditions
- d. The possible effect of inflation and/or deflation
- e. The expected total return from income and the appreciation of investments
- f. Other resources of the Foundation
- g. The investment policy of the Foundation

#### **Risk Objectives and Risk Parameters**

The Foundation has adopted an investment policy which actively safeguards the assets while maintaining some growth to ensure the donations will provide a benefit to the college and its student population. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified periods. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to prudently invest in financial instruments which provide a reasonable measure of principal stability. Actual returns in any given year may vary from this amount.



**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Foundation targets a diversified asset allocation within prudent risk constraints.

**Spending Policy**

The Foundation’s spending policy requires a target total return of 7%, calculated based on a three-year rolling average for endowment funds.

**Funds with Deficiencies**

From time to time, certain endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2022, there were no funds with original gift values that exceeded their fair values.

Changes in endowment net assets as of June 30, 2022, are as follows:

	With Donor Restrictions
Endowment net assets, beginning of year	\$ 2,504,303
Contributions	292,680
Investment income	(200,571)
Amounts appropriated for expenditures	(178,336)
Endowment net assets, end of year	\$ 2,418,076

**Note 10 - Related Party Transactions**

**North Orange County Community College District**

The North Orange County Community College District (the District) charges administrative services to the Foundation. Salaries and benefits for the Executive Director, administrative staff, and other services are paid by the District and reimbursed by the Foundation. At June 30, 2022, the Foundation owed the District \$105,414 for salaries, benefits, and other Foundation operating expenses.

The District provides office space for employees who perform services for the Foundation at no charge. The donated facilities for the fiscal year 2022 amounted to \$8,500 and have been reflected in the financial statements as donated facilities.

**Note 11 - In-kind Contributions**

During the year ended June 30, 2022, the Foundation received donated assets and facilities from various donors, which the Foundation utilized as follows:

Donated facilities used in operations	\$ 8,500
Donated assets passed through to the District	16,000
Donated assets used in special events	<u>32,800</u>
 Total	 <u><u>\$ 57,300</u></u>

All in-kind contributions received during the year ended June 30, 2022 were without donor restrictions.

**Note 12 - Subsequent Events**

The Foundation's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from June 30, 2022 through January 20, 2023, which is the date the financial statements were available to be issued.