



Financial Statements
June 30, 2024 and 2023

Santiago Canyon College Foundation

Santiago Canyon College Foundation

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Independent Auditor's Report

The Board of Directors
Santiago Canyon College Foundation
Orange, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Santiago Canyon College Foundation (the Foundation) (a California nonprofit corporation), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years 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 Santiago Canyon College Foundation as of June 30, 2024 and 2023, 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.

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 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 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 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 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
May 16, 2025

Santiago Canyon College Foundation
Statements of Financial Position
June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 333,836	\$ 250,713
Accounts receivable	<u>-</u>	<u>5,000</u>
Total current assets	<u>333,836</u>	<u>255,713</u>
Noncurrent assets		
Investments	1,931,424	1,682,172
Beneficial interest in assets held by the Foundation for California Community Colleges	<u>116,163</u>	<u>108,584</u>
Total noncurrent assets	<u>2,047,587</u>	<u>1,790,756</u>
Total assets	<u><u>\$ 2,381,423</u></u>	<u><u>\$ 2,046,469</u></u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 2,636	\$ 98
Due to Rancho Santiago Community College District	<u>35,419</u>	<u>46,049</u>
Total current liabilities	<u>38,055</u>	<u>46,147</u>
Net assets		
Without donor restrictions	1,063,286	974,729
With donor restrictions	<u>1,280,082</u>	<u>1,025,593</u>
Total net assets	<u>2,343,368</u>	<u>2,000,322</u>
Total liabilities and net assets	<u><u>\$ 2,381,423</u></u>	<u><u>\$ 2,046,469</u></u>

Santiago Canyon College Foundation

Statements of Activities

Years Ended June 30, 2024 and 2023

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions	\$ 22,841	\$ 131,000	\$ 153,841
Federal grants	-	120,500	120,500
Donated salaries and benefits	286,007	-	286,007
Donated facility use	30,816	-	30,816
In-kind donations	30,585	-	30,585
Special events	84,011	4,465	88,476
Miscellaneous revenue	10,594	-	10,594
Assets released from restrictions	114,907	(114,907)	-
Total revenues	579,761	141,058	720,819
Expenses			
Program	133,970	-	133,970
Management and general	295,854	-	295,854
Fundraising	198,617	-	198,617
Total expenses	628,441	-	628,441
Other Income			
Realized gain on sale of investments	18,483	19,208	37,691
Unrealized gain on investments	98,503	71,077	169,580
Interest and dividends, net of expenses	20,251	15,567	35,818
Change in value of beneficial interest in assets held by the Foundation for California Community Colleges	-	7,579	7,579
Total other income	137,237	113,431	250,668
Change in Net Assets	88,557	254,489	343,046
Net Assets, Beginning of Year	974,729	1,025,593	2,000,322
Net Assets, End of Year	\$ 1,063,286	\$ 1,280,082	\$ 2,343,368

Santiago Canyon College Foundation

Statements of Activities

Years Ended June 30, 2024 and 2023

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Contributions	\$ 30,263	\$ 135,149	\$ 165,412
Donated salaries and benefits	287,253	-	287,253
Donated facility use	29,448	-	29,448
In-kind donations	7,065	-	7,065
Special events	67,976	335	68,311
Assets released from restrictions	186,906	(186,906)	-
Total revenues	608,911	(51,422)	557,489
Expenses			
Program	198,911	-	198,911
Management and general	441,712	-	441,712
Fundraising	77,265	-	77,265
Total expenses	717,888	-	717,888
Other Income			
Realized gain on sale of investments	2,011	2,332	4,343
Unrealized gain on investments	45,294	33,877	79,171
Interest and dividends, net of expenses	24,296	16,353	40,649
Change in value of beneficial interest in assets held by the Foundation for California Community Colleges	-	4,795	4,795
Total other income	71,601	57,357	128,958
Change in Net Assets	(37,376)	5,935	(31,441)
Net Assets, Beginning of Year	1,012,105	1,019,658	2,031,763
Net Assets, End of Year	\$ 974,729	\$ 1,025,593	\$ 2,000,322

Santiago Canyon College Foundation

Statements of Functional Expenses
Years Ended June 30, 2024 and 2023

	2024			
	Program	Management and General	Fundraising	Total
Donated salaries and benefits	\$ -	\$ 170,052	\$ 115,955	\$ 286,007
Donated facility use	-	21,571	9,245	30,816
Board expenses	-	2,173	-	2,173
Scholarships and grants	108,092	-	1,000	109,092
Information technology	-	664	-	664
Dues, memberships, and subscriptions	-	825	-	825
Food and food services	259	-	5,850	6,109
Awards and incentives	6,700	-	-	6,700
Bank/credit card fee	4,272	-	-	4,272
Public relations and advertising	-	-	1,200	1,200
Postage and printing	-	605	1,495	2,100
College support	4,291	-	-	4,291
Contracted services	583	97,144	16,595	114,322
Supplies	1,621	1,600	6,683	9,904
Donor cultivation	-	1,106	7,194	8,300
Pass through program funds	8,061	-	-	8,061
Bad debt expense	-	-	2,500	2,500
Other expenses	91	114	30,900	31,105
Total expenses	<u>\$ 133,970</u>	<u>\$ 295,854</u>	<u>\$ 198,617</u>	<u>\$ 628,441</u>

Santiago Canyon College Foundation

Statements of Functional Expenses
Years Ended June 30, 2024 and 2023

	2023			
	Program	Management and General	Fundraising	Total
Donated salaries and benefits	\$ -	\$ 242,199	\$ 45,054	\$ 287,253
Donated facility use	-	20,614	8,834	29,448
Scholarships and grants	97,700	-	-	97,700
Information technology	-	10,627	-	10,627
Conferences and meetings	-	2,020	-	2,020
Dues, memberships, and subscriptions	-	3,585	-	3,585
Food and food services	603	17,895	2,425	20,923
Awards and incentives	3,550	-	-	3,550
Bank/credit card fee	7,954	-	47	8,001
Public relations and advertising	-	-	600	600
Postage and printing	-	13	2,354	2,367
College support	345	-	-	345
Contracted services	45	142,953	7,890	150,888
Supplies	232	1,660	2,046	3,938
Donor cultivation	-	-	984	984
Pass through program funds	83,046	-	-	83,046
Other expenses	5,436	146	7,031	12,613
Total expenses	<u>\$ 198,911</u>	<u>\$ 441,712</u>	<u>\$ 77,265</u>	<u>\$ 717,888</u>

Santiago Canyon College Foundation

Statements of Cash Flows

Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Activities		
Change in net assets	\$ 343,046	\$ (31,441)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Unrealized gain on investments	(169,580)	(79,171)
Realized gain on sale of investments	(37,691)	(4,343)
Distributions from beneficial interest in assets held by the Foundation for California Community Colleges	4,833	6,067
Change in beneficial interest in assets held by the Foundation for California Community Colleges	(12,412)	(10,862)
Changes in assets and liabilities		
Accounts receivable	5,000	(3,702)
Accounts payable	2,538	98
Due to Rancho Santiago Community College District	<u>(10,630)</u>	<u>46,049</u>
Net Cash Flows from Operating Activities	<u>125,104</u>	<u>(77,305)</u>
Investing Activities		
Proceeds from sale of investments	731,977	456,579
Purchase of investments	<u>(773,958)</u>	<u>(461,607)</u>
Net Cash Flows From Investing Activities	<u>(41,981)</u>	<u>(5,028)</u>
Net Change in Cash and Cash Equivalents	83,123	(82,333)
Cash and Cash Equivalents, Beginning of Year	<u>250,713</u>	<u>333,046</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 333,836</u></u>	<u><u>\$ 250,713</u></u>

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

Santiago Canyon College Foundation (the Foundation) is a nonprofit organization founded on May 12, 1998, for the purpose of receiving contributions for the support and advancement of education on behalf of Santiago Canyon 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.

The Foundation and the College are financial interrelated organizations as defined by *Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others*. The Foundation reflects contributions received for the benefit of the College 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, 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

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or 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 substantially met. For the year ended June 30, 2023, the Foundation did not receive any conditional promises to give. As of June 30, 2024, contributions of \$416,000 have not been recognized in the accompanying statement of activities because the conditions on which they depend have not yet been met. The conditional promise to give of \$416,000 depends on raising additional dollar-for-dollar matching contributions through September 2028.

Contributions are measured at their fair value at the date of contribution and are reported as an increase in net assets. The Foundation reports gifts of cash or other assets in the category designated by the donor. The Foundation reports gifts of goods and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulation about where the contributions are to be spent, the Foundation reports these contributions as net assets without donor restrictions. The Foundation records special events revenue equal to the fair value of direct benefits to donors, and contributions income for the excess received when the event takes place.

Donated Assets, Services, and In-Kind Contributions

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. In addition, a number of volunteers have donated time to the Foundation's fundraising campaigns, which have not been reflected in the accompanying financial statements because the recognition criteria were not met. Donated salaries, benefits, and facilities received from the Rancho Santiago Community College District (the District) per the terms of the Master Agreement, are recorded as contributions at the estimated fair value that the Foundation would have otherwise paid for the same service. The value of those contributed items is recognized as both revenue and expense to the Foundation. The Foundation receives donations on non-cash items, such as equipment, from various individuals, businesses, and foundations. Contributed goods are recorded at fair value at the date of donation. The Foundation does not sell donated in-kind gifts. See Note 11 for additional disclosure information.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Foundation to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements, and the reported 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 charitable, not-for-profit, tax-exempt organization qualified under provisions of Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions. Accordingly, no provision for income taxes has been provided in the financial statements. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(A)(vi). The Foundation annually files information returns, Forms 990 and 199 with the appropriate agencies. There was no unrelated business activity income.

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. The Foundation would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Advertising Costs

Advertising Cost are expensed as incurred. For the years ending June 30, 2024 and 2023, total advertising costs were \$1,200 and \$600, respectively.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with an original maturities of less than 90 days. The Foundation maintains cash balances in financial institutions which are insured up to \$250,000. At June 30, 2024 and 2023, the Foundation had cash balances of \$72,309 and \$59,922, respectively, held in financial institutions in excess of Federal depository insurance coverage. Management believes credit risk is limited.

Beneficial Interest in Assets held by Community Foundation

During 2008, 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. Variance power was granted 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 statement of activities.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Investments with brokers are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000 of which \$250,000 may be cash. Insurance protects assets in the case of broker-dealer insolvency and not against decline in market values. At June 30, 2024 and 2023, the Foundation had investment balances in the amount of \$1,435,019 and \$1,197,885, respectively, held in the financial institution in excess of the SIPC coverage. Management believes credit risk is limited.

Allocation of Functional Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. The expenses are generally directly attributable to a functional category with no significant allocations between program, service activities and supporting service activities occurring.

Adoption of New Accounting Standard

As of July 1, 2023, the Foundation adopted Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13), which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The CECL model is applicable to the measurement of credit losses on financial assets measured at amortized cost, including trade and loan receivables, and held to maturity debt securities. CECL requires entities to measure all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. The update also requires that credit losses on available-for-sale debt securities be presented as an allowance rather than a write-down of the security. This standard provides financial statement users with more decision useful information about the expected losses on financial instruments. The impact of the adoption was not considered material to the financial statements.

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 comprise of the following at June 30,:

	2024	2023
Cash and cash equivalents	\$ 333,836	\$ 250,713
Accounts receivable	-	5,000
Investments	767,505	765,163
Total financial assets available within one year	<u>\$ 1,101,341</u>	<u>\$ 1,020,876</u>

Liquidity Management

To manage liquidity, the Foundation structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. District staff on behalf of the Foundation management monitor daily cash balances.

Additionally, on behalf of the Foundation, the District has implemented cash management procedures, that include the monthly reconciliation of banked cash deposits and disbursements to related receipts and disbursement records.

Note 3 - Investments

Investments are presented at fair value in the financial statements and are composed of the following at June 30, 2024:

	Adjusted Cost	Fair Market Value	Unrealized Gain
Mutual funds	\$ 1,364,541	\$ 1,495,882	\$ 131,341
Exchange traded funds	397,303	435,542	38,239
Total	<u>\$ 1,761,844</u>	<u>\$ 1,931,424</u>	<u>\$ 169,580</u>

Investments are presented at fair value in the financial statements and are composed of the following at June 30, 2023:

	Adjusted Cost	Fair Market Value	Unrealized Gain
Mutual funds	\$ 1,098,017	\$ 1,152,237	\$ 54,220
Exchange traded funds	504,984	529,935	24,951
Total	<u>\$ 1,603,001</u>	<u>\$ 1,682,172</u>	<u>\$ 79,171</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended June 30, 2024 and 2023:

	2024	2023
Realized gain on sale of investments	\$ 37,691	\$ 4,343
Unrealized gain on investments	169,580	79,171
Interest and dividends	45,682	50,402
Total investment income	<u>252,953</u>	<u>133,916</u>
Investment expenses	<u>(9,864)</u>	<u>(9,753)</u>
Total investment income, net of expenses	<u>\$ 243,089</u>	<u>\$ 124,163</u>

Note 4 - 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. The following provides a summary of the hierarchical levels used to measure fair value:

- 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 value of the beneficial interest in assets held by the Foundation for California Community Colleges is based on the fair value of fund investments as reported by the Foundation for California Community Colleges. These are considered 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, 2024. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2024.

	Level 1	Level 3	Total
Assets			
Mutual funds	\$ 1,495,882	\$ -	\$ 1,495,882
Exchange traded funds	435,542	-	435,542
Beneficial interest in assets held by the Foundation for California Community Colleges	-	116,163	116,163
Total	<u>\$ 1,931,424</u>	<u>\$ 116,163</u>	<u>\$ 2,047,587</u>

Santiago Canyon College Foundation

Notes to Financial Statements

June 30, 2024 and 2023

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2023. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2023.

	Level 1	Level 3	Total
Assets			
Mutual funds	\$ 1,152,237	\$ -	\$ 1,152,237
Exchange traded funds	529,935	-	529,935
Beneficial interest in assets held by the Foundation for California Community Colleges	-	108,584	108,584
Total	<u>\$ 1,682,172</u>	<u>\$ 108,584</u>	<u>\$ 1,790,756</u>

Note 5 - 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 Foundation and its donors have contributed \$94,792. As of June 30, 2024 and 2023, the ending balance of the Osher Endowment Scholarship were \$116,163 and \$108,584, respectively. 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 6 - Restrictions of Net Asset Balances

Donor-restricted net assets consist of the following at June 30, 2024:

Subject to the Passage of Time or Expenditure for Specified Purpose	
Scholarships	\$ 968,439
Title V	120,000
Other restrictions	<u>75,480</u>
	<u>1,163,919</u>
Perpetual in Nature	
Beneficial interest in assets held by the Foundation for California Community Colleges	<u>116,163</u>
	<u>\$ 1,280,082</u>

Donor-restricted net assets consist of the following at June 30, 2023:

Subject to the Passage of Time or Expenditure for Specified Purpose	
Scholarships	\$ 853,064
Other restrictions	63,945
	<u>917,009</u>
Perpetual in Nature	
Beneficial interest in assets held by the Foundation for California Community Colleges	108,584
	<u>\$ 1,025,593</u>

Note 7 - Net Assets Released from Restriction

The sources of net assets released from donor restrictions by incurring expenses satisfying the restricted purposes were as listed below at June 30, 2024:

Scholarships	\$ 100,250
Pass through program funds	8,061
Other program expenses	5,596
Other fundraising expenses	1,000
	<u>114,907</u>
Total	<u>\$ 114,907</u>

The sources of net assets released from donor restrictions by incurring expenses satisfying the restricted purposes were as listed below at June 30, 2023:

Scholarships	\$ 97,700
Pass through program funds	82,971
Other program expenses	5,844
Other fundraising expenses	391
	<u>186,906</u>
Total	<u>\$ 186,906</u>

Note 8 - Title V Endowment Grant

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, 2024 and 2023, 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. At June 30, 2024 and 2023, there were no donor designated balances restricted in perpetuity.

Santiago Canyon College Foundation

Notes to Financial Statements

June 30, 2024 and 2023

The District provided the Foundation with an endowment grant, which was awarded by the U.S. Department of Education in the year ended June 30, 2024. The grant is a Title V, Developing 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 will receive \$536,000 over a five-year period ending June 30, 2029, upon certification that matching funds from acceptable resources were met. The corpus of the endowment is to be invested over a period of twenty years, and the Foundation may not spend more than 50% of the earnings during the twenty-year period for allowable expenses. The Foundation may invest the endowment in a savings account or low-risk securities, such as certificates of deposit, mutual funds, stocks, or bonds, in accordance with the grant agreement. At the end of twenty years, the Foundation may use the corpus for any educational purpose.

Changes in Title V endowment grant as of June 30, 2024, are as follows:

	With Donor Restrictions
Endowment net assets, beginning of year	\$ -
Contributions	120,000
Endowment net assets, end of year	<u>\$ 120,000</u>

Note 9 - Related Party Transactions

Rancho Santiago Community College District (the District)

To assist the Foundation in carrying out its purpose, the District provides administrative services to the Foundation. The District pays for a portion of the salaries and benefits for the Executive Director, administrative staff, and provides office space at Santiago Canyon College for the Foundation employees. These amounts have been reflected in the financial statements as donated salaries and benefits and donated facility use revenues and expenses.

Note 10 - In-Kind Contributions

Contributed nonfinancial assets recognized within the statements of activities included for the years ended June 30:

	2024	2023
Donated services without donor restrictions		
Donated salaries and benefits	\$ 286,007	\$ 287,253
Donated facility use	30,816	29,448
In-kind donations	30,585	7,065
Total donated services without donor restrictions	<u>\$ 347,408</u>	<u>\$ 323,766</u>

All donated services received during the years ended June 30, 2024 and 2023 were unrestricted and allocated to management, general, and fundraising activities. Donated salaries and benefits are recognized at fair value based on current payroll rates and the number of hours spent working on the Foundation. Donated facility use is determined based on maintenance and utility expenses incurred by the College in the current fiscal year, multiplied by the square footage occupied by the Foundation staff members.

Note 11 - 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, 2024 through May 16, 2025, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that require additional disclosure in the Foundation's financial statements.