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HARTNELL COLLEGE FOUNDATION
(A NONPROFIT ORGANIZATION)

AUDIT REPORT

JUNE 30, 2024 AND 2023

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(A NONPROFIT ORGANIZATION)
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HARTNELL COLLEGE FOUNDATION
(A NONPROFIT ORGANIZATION)
BOARD OF DIRECTORS
JUNE 30, 2024

The Hartnell College Foundation (the "Foundation") is governed by a Board of Directors and is a legal entity separate from the Hartnell Community College District (the "District"). The Foundation was incorporated in 1979.

The Foundation secures property by outright gift, bequest, will or trust and earnings from investments. The Foundation makes gifts, loans, grants and scholarships in order to promote, foster and implement the programs and activities of the District.

The Board of Directors for the fiscal year ended June 30, 2024 was comprised of the following members:

Members	Office	Term Expires
Kerry Varney	President	Dec-2024
Andrea Bailey	Vice President	Dec-2025
Scott Brubaker	Vice President	Oct-2026
Betsy Buchalter-Adler	Vice President	Oct-2024
Michael Cling	Vice President	Dec-2024
Sharon Dilbeck	Vice President	Dec-2026
Elsa Jimenez	Vice President	Dec-2024
Dr. Willard Lewallen	Vice President	Oct-2025
Emmett Linder	Vice President	Dec-2025
Christopher Lopez	Vice President	Dec-2024
Colby Pereira	Vice President	Oct-2025
Dr. Jayne Smith	Vice President	Dec-2025
David Warner	Vice President	Oct-2025
Susan Black	Treasurer	Dec-2025
Cathy Alameda	Member	Oct-2024
Michael Avila	Member	Dec-2024
Brandi, Borzini	Member	Oct-2024
Lina Gomez	Member	Dec-2024
Nicholas Pasculli	Member	Oct-2026
Lisa Paulo	Member	Dec-2024
Gerald Stratton	Member	Oct-2025
Jennifer Williams	Member	Oct-2024
Patrick Zelaya	Member	Dec-2024

Michael Gutierrez	Superintendent/President Hartnell College	Start Date July 2023
Candi DePauw	Board of Trustees Representative Hartnell College	Start Date January 2023
Jacqueline Cruz	Executive Director	Start Date January 2012

CWDL

INDEPENDENT AUDITORS' REPORT

Board of Directors
Hartnell College Foundation
Salinas, California

Report on Audit of Financial Statements

Opinion

We have audited the accompanying financial statements of Hartnell College Foundation (the "Foundation"), as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Foundation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2024 and 2023, and the changes to 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' 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 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 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 the Foundation's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' report that includes our opinions. 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 generally accepted auditing standards 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 generally accepted auditing standards:

- 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.

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.

CWDL, Certified Public Accountants

San Diego, California
December 11, 2024

FINANCIAL STATEMENTS

HARTNELL COLLEGE FOUNDATION
(A NONPROFIT ORGANIZATION)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024

ASSETS	
Current assets:	
Cash and cash equivalents	$ 7,570,940
Pledges receivable, current	866,168
Investments, current	10,659,666
Accounts receivable	1,420,236
Prepaid expenses	31,334
Total current assets	20,548,344
Noncurrent assets:	
Pledges receivable, non-current	155,000
Investments, non-current	11,988,745
Land held for investment	20,500,000
Art and collections	256,581
Total noncurrent assets	32,900,326
Total assets	$ 53,448,670
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	$ 935,373
Scholarships payable	563,993
Deferred revenue	45,460
Total current liabilities	1,544,826
Total liabilities	1,544,826
NET ASSETS	
Net assets without donor restrictions	24,603,278
Net assets with donor restrictions	27,300,566
Total net assets	51,903,844
Total liabilities and net assets	$ 53,448,670

HARTNELL COLLEGE FOUNDATION
(A NONPROFIT ORGANIZATION)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023

ASSETS	
Current assets:	
Cash and cash equivalents	$ 7,823,315
Pledges receivable, current	1,378,964
Investments, current	4,906,617
Accounts receivable	1,966,177
Prepaid expenses	23,015
Total current assets	16,098,088
Noncurrent assets:	
Pledges receivable, non-current	688,000
Investments, non-current	15,114,579
Land held for investment	20,500,000
Art and collections	256,581
Total noncurrent assets	36,559,160
Total assets	$ 52,657,248
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	$ 624,794
Scholarships payable	551,482
Deferred revenue	20,956
Total current liabilities	1,197,232
Total liabilities	1,197,232
NET ASSETS	
Net assets without donor restrictions	24,482,591
Net assets with donor restrictions	26,977,425
Total net assets	51,460,016
Total liabilities and net assets	$ 52,657,248

HARTNELL COLLEGE FOUNDATION
(A NONPROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2024

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Donations	$ 158,930	$ 2,868,875	$ 3,027,805
Special events	288,400	174,661	463,061
Contract revenue	214,731	1,731,163	1,945,894
In-kind donations	361,505	22,500	384,005
Net investment return	779,321	1,014,413	1,793,734
Rental income	284,638	-	284,638
Other revenue	282,011	-	282,011
Net assets released from restriction	5,488,471	(5,488,471)	-
Total Support and Revenue	7,858,007	323,141	8,181,148
EXPENSES			
Program	6,137,732	-	6,137,732
General and administrative	823,086	-	823,086
Fundraising	776,502	-	776,502
Total Expenses	7,737,320	-	7,737,320
Change in Net Assets	120,687	323,141	443,828
Net Assets - Beginning of Year	24,482,591	26,977,425	51,460,016
Net Assets - End of Year	$ 24,603,278	$ 27,300,566	$ 51,903,844

HARTNELL COLLEGE FOUNDATION
(A NONPROFIT ORGANIZATION)
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2023

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Donations	$ 207,511	$ 4,115,797	$ 4,323,308
Special events	295,150	219,502	514,652
Contract revenue	125,117	1,106,641	1,231,758
In-kind donations	203,932	15,000	218,932
Net investment return	414,170	1,116,493	1,530,663
Rental income	278,265	-	278,265
Other revenue	291,088	-	291,088
Net assets released from restriction	6,544,820	(6,544,820)	-
Total Support and Revenue	8,360,053	28,613	8,388,666
EXPENSES			
Program	6,879,189	-	6,879,189
General and administrative	612,584	-	612,584
Fundraising	490,744	-	490,744
Total Expenses	7,982,517	-	7,982,517
Change in Net Assets	377,536	28,613	406,149
Net Assets - Beginning of Year	24,105,055	26,948,812	51,053,867
Net Assets - End of Year	$ 24,482,591	$ 26,977,425	$ 51,460,016

HARTNELL COLLEGE FOUNDATION
(A NONPROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program	General and Administrative	Fundraising	Total
Salaries	$ 187,070	$ 262,289	$ 265,925	$ 715,284
Employee benefits	11,805	42,943	43,538	98,286
Consulting and marketing	82,501	-	63,818	146,319
Accounting and legal fees	-	21,097	-	21,097
Campus area expenses	3,870,556	-	-	3,870,556
Conferences, convention, and meetings	18,909	15,612	36,428	70,949
Donor Cultivation	-	-	85,364	85,364
Memberships	-	8,864	-	8,864
Equipment rental and maintenance	-	107,988	-	107,988
Insurance	-	16,032	-	16,032
In-kind	227,055	64,544	92,405	384,004
Planned Giving	-	-	52,507	52,507
Postage, printing, and publications	-	4,628	-	4,628
Royalties	17,077	-	-	17,077
Scholarships	1,126,275	-	-	1,126,275
Special events	-	-	136,517	136,517
Supplies	1,726	6,611	-	8,337
Telephone	-	3,392	-	3,392
ERAP (emergency rental assistance program)	567,149	-	-	567,149
Other	27,609	269,086	-	296,695
Total	$ 6,137,732	$ 823,086	$ 776,502	$ 7,737,320

HARTNELL COLLEGE FOUNDATION
(A NONPROFIT ORGANIZATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Program	General and Administrative	Fundraising	Total
Salaries	$ 112,667	$ 245,695	$ 189,610	$ 547,972
Employee benefits	6,359	38,576	22,152	67,087
Consulting and marketing	22,155	-	45,980	68,135
Accounting and legal fees	-	38,242	-	38,242
Campus area expenses	2,691,304	-	-	2,691,304
Conferences, convention, and meetings	4,699	12,824	21,178	38,701
Donor Cultivation	-	-	70,141	70,141
Memberships	-	1,149	-	1,149
Equipment rental and maintenance	-	14,733	-	14,733
Insurance	-	15,398	-	15,398
In-kind	175,146	43,786	-	218,932
Planned Giving	-	-	3,500	3,500
Postage, printing, and publications	1,103	1,480	-	2,583
Royalties	23,307	-	-	23,307
Scholarships	1,001,257	-	-	1,001,257
Special events	-	-	138,183	138,183
Supplies	1,447	11,444	-	12,891
Telephone	-	2,191	-	2,191
ERAP (emergency rental assistance program)	2,836,724	-	-	2,836,724
Other	3,021	187,066	-	190,087
Total	$ 6,879,189	$ 612,584	$ 490,744	$ 7,982,517

HARTNELL COLLEGE FOUNDATION
(A NONPROFIT ORGANIZATION)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 443,828	$ 406,149
Reconciliation to net cash provided by operating activities:		
Net gain in the fair value of investments	(1,178,911)	(1,286,275)
Contributions restricted for endowments	(274,455)	(222,022)
Effect on changes in:		
Grants/Pledges receivable	1,045,796	923,927
Accounts receivable	545,941	2,476,802
Prepaid expenses	(8,319)	(4,204)
Accounts payable and accrued liabilities	310,579	(239,133)
Scholarships payable	12,511	(103,785)
Deferred revenue	24,504	(4,410)
Net Cash Provided by Operating Activities	921,474	1,947,049
CASH FLOWS FROM INVESTING ACTIVITES		
Purchase of investments	(539,722)	(1,668,815)
Gain/(loss) from sale of investments	(908,582)	1,429,465
Net Cash Used in Investing Activities	(1,448,303)	(239,350)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for endowment	274,455	222,022
Net Cash Provided by Financing Activities	274,455	222,022
Net Increase (Decrease) in Cash and Cash Equivalents	(252,374)	1,929,721
Cash and Cash Equivalents - Beginning of Year	7,823,315	5,893,594
Cash and Cash Equivalents - End of Year	$ 7,570,940	$ 7,823,315

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization: Hartnell College Foundation (the "Foundation") is a not-for-profit public benefit corporation organized to provide support to various programs and functions of Hartnell Community College District (the "District" or "College"), as well as to provide a link between the District and the community. The Foundation is considered a component unit of the District for financial reporting purposes and, accordingly, is reported as a discretely presented component unit in the District's financial statements.

The mission of Hartnell College Foundation is to cultivate resources to champion student success.

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation: The financial statements of the Foundation have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

All donor-restricted contributions are recorded as increases in net assets with donor restrictions. When a restriction expires, either by the passage of time or the purpose is satisfied, the net assets with donor restriction are reclassified to net assets without donor restrictions and reported in the statements of activities as "net assets released from restrictions."

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulation or by law. Possible expirations of net assets with donor restriction are (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Cash Equivalents: The Foundation considers all highly liquid investments with original maturity dates of three months or less as cash equivalents.

Investments: Investments in marketable securities are carried at fair value. Net change in the fair value of investments, which consists of realized gains or losses and the unrealized appreciation/(depreciation) of those investments is reported in the statements of activities. Investment income, which consists of interest, dividends, realized gains or losses and the unrealized appreciation/(depreciation) of those investments, is reported in the statement of activities. Investment income is accrued as earned. Security transactions are recorded on a trade date basis.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Land held for investment: Land held for investment is carried at the lower of cost or fair value. Declines in the value of the investment is recognized if the aggregate fair value is less than the carrying amount, recoveries of aggregate fair value in subsequent periods is recorded in those periods subject only to the limitation that the carrying amount shall not exceed the original cost.

Net Assets: The financial statements report amounts separately by class of net assets as follows:

- Net assets without donor restrictions are those resources that are currently available for operations.
- Net assets with donor restrictions are those resources which are stipulated by donors for various scholarships or other programmatic uses.

Endowment Funds: The Foundation accounts for its endowments in accordance with *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and Enhanced Disclosures for All Endowment Funds* (Codification Topic 958-205). The Foundation's endowment currently consists of 112 individual funds established for the purpose of supporting education at the District. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restriction (a) the original value of gifts donated to the net assets with donor restriction endowment, (b) the original value of subsequent gifts to the net assets with donor restriction endowment, and (c) accumulations to the net assets with donor restriction endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard prudence prescribed by UPMIFA.

The Foundation follows the Foundation's adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specific period(s) as well as board-designated funds.

The investment objective is to optimize earnings on all invested funds, while maintaining the preservation of capital. Risk will be minimized by investing in high quality investment instruments. To the extent that corporate obligations are purchased, those purchases will be diversified in terms of issuer and industry sector.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Underwater Endowment Funds: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the Board of Directors. The Foundation considers its endowments to be underwater if their fair value is less than the sum of (1) the original value of initial and subsequent gift amounts donated to the endowment and (2) any accumulations to the endowment required to be held in perpetuity per donor direction. The Foundation had fifteen underwater endowment funds at June 30, 2024 and thirteen underwater endowment funds at June 30, 2023.

Donations: Donations are recognized as revenues in the period received. Donations are considered available for net assets without donor restrictions use unless specifically restricted by the donor. Event revenues received in advance are deferred and recognized in the period the events occur.

Management Fee Income: The Foundation assessed a 1.5% management fee on all endowments. Income from this fee is without donor restriction and is used to support the Foundation's operations and mission.

Political contributions: The Foundation did not make political contribution during the fiscal years 2024 and 2023.

Pledges Receivable: Pledges receivables consist of unconditional and conditional promises to give. Unconditional promises to give (pledges) are recognized as revenue when the commitment is communicated to the Foundation. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met.

Pledges which are expected to be collected within one year are recorded at net realizable value. An allowance for uncollectible pledges receivable is established based upon estimated losses related to specific amounts and is recorded through a provision for bad debt which is charged to expense. At June 30, 2024 and 2023, management has determined that an allowance for uncollectible pledges is not considered necessary.

Pledges to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using rates commensurate with risks applicable in the years in which those promises are received. At June 30, 2024 and 2023, the Foundation has not applied a present value discount as the amount was not significant.

Concentration of Credit Risk: Cash balances held in banks are insured up to $250,000 and are collateralized by the respective financial institution. The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. Management believes the Foundation is not exposed to any significant credit risk related to cash.

At June 30, 2024 and 2023, the Foundation had deposits at financial institutions eligible for insurance coverage with carrying amounts of $7,570,939 and $7,823,315 and bank balances of $2,506,865 and $2,588,097 respectively. The total uninsured bank balances at June 30, 2024 and 2023, were $1,719,821 and $1,592,582, respectively.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Allocation of Functional Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel costs and occupancy expenses are allocated based on time and effort. The financial statements also report categories of expenses that are attributed to program service activities or supporting services activities. These expenses are generally directly attributable to a functional category with no significant allocations between program service activities and supporting service activities occurring.

Tax Status: The United States Treasury Department determined that the Foundation is a nonprofit tax-exempt corporation as defined by Internal Revenue Code Section 501(c)(3). A similar determination was made by the California Franchise Tax Board under Section 237 of the State Revenue and Taxation code.

In 2003, the Foundation Board of Directors approved the 501(h)-lobby election of the Internal Revenue Code. Such status provides the Foundation with the ability to participate in the public policy process through lobbying and advocacy campaigns but limits the Foundation's expenses for this purpose to a maximum of 20% of the first $500,000 of annual expenditures.

The Foundation has accounted for uncertainty in income taxes as required by the *Accounting for Uncertainty in Income Taxes* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification. The Foundation uses a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The effect of applying this model and the resulting identification of uncertain tax positions, if any, were not considered significant for financial reporting purposes. The Foundation is not subject to any tax liability. Management does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

The Foundation would recognize interest and penalties related to unrecognized tax benefits in tax expense. During the years ended June 30, 2024, and 2023, the Foundation did not recognize any interest or penalties. The Foundation is subject to the filing of U.S. Federal and California informational returns. Federal returns for 2019 through 2021 and California returns for 2018 through 2021 are currently open for potential Federal and State examination.

Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

NOTE 2 – PLEDGES RECEIVABLE

Pledges receivable consist of the following at June 30:

	2024	2023
Pledges receivable	$ 1,021,168	$ 2,066,964
Less pledges receivable, current	(866,168)	(1,378,964)
Pledges receivable, non-current	$ 155,000	$ 688,000

Pledges receivable reported as noncurrent are expected to be received within the next five years.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Foundation's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside for program services that could be drawn upon if the Board of Directors approves that action.

	2024	2023
Financial assets, at year-end:		
Cash and cash equivalents	$ 7,570,940	$ 7,823,315
Grants/pledges receivable	1,021,168	2,066,964
Investments	10,659,666	4,906,617
Total financial assets, at year-end	$ 19,251,774	$ 14,796,896
Restrictions for specific purposes:		
Donor designated	$ 27,300,566	$ 26,977,425
Total contractual or donor-imposed restrictions	$ 27,300,566	$ 26,977,425
Financial assets available to meet cash needs for general expenditure within one year	$ (8,048,792)	$ (12,180,529)

NOTE 4 – INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS

Investments consist of the following at June 30:

	2024	2023
Fixed Income	$ 7,534,390	$ 6,704,806
Equity securities	13,166,797	11,867,068
Mutual funds	1,294,692	843,938
Investment Foundation Student Success Fund	274,943	251,263
Investment Foundation for California Community Colleges Scholarships Endowment (FCCC/Osher)	377,589	354,121
Total	$ 22,648,411	$ 20,021,196

The Foundation invests in a pooled scholarship endowment fund, FCCC/Osher, managed by the Foundation for California Community Colleges (FCCC). The objective of the Foundation's investment in FCCC/Osher is to grow the Foundation's investments through the Bernard Osher Foundation pledge to match funds contributed to FCCC/Osher. Funds invested in the endowment fund by the Foundation cannot be removed at any time. The investment managers engaged by FCCC are required to follow specific guidelines set forth by FCCC with respect to the various types of allowable investments purchased and held by the pool. Accordingly, the estimated fair value of these investments is based on information provided by external investment managers engaged by FCCC. At June 30, 2024 and 2023, the Foundation investment in the pool consisted of 9% and 7% cash and short-term investments, 33% and 34% fixed income securities, and 58% and 59% equity securities, respectively.

The following presents information about the Foundation's assets and liabilities measured at fair value on a recurring basis as of June 30, 2024 and 2023, and indicates the fair value hierarchy of the valuation techniques utilized by the Foundation to determine such fair value based on the hierarchy:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

As of June 30, 2024, and 2023, the carrying amounts of cash and cash equivalents and accounts payable approximate fair value because of the relatively short maturities of these financial instruments.

NOTE 4 – INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS, continued

The Foundation is required or permitted to record the following assets at fair value on a recurring basis:

	June 30, 2024			
	Fair Value	Level 1	Level 2	Level 3
Investment securities:				
Fixed Income	$ 7,534,390	$ 7,534,390	$ -	$ -
Equity securities	13,166,797	13,166,797	-	-
Mutual funds	1,294,692	1,294,692	-	-
Investment Foundation Student Success Fund	274,943	274,943	-	-
Investment in FCCC/Osher	377,589	-	-	377,589
Total investment securities	$ 22,648,411	$ 22,270,822	$ -	$ 377,589

	June 30, 2023			
	Fair Value	Level 1	Level 2	Level 3
Investment securities:				
Fixed Income	$ 6,704,806	$ 6,704,806	$ -	$ -
Equity securities	11,867,068	11,867,068	-	-
Mutual funds	843,938	843,938	-	-
Investment Foundation Student Success Fund	251,263	251,263	-	-
Investment in FCCC/Osher	354,121	-	-	354,121
Total investment securities	$ 20,021,196	$ 19,667,075	$ -	$ 354,121

The Foundation used the following methods and significant assumptions to estimate fair value:

The fair value of the funds held by FCCC is based upon the Foundation's proportionate share of the FCCC/Osher pooled investment portfolio. Foundation management reviews the valuations and returns in comparison to industry benchmarks and other information provided by FCCC, but there is currently no visibility provided by FCCC to the specific listing of underlying investment holdings.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE 5 – LAND HELD FOR INVESTMENT

During the year ended June 30, 2018, the Foundation received a donation of land with an appraised value of $20,500,000. During the year ended June 30, 2020 the donor conditions were met. The donation was transferred to net assets without donor restrictions and is held for future sale. The proceeds from the sale will be maximized for the best interests of the College, Foundation, and students.

NOTE 6 – RENTAL INCOME

During the year ended June 30, 2024 and 2023, the Foundation received annual lease revenue of $284,638 and $278,265, respectfully. The agreements are single-year contracts.

NOTE 7 – CONTRIBUTED NONFINANCIAL ASSETS

The Foundation's statements of activities include in-kind contributions from the District totaling $384,005 for the year ended June 30, 2024 and $218,932 for the year ended June 30, 2023. This consisted of management support services and operational services as provided by the District. The valuation of such services is determined based upon the cost of the employees' salaries and benefits.

During the fiscal years ended June 30, 2024 and 2023, the Foundation received in-kind donations:

Description	2024	2023	Utilization in program/activities	Donor restrictions	Valuation techniques and inputs
Professional Services	$ 22,500	$ 15,000	Foundation	Donor restrictions	Donated items are valued and are reported at the estimated fair value in the financial statements based on current rates for similar items.
Salaries	$ 361,505	$ 203,932	Events, staffing, support, and donations	Without donor restrictions	Donated items are valued and are reported at the estimated fair value in the financial statements based on current rates for similar items.
Total	$ 384,005	$ 218,932			

NOTE 8 – NET ASSETS

Changes in net assets with donor restrictions for the fiscal year ended June 30, consisted of the following:

Year Ended June 30,	2024	2023
Academic program	$ 12,121,358	$ 12,899,607
Scholarships and grants - endowed funds	13,409,221	12,342,580
Scholarships and grants - nonendowed funds	1,666,412	1,638,955
Federal Gear Up grant	103,575	96,283
Total Net Assets with Donor Restrictions	$ 27,300,566	$ 26,977,425

Changes in endowment net assets for the fiscal year ended June 30, consisted to the following:

Year Ended June 30, 2024	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 12,342,580	$ 12,342,580
Change in fair value of investments	-	603,874	603,874
Investment income	-	718,521	718,521
Contributions	-	274,455	274,455
Transfers and adjustments	-	149,675	149,675
Appropriation of endowment assets for expenditure	-	(679,884)	(679,884)
Endowment net assets, end of year	$ -	$ 13,409,221	$ 13,409,221

Year Ended June 30, 2023	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 10,775,522	$ 10,775,522
Change in fair value of investments	-	711,238	711,238
Investment income	-	701,294	701,294
Contributions	-	222,022	222,022
Transfers and adjustments	-	617,773	617,773
Appropriation of endowment assets for expenditure	-	(685,269)	(685,269)
Endowment net assets, end of year	$ -	$ 12,342,580	$ 12,342,580

NOTE 9 – SUBSEQUENT EVENTS

The Foundation evaluated all events or transactions that occurred from June 30, 2024, to December 11, 2024 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.