Financial Statements
June 30, 2021 and 2020

College of the Canyons Foundation

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Components of the Annual Report

The Annual Financial Report for the Period Ending June 30, 2021 consists of an **Independent Auditors' Report Section** and a **Financial Statements Section.**

The Independent Auditors' Report Section contains the Final Report issued by Eide Bailly LLP, the independent auditors hired by the COC Foundation to perform the annual audit. This report indicates that they conducted an audit in accordance with auditing standards generally accepted in the United States of America. In their opinion, the financial statements present fairly, in all material respects, the financial position of the College of the Canyons Foundation (Foundation) as of June 30, 2021, and the change in its net assets and its cash flows for the year then ended. There were no audit findings identified during the course of the audit which means that all of the documentation tested for revenues and expenses reflect accurate and compliant transactions.

Selected Financial Highlights

Below is a summary of the financial highlights that illustrates the Foundation's strong fiscal viability to support high-quality and affordable education for all who live in our community.

The Financial Statements Section contains the following **four key financial statements**, as well as associated notes to financial statements, which detail significant accounting policies and transactions for the year being reviewed:

1. The ***Statement of Financial Position for the Year Ended June 30, 2021*** reports the value of all assets and liabilities of the Foundation. This statement reflects total assets of **$5,596,632**. Assets include cash and cash equivalents, donor pledges and other accounts receivables, prepaid expenses, investments, beneficial interest in assets held by the Foundation for California Community Colleges, long- term donor pledges, and cash surrender value of life insurance. Total liabilities of **$156,343** represents accounts payable, net pension liability, and deferred revenue.

Statement of Financial Position

	June 30, 2021	June 30, 2020	Increase (Decrease)
Current Assets	$ 4,023,394	$ 3,606,558	$ 416,836
Noncurrent Assets	$ 1,573,238	$ 1,288,097	$ 285,141
Total Liabilities	$ 156,343	$ 308,255	$ (151,912)

Total Current assets increased in 2020-21 by **$416,836** as compared to 2019-20. This net increase is the result of:

- **$ 313,395 Increase** in investments in Raymond James accounts.
- **$ 71,631 Increase** in investments in Los Angeles County Treasury due to higher cash balances on deposit with Los Angeles County Office of Education (LACOE).
- **$ 23,029 Increase** in cash and cash equivalents due to higher cash balances held in the payroll, emergency, and cash and credit revolving bank accounts.
- **$ 11,231 Increase** in accounts receivable as there were more payments pending receipt at June 30, 2021 compared to June 30, 2020.
- **($ 717) Decrease** in prepaid expenses on transactions made for the Golf Tournament event.
- **($ 1,733) Decrease** in unconditional promises to give as short term pledges (collectable within one year) were received.

Total Noncurrent assets (assets held by the FCCC, pledges and life insurance policies) increased in 2020-21 by **$285,141** as compared to 2019-20. Non-current assets are the portion of assets that have a value beyond one year. This net increase is the result of:

- **$249,172 Increase** in beneficial interest in assets held by the Foundation for CA Community Colleges. Due to an accounting treatment which began in fiscal year 2018-19, an adjustment is made to reflect the fair market value of the ending balance of Osher funds held by the FCCC.
- **$ 32,090 Increase** in irrevocable planned gift present value calculated using IRS NVP rate calculation.
- **$ 4,024 Increase** in the cash surrender values of life insurance policies due to the application of annual earnings for policies where the Foundation is named as the owner/beneficiary.
- **($ 145) Decrease** in unconditional promises to give (long-term outstanding pledges) net of amortized discounts due to timely receipt of long-term pledges leading to a lesser outstanding amount.

Total Liabilities decreased in 2020-21 by (**$151,912)** as compared to 2019-20. This net increase is the result of:

- **($ 83,674) Decrease** in accounts payable due to fewer late withdrawal requests from Academic Departments, College Programs and Clubs.
- **($ 75,550) Decrease** in deferred revenue due to the donors donating the majority of deferred revenue from 2019-20 Silver Spur event revenue to the Foundation Unrestricted Fund.
- **$ 7,312 Increase** in net pension liability due to an adjustment to the CalPERS Pension Liability based on an updated actuarial study. The net pension liability was decreased from $89,679 to $96,991.

The value of total net assets as of June 30, 2021 is $5,440,289, an **increase of $853,889** or 16% from June 30, 2020. Details of this increase in total net assets are provided in the audited financials under two categories, <u>Without Donor Restrictions and With Donor Restrictions</u>.

- **$ 64,386 Increase in Net Assets <u>Without Donor Restrictions (Fund 81 – Operating Fund)</u>**
  - **$ 43,380 Increase** due to savings in salary and benefits expenses because a full-time position was vacant from July 2020 through March 2021.
  - **$ 32,090 Increase** due to revenue from the present value of an Irrevocable Planned Gift. The bequest of $50,000 was valued at $32,090 using IRS NPV (Net Present Value) rate calculation and will be adjusted annually.
  - **$ 20,976 Increase** due to unrestricted fundraising revenues above budget. Specifically, donations and sponsorships of $58,200 for the 2019-2020 Silver Spur event, cancelled due to the pandemic, were deferred as revenues to the Foundation Unrestricted Fund. The Chancellor's Circle and Golf Tournament achieved $7,776 over combined goals.
  - **$ 4,024 Increase** due to increased **surrender value of life insurance policies** where the Foundation is the beneficiary.
  - **($ 1,607) Decrease** due to fair market value adjustment to cash held at LACOE in investment pools beginning 2020-2021 due to a new accounting standard GASB 31 requiring annual year-end adjustments to cash value. The entry is reversed the subsequent fiscal year as of July 1st.
  - **($ 2,500) Decrease** due to lower administrative fee revenue, which is 5% on donations in excess of $20,000, per policy.
  - **($ 3,839) Decrease** due to lower interest income from funds invested in LA Co Treasury pool.
  - **($ 7,312) Decrease** due to a higher **CalPERS Pension Liability** assessed each year based on the actuarial study for the Foundation
    - The Foundation participates in a Cost-Sharing, Multiple Employer Defined Benefit Pension Plan that is part of the CalPERS Retirement System.
    - Employers participating in this plan are required to report the employers' share of the net pension liability in their annual financial statements.
    - CalPERS is working towards fully funding the plan, and reducing the Statewide liability, by gradually adjusting the employer contribution rate.
    - The CalPERS liability on the Foundation's financial position changed from $89,679 to $96,991 based on actuarial criteria including anticipated date of retirement, salary and return on investment for the pool.
  - **($ 20,826) Decrease** due to higher operating expenses, mainly for legal fees, which were not budgeted. The Foundation paid $41,545 for attorney services in response to an FPPC Administrative Action associated with the Measure E Campaign.

- **$ 789,503 Increase in Net Assets <u>With Donor Restrictions (Funds 82 – 89)</u>**
  - **$ 707,229 Increase** due to successful Fundraising efforts.
  - **$ 309,972 Increase** due to fair market value adjustment in beneficial interest in assets held by the Foundation for California Community Colleges. This is an accounting treatment added to the Foundation's net assets in 2018-19 to reflect fair market value of the ending balance of Osher funds held by the FCCC.
  - **$ 290,702 Increase** due to increased interest and dividends offset by change in value of investments.

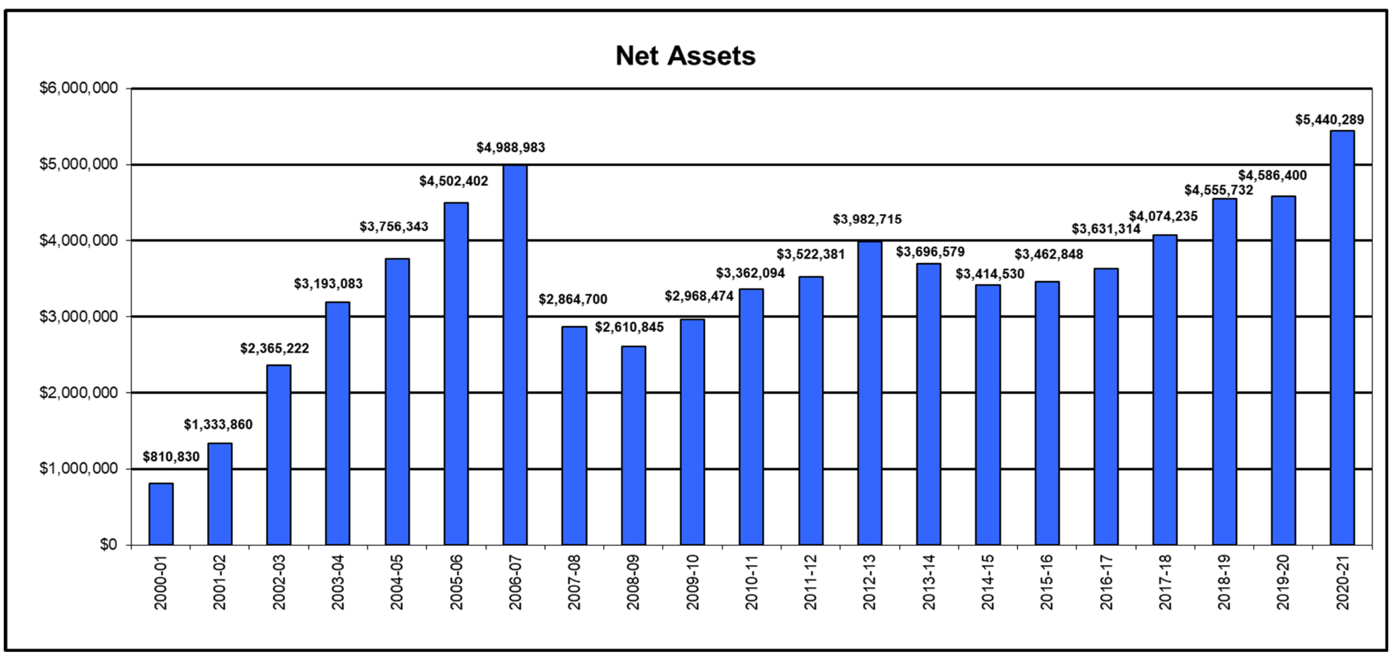
- **($ 12,500) Decrease** due to fair market value adjustment on cash held at LACOE in investment pools. Beginning 2020-21 fiscal year, new accounting standard GASB 31 requires annual year end entries to adjust the cash value with a reversal as of July 1st .
- **($ 505,900) Decrease** due to the donations granted from the Foundation to the District to support to faculty, students, academic programs and scholarships.

Net Assets, End of Year

The following chart reports a 571% increase in net assets over the 21-year period between 2000-01 and 2020-21. Decreases in net assets in 2007-2008 and 2008-2009 were due to the Foundation granting the District $3.4 million in Capital Campaign proceeds for construction of the Dr. Dianne G. Van Hook University Center. Decreases in net assets in 2013-2014 and 2014-2015 were due to the Foundation granting the District over $900,000 in Capital Campaign proceeds for construction of the Culinary Arts facility. Net assets in 2020-2021 is **$5,440,289,** which is an increase of $853,889 from 2019-2020. The increase is mainly in the category With Donor Restrictions net assets and is attributable to increases in interest, dividends and unrealized gains on investments and the fair market value adjustment in beneficial interest in assets held the Foundation for California Community Colleges. Net assets are reported by category and in total on this statement:

$ 5,440,289 in Total Net Assets at June 30, 2021

- **$396,353** in **Without Donor Restrictions** net assets for future support to Foundation operations and fundraising events.
- **$5,043,936** in **With Donor Restrictions** net assets for future support to the District's instructional programs, student programs and scholarships.



Source: The College of the Canyons Foundation audited financial reports.

2. The ***Statement of Activities for the Years Ended June 30, 2021*** reports public support and revenues, expenses, other income, and net assets based on two categories: Without Donor Restrictions and With Donor Restrictions.

Statement of Activities

	June 30, 2021	June 30, 2020	Increase (Decrease)
Revenues Without Donor Restrictions	$ 1,691,934	$ 1,973,555	$ (281,621)
Revenues With Donor Restrictions	$ 789,503	$ 113,119	$ 676,384
Total Expenses	$ 1,627,548	$ 2,056,006	$ (428,458)

Public Support and Revenues

Public Support and Revenues in the two categories total $1,888,997 in 2020-21.
An entry that nets to zero entitled "assets released from restrictions" is made in this section to move **With Donor Restrictions** dollars to the **Without Donor Restrictions** category, as per non-profit accounting guidelines all expenses are recorded in the **Without Donor Restrictions** category. Revenues **Without Donor Restrictions** are unrestricted and include donations and pledges made without use restrictions, as well as in-kind donations, and revenues generated from special events. Revenues **With Donor Restrictions** are temporarily and permanently restricted revenues, because the donor has specified a particular use for the funds, and include contributions and pledges made to expendable scholarships, student and college programs, capital campaigns, major gifts, endowed scholarships and other endowments.The interest from these funds is used to benefit the designated college programs or to issue student scholarships, while the principal remains restricted. The chart below illustrates the fluctuations associated with total dollars raised, showing that some years the Foundation receives large gifts structured to assist the District for several years: between 2002-03 and 2004-05 due to large University Center Capital Campaign contributions; between 2004-05 and 2005-06 due to large private gifts to benefit the Regional Nursing Collaborative; between 2012-13 and 2013-14 due to large Culinary Arts Capital Campaign contributions; between 2017-18 and 2018-19 due to large First Year Promise contributions. **In 2020-21, dollars raised totaled $959,582**. The decrease from prior year is due in part to the cancellation of the annual Silver Spur event due to the pandemic with donations and sponsorships deferred from 2019-20 in the amount of $58,200 to the Foundation Unrestricted Fund. Another reason for the decrease was due to less sizeable donations received for departments and programs; Nursing, Patrons of the Arts and KP Mental Health Pipeline.

Revenues With Donor Restrictions increased in 2020-21 by **$676,384** as compared to 2019-20 due to the following factors:

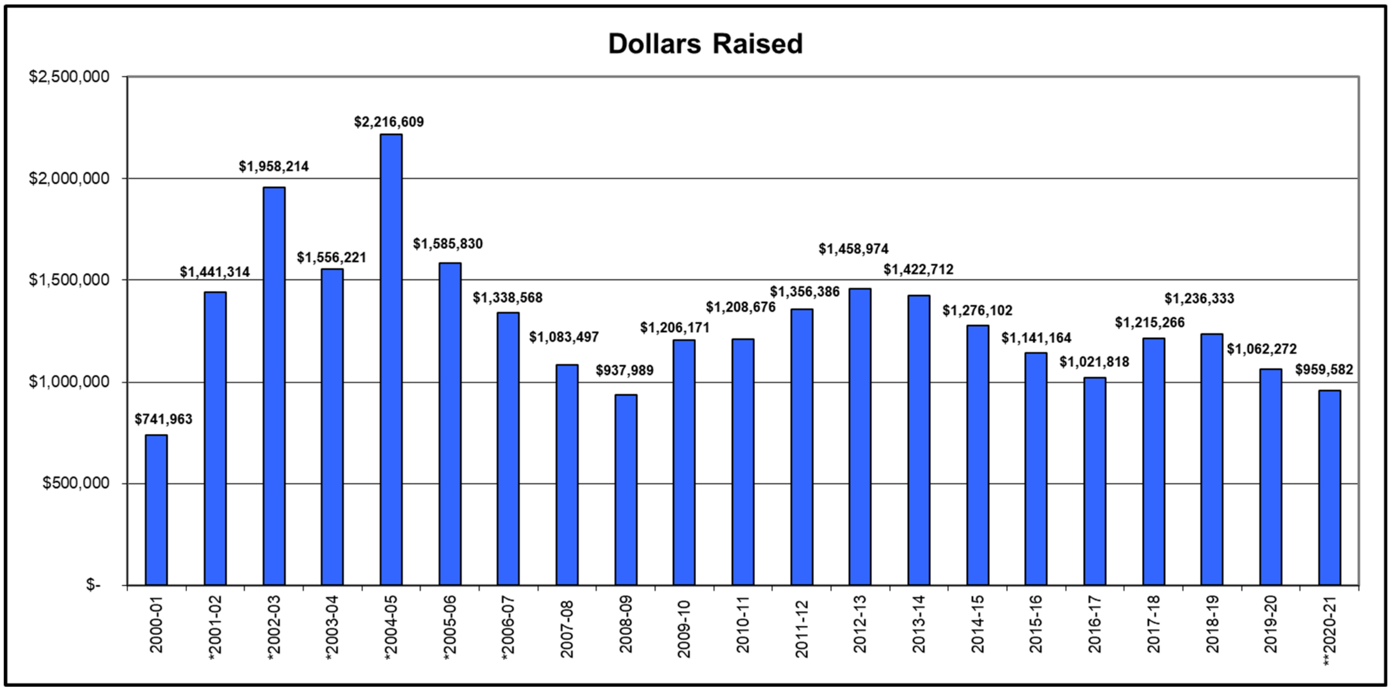
- **$ 299,833 Increase** in change in beneficial interest in assets held by the Foundation for CA Community Colleges.

- **$ 333,265 Increase** in assets released from restrictions **(which increases revenue)** as support transferred to the District decreased. Due to the COVID-19 pandemic, less withdrawals were made from faculty and staff accounts held at the Foundation.
- **($ 151,527) Decrease** in contributions with donor restrictions. A total of $707,229 was raised in With Donor Restrictions by the Foundation to support the District. These funds were raised through mail to alumni and traditional donors, proposals to corporate and private foundations, and through academic support group activity. Funds are restricted to particular academic programs or departments, student scholarships, or identified special needs. The College of the Canyons Foundation stewards these funds until requested by the academic departments for use in the instructional programs, or until student scholarships are awarded.
- **($ 12,500) Decrease** in cash for the fair market value adjustment of cash held by Los Angeles County Treasury in investment pools.
- **$ 207,313 Increase** in other income due to interest and dividend income of $290,701 earned on Foundation balances in banks, Raymond James and the LA County Treasury. The Foundation updates the value of assets held at Raymond James annually by posting an adjustment based on the year's unrealized gain or loss as of June 30, 2021.

Revenues Without Donor Restrictions decreased by **($281,621)** in 2020-21 as compared to 2019-20 due to the following factors:

- **($ 333,265) Decrease** in assets released from restrictions, which means that the Foundation's expenses for the benefit of the District and its students from restricted sources decreased from the previous year.
- **($ 6,012) Decrease** in donated services from the District. Although costs increased for the salaries and benefits of District staff assigned to or assisting the Foundation, the decrease is mainly due to the retirement of the Foundation's Chief Operating Officer and the resignation of the Donor Relations Coordinator at the end of the fiscal year.
- **($ 3,839) Decrease** in interest and dividends due to the decrease in the LA County Treasury interest rate from 1.04% in 2019-20 to 0.47% in 2020-21.
- **($ 1,607) Decrease** in cash for the fair market value adjustment of cash held by Los Angeles County Treasury in investment pools.
- **($ 859) Decrease** in the adjustment to the surrender value of Life Insurance policies due to lower earnings on the cash value of the policies.
- **$ 15,123 Increase** in donated assets as more donated assets were received from donors in 2020-21. In fiscal year 2019-20, the Foundation received less donated items due to COVID-19 pandemic.
- **$ 20,815 Increase** in special events income with 100% of the proceeds from the cancelled Golf Tournament and 68% of donations and sponsorships from the cancelled Silver Spur event donated to the Foundation Unrestricted Fund. Both events were cancelled due to the COVID-19 pandemic.

- **$ 28,023 Increase** in other unrestricted contributions due to the irrevocable planned gift present value of $32,090 which is offset by a decrease in Alumni Development contributions. Beginning in 2020-21, irrevocable planned gifts are booked at present value using the IRS NVP rate calculation. Adjustments will be made annually at year end to reflect the present value of the bequest.



Source: The College of the Canyons Foundation audited financial statements.
Excludes*:* Donated facilities, assets, and services; interest and dividends; realized/unrealized gain/loss on investment; change in cash surrender value of life insurance; assets released from restriction; and district contributions.
***** From fiscal year 2001-02 through 2006-07 the Foundation raised over $3.6 million in the Capital Campaign for the University Center
****** In fiscal year 2020-21, the Statement of Activities reflects a decrease of $60,800 due to an accounting treatment to adjust contributions received from the Foundation for California Community Colleges to reflect the fair market value of the beneficial interest held by the FCCC for the Osher Scholarships.

3. The ***Statement of Functional Expenses for the Years Ended June 30, 2021*** provides detail of the Foundation's annual expenses on a functional basis. Based upon management's estimates, the costs of providing various programs and activities have been summarized into three categories: **Program, Management and General, and Fundraising**. Total expenses for 2020-21 were **$1,627,548** which includes **$441,334 in support to the District and its students**.

Total Expenses decreased by **($428,458)** as compared to 2019-20 due to the following factors:

- **$ 9,111 Increase** in in-kind donations expenses to the District specifically in donated assets as the Foundation received more donations benefiting District programs in 2020-21 in comparison to 2019-20.
- **($ 56,584) Decrease** in special events expenses for the Chancellor's Circle, Golf Tournament and Silver Spur events. Due to the COVID-19 pandemic, no event was scheduled for Chancellor's Circle and the Golf Tournament and Silver Spur events were cancelled.
- **$ 595 Increase** in general fundraising expenses which comprise of expenses from program development and campaign fundraising.
- **($ 929) Decrease** in alumni development expenses which includes the 360 Alumni subscription.
- **($ 49,886) Decrease** in Foundation general operations expenses. The decrease was primarily due to salaries and employee benefits as the Foundation Coordinator full-time position remained vacant until April 2020. Other areas of decrease were in professional services, board expenses, bank and payroll fees and credit card fees which were offset by increases in supplies, legal services, postage and printing, and other expenses.
- **($ 330,765) Decrease** in support expenses for instructional programs, academic support for student programs, and scholarships.

The Foundation continues to keep **Management and General** expenses low at 14% of total expenses, and focuses most of the resources generated on providing support to campus programs, which represent 68% of all expenses:

- **$ 1,104,927 in Program expenses** 68% of total expenses
- **$ 288,365 in Fundraising expenses** 18% of total expenses
- **$ 234,256 in Management and General expenses** 14% of total expenses

As noted above, all expenses are reported in the **Without Donor Restrictions** category. **Expenses for 2020-21 total $1,627,548.** Expenses are categorized into three main areas: **Program, Management and General, and Fundraising**.

Program expenses totaled **$1,104,927** and includes $441,334 in grants to benefit the District and its students through Instructional Departments and Student Program support and scholarships.

- **$ 139,505** benefited the following areas in support of instructional and student programs:
  - Athletic Hall of Fame Project
  - Auto Technology Program
  - Chancellor's Circle Mini Grants
  - Civic Engagement & Community Service
  - Cougar Basketball
  - Cougar Club
  - Division of Fine and Performing Arts
  - Early College High School Textbooks
  - Fire Tech

  - Golf Department
  - HASP & RSX Fund
  - Human Rights Symposium
  - Math Engineering Science Achievement (MESA)
  - Mental Health and Wellness
  - Noncredit Student Activity
  - Nursing Department
  - Paralegal Studies
  - Patrons of the Arts
  - Pitchess Student Fund
  - Psychology Department
  - RISE Special Funds
  - Santa Clarita Environmental Education Consortium
  - Spanish Institute
  - Student Resource &Success Fund
  - Sustainable Development
  - Welding Department
  - Women's Conference
- **$ 277,611** in student scholarships for a total of **275** scholarships awarded.
- **$ 89,784** in financial aid pass-thru scholarships for a total of **60** scholarships designated to individual students.
- **$ 586,107** in In-Kind donations of facilities, services and assets to the District to support academic programs.
  - $ 16,939 in donated facilities
  - $544,950 in donated services
  - $ 24,218 in donated assets received from donors
- **$ 11,920** represents expenses in alumni development, general fund raising and general operations to support academic programs.

Management and General expenses totaled **$234,256** and represented the portion of staff salaries and office costs associated with the business operations of the Foundation.

Fundraising expenses totaled **$288,365**, that included costs associated with fundraising special events and general fundraising activities. Beginning with the 2014-15 fiscal year, the Foundation was required to include its proportionate share of the net pension liability for the CalPERS plan for the Foundation employee with an increase of **$7,312** to adjust the amount of CalPERS Pension Liability recognized in the Foundation's books from **$89,679** to **$96,991**.

Other Income
Interest and dividend income, unrealized gain on investments, change in cash surrender value of life insurance, and change in beneficial interest in assets held by the Foundation for CA Community Colleges totaling **$592,440** are reported in this section. This income is used to enhance the funding and services the Foundation provides to the District, and overall has remained positive because of effective cash management and investing strategies adopted by the Foundation Board and management staff.

4. The ***Statement of Cash Flows for the Years Ended June 30, 2021*** identifies the change in cash and cash equivalents from operating activities, investing activities, and financing activities.

Change in Cash and Cash Equivalents
Cash and cash equivalents on deposit in bank accounts, invested at the Los Angeles County Treasury and held in beneficial interest by the Foundation of California Community Colleges **increased** by **$94,660** overall. Beginning fiscal year 2018-19, an accounting treatment is included to reflect the fair market value of beneficial interest held by the FCCC.

Cash Flows from Operating Activities
Operating activities resulted in a net **increase** in cash of **$131,666**. This net increase in cash is due to the following areas:

- **$ 853,889 – Increase** due to Revenue and Expense Activity
  - **$1,888,997 – Increase** due to receipt of Contributions, including in-kind, special events and irrevocable planned gifts.
  - **$592,440 – Increase** due to interest and dividends, unrealized gain on investments, change in cash surrender value of life insurance, change in beneficial interest in assets held by the Foundation for CA Community Colleges, and fair market value adjustment of cash held by Los Angeles County Treasury in investment pools.
  - **($1,627,548) – Decrease** due to program expenses that represent distributions granted back to the District as well as operating and fundraising expenses.
- **$ 60,800 – Increase** due to distribution from beneficial interest in assets held by the Foundation for California Community Colleges.
- **($ 4,024) – Decrease** due to cash surrender value of life insurance.
- **($ 42,993) – Decrease** due to Investing New Donor Contributions.
  - The Foundation invested new donor contributions in the LA County Treasury, restricting them until they are needed to provide support to faculty, staff, and students.
- **($ 192,638) – Decrease** due to changes in asset and liability accounts.
  - Foundation cash decreased as a result of transactions to asset and liability accounts, such as pledge and accounts receivables, prepayments for expenses, irrevocable planned gift value, accounts payable, net pension liability and deferred revenue.
- **($ 233,396) – Decrease** due to unrealized gain from investments in Raymond James.

- **($ 309,972) – Decrease** due to change in beneficial interest in assets held by the Foundation for California Community Colleges at the state level.

Cash Flows from Investing Activities
Investment activity for the year resulted in a net **decrease** in cash totaling (**$79,999)** due to a transfer of funds from LACOE to Raymond James. In 2014-15 the Foundation Board adopted a revised investment policy with the goal of achieving an increased return on some of the investments of the Foundation in a structured portfolio based on investment criteria established and approved by the Foundation Finance, Executive Committee and full Board. In 2016-17, the Foundation revised the Investment Policy Procedure and developed a minimum threshold balance of $10,000 for each LACOE Endowment Fund. Anything above the threshold provides an indicator for transfer.

Cash Flow from Financing Activities
Financing activities consisted of an **increase** of **$42,993** in contributions received for Instructional and Student Programs, Student Scholarships, and Endowments. Contributions restricted for long-term purposes for which **restrictions are not yet satisfied** are considered "financing activities" instead of operating activities. The statement of cash flow includes an entry to move these contributions out of Operating Activities and into Financing Activities.

The ***Notes to Financial Statements for the Years Ended June 30, 2021*** section contains notes addressing various topics. The notes are meant to clarify and summarize significant accounting policies of the Foundation, as well as give more detail regarding specific items on the financial statements.

Net Assets Available to Distribute to College and Students
With **net assets of over $5.4 million**, the COC Foundation is ready to assist the District and its students in the following ways with its existing resources:

- **$ 1,536,628 available for Academic and Student Support**
One hundred seventy seven academic departments, athletic teams, and clubs have net assets totaling $1,532,147 on hand to supplement their district funding, and $4,481 is on hand from major gifts.
- **$ 1,556,190 available in Endowed Scholarship Funds**
The Foundation maintains two separate funds for endowed scholarships. The Endowed Scholarship fund has accumulated $514,577 in donations and holds scholarships of generally $10,000 or more, where the interest is accumulated and used annually to issue scholarships according to the donors' specifications. The California Community Colleges Endowed Scholarships Fund has accumulated $1,041,613 and holds scholarships participating in the Bernard Osher Foundation Endowed Scholarship Program administered by the Foundation for California Community Colleges (FCCC) which offered a 50 percent match for every endowed contribution

received by June 30, 2011 and a proposed 5 percent minimum scholarship award. The 50 percent match provided by the FCCC is $532,610.

- **$ 748,657 available for Student Scholarships**
  Through numerous generous donations, the Foundation is able to award student scholarships every spring at the annual Scholarship Awards and Donor Reception.
- **$ 1,200,453 available in the Endowments Other**
  The Endowments Other funds includes Osher scholarships administered by the Foundation for California Community College. Scholarships are also provided from the accumulated interest generated from donations to assist specified areas and projects at College of the Canyons. Currently, endowments have been established to provide program support in the following areas:
  - The Performing Arts Program
  - The College of the Canyons Library
  - The Tutoring, Learning and Computing Lab (TLC)
  - The Physical Education Track Program
- **$ 2,008 available to provide capital funds for a Culinary Arts Facility**
  The Foundation is collecting the final pledge payments for the capital campaign.

Special Events

In 2020-21, the Foundation held several virtual events and fundraising activities during the pandemic, to keep donors and volunteers engaged, contribute towards the need for unrestricted funds, and raise awareness in the community about how they can invest in the students at College of the Canyons. Events include:

- Golf Tournament (cancelled): Registrants still contributed $41,700 and received vouchers for a socially distant individual round of golf
- Chancellor's Circle Virtual Business Briefing Series – 11 informative Seminars were hosted to provide resources and support to the local business community during the pandemic
- Virtual Scholarship Donor Event for donors to meet their scholarship recipients
- Eight (8) Patrons of the Arts virtual events were hosted during the pandemic to keep members engaged and connected to students and faculty
- Virtual Alumni Banner Reception recognizing 6 alumni to be featured on banners across the campus

Historical Perspective of the Foundation

The Foundation has generated over $31 million since it was established in 1981. Celebrating its 40th anniversary, the College of the Canyons Foundation was formed to generate additional resources and revenue, as well as philanthropic support for College of the Canyons and its students. In the years following the passage of Proposition 13 in California, many of the California Community Colleges (CCC's) recognized that all their funding would no longer be provided solely by the state. Thus most of the CCC's have created their own non-profit 501(c) (3) foundations in order to provide supplemental financial support to a College's programs and students.

The Foundation's financial support allows the College's ability to perform beyond the achievement level what tax dollars alone can support and to inspire a determination to strive for the highest levels of excellence in teaching, scholarships, vocational training and innovation. The Foundation believes that public education institutions and private enterprise must work together to provide an affordable and accessible college education for all who have the desire to succeed.

The fundraising efforts of the Foundation have bolstered the college's ability to innovate and expand its services and offerings beyond what is possible by relying solely on state support. From its inception in 1981 through 1989, the Foundation grew its net assets from $0 to $185,584. Since 1989, the Foundation's total net assets have increased 2,831% from $185,584 to $5.4 million in 2020-21.

The following are highlights of the Foundation's successful endeavors in support of the College's programs and students:

- Cumulatively raised over $31 million since 1989 to assist programs and students
- Raised funds for a capital campaign to fund the building of the University Center
- Provided funding for the launch of the athletic expansion and to build the Cougar Den – an outdoor meeting space
- Created the Alumni and Athletic Halls of Fame
- Developed the Alumni Banner Recognition program to engage alumni
- Developed the Alumni Mentor Program
- Created a fund to support student emergency needs and assistance
- Created the alumni network program
- Established an endowment for the Performing Arts Center, the Library and the athletic track
- Established the Chancellor's Circle Membership support group that has generated a total of $1,916,387 to support innovative faculty projects, students success and academic programs
- Raised funds for a capital campaign to build the Culinary Arts Building
- Generated $1,041,613 for endowed scholarships through the Osher initiative that offered a 50 percent match by the Osher Foundation for every endowed scholarship contribution
- Developed a Chancellor's Circle Mini Grant and Innovative Grant Program that has granted over $382,000 over the last twelve years to fund innovative faculty projects
- Raised over $500,000 to support the First Year Promise program
- Provided leadership to form the Santa Clarita Valley Non Profit Advisory Council and provided community fundraising training sessions
- Established several support groups to include Library Associates, Patrons of the Performing Arts, Friends of the Fine Arts, Early Childhood Education Circle of Friends and Cougar Club
- Established more than 200 endowed and expendable scholarships which are awarded annually
- Established a textbook scholarship program
- Expanded the Foundation Board of Directors to include a diversity of professional volunteer leaders dedicated to strong stewardship and prudent governance
- Implemented technology to better track the donors to the Foundation, its funds, and programs
- Expanded virtual platforms to introduce digital cultivation and outreach efforts

- Increased the number of our annual giving appeals to raise revenue for scholarships, the Foundation, and restricted programs

Looking to the Future

The College of the Canyons Foundation adopted a three-year Strategic Plan in May, 2020. The Strategic goals - Access, Engagement and Success - align with the District's Strategic Goals adopted in Fall 2019. A summary of the Foundation's progress towards the Strategic Plan goals is provided below:

Goal One: ACCESS

The Foundation will remove financial barriers for students to attend college and achieve life-changing opportunities through scholarships

Progress to Goal (2020-2021)

- Continued access to College Promise Scholarships
- Enhanced support to Career Technical Education Scholarships to support students studying in these fields
- Established and began raising funds for new general scholarship fund
- Increased endowed scholarships by raising $130,000 in endowed scholarship funds and awarding $13,500 in endowed scholarships
- Established 3 additional scholarship endowments

Goal Two: ENGAGEMENT

The Foundation will remove navigational barriers to keep students engaged while they are in college by expanding the type and availability of support services including, but not limited to, food and housing insecurity, emergency funds, transportation support, remote learning, technology resources and mental health

Progress to Goal (2020-2021)

- Grew support for the Student Resource and Success Initiative by raising $97,289 to provide the support services listed above to remove navigational barriers to keep students in college
- Piloted the Alumni Mentorship Program through partnerships with members of our Board of Directors and SCV leaders to mentor current students

Goal Three: SUCCESS

The Foundation will provide the support to help the District move more students from completion to success in university transfer, post-graduation, certification and employment

Progress to Goal (2020-2021)

- Implemented a training program for alumni mentorship
- Generated revenue to support students needing to purchase equipment and supplies to practice their trade, and/or to complete a course or certification program
- Drove revenue support for University transfer student scholarships

Summary

In summary, the Foundation continues to be a vital funding component for the District as an advocacy entity that builds partnerships, relationships and increased capacity. Support in the form of donations to fund capital construction, funding for academic and student programs, and student financial assistance through scholarships create more opportunities for students to attend college and allows the District to continue to meet the growing needs of the local business community and provide student access and success. Benefits to the District from Foundation efforts also include:

- Funded thirty-seven (37) endowed scholarships (non Osher)
- Funded forty (40) named Osher Endowment Scholarships, that will yield a minimum of seventy-three (73) $1,200 student scholarships
- Awarded scholarships to provide direct support to students (275 students received Foundation scholarships in 2020-21)
- Supported academic and college programs such as Culinary Arts, Nursing, Welding, K-12 Arts Education, Child Development, Adult Re-Entry, Art Gallery, Performing Arts Center, the Campus Community Garden and Physical Education, just to name a few
- Enhanced business partnerships that contribute to Employee Training contract education revenues
- Enhanced long term support for the Arts as the Foundation builds the Performing Arts Endowment
- Provided ongoing support to faculty through the mini-grant program to fund innovation and entrepreneurial projects

In addition, the Foundation Board of Directors consists of volunteer business and community leaders who serve as ambassadors from the Santa Clarita Valley and beyond. While governing the Foundation, the Board works to generate funds for College of the Canyons. Forty seven (47) volunteer Board Members donated approximately 4,059 hours of their time during the 2020-2021 fiscal year in support of fundraising for District programs, students and services.

CPAs & BUSINESS ADVISORS

Independent Auditor's Report

Board of Directors
College of the Canyons Foundation
Santa Clarita, California

Report on the Financial Statements

We have audited the accompanying financial statements of College of the Canyons Foundation (the Foundation) (a California nonprofit corporation), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion
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, 2021 and 2020, 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.

Other Matters

Management's Discussion and Analysis

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Management's Discussion and Analysis (MD&A) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on the MD&A.

Eide Bailly LLP

Rancho Cucamonga, California
December 10, 2021

	2021	2020
Assets		
Current assets		
Cash and cash equivalents	$ 62,779	$ 39,750
Investments - cash held by Los Angeles County Treasury	2,620,178	2,548,547
Investments	1,298,470	985,075
Unconditional promises to give	8,087	9,820
Accounts receivable	31,380	20,149
Prepaid expenses	2,500	3,217
Total current assets	4,023,394	3,606,558
Noncurrent Assets		
Beneficial interest in assets held by the Foundation for California Community Colleges	1,417,245	1,168,073
Unconditional promises to give, net of amortized discount	-	145
Irrevocable planned gift	32,090	-
Cash surrender value of life insurance	123,903	119,879
Total noncurrent assets	1,573,238	1,288,097
Total assets	$ 5,596,632	$ 4,894,655
Liabilities		
Current liabilities		
Accounts payable and other current liabilities	$ 31,102	$ 114,776
Deferred revenue	28,250	103,800
Total current liabilities	59,352	218,576
Noncurrent liabilities		
Net pension liability	96,991	89,679
Total liabilities	156,343	308,255
Net Assets		
Without donor restrictions		
Undesignated	372,704	308,318
Board designated	23,649	23,649
Total without donor restrictions	396,353	331,967
With donor restrictions	5,043,936	4,254,433
Total net assets	5,440,289	4,586,400
Total liabilities and net assets	$ 5,596,632	$ 4,894,655

See Notes to Financial Statements

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenues			
Contributions	$ 46,182	$ 707,229	$ 753,411
In-kind donations			
Donated facilities	26,060	-	26,060
Donated services	939,569	-	939,569
Donated assets	24,586	-	24,586
Special events			
Special events - others	99,900	-	99,900
Chancellor's Circle	45,471	-	45,471
Assets released from restrictions	505,899	(505,899)	-
Total public support and revenues	1,687,667	201,330	1,888,997
Expenses			
Program	1,104,927	-	1,104,927
Management and general	234,256	-	234,256
Fundraising	288,365	-	288,365
Total expenses	1,627,548	-	1,627,548
Other Income			
Interest and dividends	1,850	57,305	59,155
Unrealized gain on investments	-	233,396	233,396
Change in cash surrender value of life insurance	4,024	-	4,024
Change in the fair market value of the cash held by the Los Angeles County Treasury	(1,607)	(12,500)	(14,107)
Change in beneficial interest in assets held by the Foundation for CA Community Colleges	-	309,972	309,972
Total other income	4,267	588,173	592,440
Change in Net Assets	64,386	789,503	853,889
Net Assets, Beginning of Year	331,967	4,254,433	4,586,400
Net Assets, End of Year	$ 396,353	$ 5,043,936	$ 5,440,289

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenues			
Contributions	$ 18,159	$ 858,756	$ 876,915
In-kind donations			
Donated facilities	26,060	-	26,060
Donated services	945,581	-	945,581
Donated assets	9,463	-	9,463
Special events			
Special events - others	64,380	-	64,380
Chancellor's Circle	60,176	-	60,176
Assets released from restrictions	839,164	(839,164)	-
Total public support and revenues	1,962,983	19,592	1,982,575
Expenses			
Program	1,418,625	-	1,418,625
Management and general	238,786	-	238,786
Fundraising	398,595	-	398,595
Total expenses	2,056,006	-	2,056,006
Other Income			
Interest and dividends	5,689	66,038	71,727
Unrealized gain on investments	-	17,350	17,350
Change in cash surrender value of life insurance	4,883	-	4,883
Change in the fair market value of the cash held by the Los Angeles County Treasury	-	-	-
Change in beneficial interest in assets held by the Foundation for CA Community Colleges	-	10,139	10,139
Total other income	10,572	93,527	104,099
Change in Net Assets	(82,451)	113,119	30,668
Net Assets, Beginning of Year	414,418	4,141,314	4,555,732
Net Assets, End of Year	$ 331,967	$ 4,254,433	$ 4,586,400

	2021			
	Program	Management and General	Fundraising	Total
In-Kind Donations				
Donated facilities	$ 16,939	$ 3,909	$ 5,212	$ 26,060
Donated services	544,950	178,518	216,101	939,569
Donated assets	24,218	-	368	24,586
Alumni Development	3,511	-	-	3,511
General Fund Raising	8,266	-	10,984	19,250
Foundation General Operations				
Salaries and employee benefits	-	-	40,553	40,553
Supplies	-	920	-	920
Professional services	-	4,744	-	4,744
Legal services	-	41,546	-	41,546
Postage and printing	284	-	284	568
Other expenses	(141)	2,264	(141)	1,982
Board expenses	-	-	-	-
Bank and payroll fees	-	245	-	245
Credit card fees	-	2,110	2,109	4,219
Special Events				
Chancellor's Circle	-	-	4,206	4,206
Other special events	-	-	8,689	8,689
Support Expenses				
Support - instruction programs	35,426	-	-	35,426
Scholarships	367,395	-	-	367,395
Academic support - student programs	104,079	-	-	104,079
Total expenses	$ 1,104,927	$ 234,256	$ 288,365	$ 1,627,548

	2020			
	Program	Management and General	Fundraising	Total
In-Kind Donations				
Donated facilities	$ 16,939	$ 3,909	$ 5,212	$ 26,060
Donated services	548,437	179,660	217,484	945,581
Donated assets	4,422	-	5,041	9,463
Alumni Development	4,440	-	-	4,440
General Fund Raising	5,936	-	12,719	18,655
Foundation General Operations				
Salaries and employee benefits	-	-	84,378	84,378
Supplies	-	852	-	852
Professional services	-	26,895	-	26,895
Legal services	-	22,390	-	22,390
Postage and printing	117	-	118	235
Other expenses	-	1,094	178	1,272
Board expenses	669	-	669	1,338
Bank and payroll fees	-	668	-	668
Credit card fees	-	3,318	3,317	6,635
Special Events				
Chancellor's Circle	-	-	13,268	13,268
Other special events	-	-	56,211	56,211
Support Expenses				
Support - instruction programs	140,539	-	-	140,539
Scholarships	332,953	-	-	332,953
Academic support - student programs	364,173	-	-	364,173
Total expenses	$ 1,418,625	$ 238,786	$ 398,595	$ 2,056,006

	2021	2020
Operating Activities		
Change in net assets	$ 853,889	$ 30,668
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Unrealized gain on investments	(233,396)	(17,350)
Contributions restricted for long-term purposes	(42,648)	(59,040)
Distributions from beneficial interest in assets held by the Foundation for California Community Colleges	60,800	60,801
Change in beneficial interest in assets held by the Foundation for California Community Colleges	(309,972)	(10,139)
Change in cash surrender value of life insurance	(4,024)	(4,883)
Changes in assets and liabilities		
Unconditional promises to give	1,878	5,874
Accounts receivable	(11,231)	11,202
Prepaid expenses	717	(717)
Irrevocable planned gift	(32,090)	-
Accounts payable and other current liabilities	(83,674)	38,972
Net pension liability	7,312	7,757
Deferred revenue	(75,550)	90,900
Net Cash Flows from Operating Activities	132,011	154,045
Investing Activities		
Purchases of investments	(79,999)	-
Financing Activities		
Collections of contributions restricted for long-term purposes	42,648	59,040
Change in Cash and Cash Equivalents	94,660	213,085
Cash and Cash Equivalents, Beginning of Year	2,588,297	2,375,212
Cash and Cash Equivalents, End of Year	$ 2,682,957	$ 2,588,297
Noncash Transactions		
In-kind donations		
Passed through to Santa Clarita Community College District	$ 24,218	$ 4,422
Donated to special events	368	5,041
Donated facilities	26,060	26,060
Donated services	939,569	945,581
Total in-kind donations	$ 990,215	$ 981,104

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

Organization

The College of the Canyons Foundation (the Foundation) was formed as a nonprofit corporation on November 13, 1980, for the purpose of soliciting and receiving contributions for the support and advancement of education, and providing recreational and educational facilities for the Santa Clarita Community College District (the District) and College of the Canyons (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 College are financially 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

To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset types established according to their nature and purpose. Separate accounts are maintained for each net asset type; however, in the accompanying financial statements, net asset types that have similar characteristics have been combined into groups 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. In addition, the Foundation's Board has also designated various balances of net assets without donor restrictions for certain uses as described in Note 13.

Net Assets with Donor Restrictions - Net assets that are contributions and endowment investment earnings subject to donor-imposed 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 restrictions are perpetual in nature, where the donor or grantor 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 statement of activities as net assets released from restrictions.

Revenue Recognition

In May 2014, the FASB issued guidance ASC 606, *Revenue from Contracts with Customers*, which provides a five-step analysis of contracts to determine when and how revenue is recognized and replaces most existing revenue recognition guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. The Foundation adopted ASC 606 with a date of the initial application of July 1, 2020, using the full-retrospective method.

As part of the adoption of ASC 606, the Foundation elected to use the following transition practical expedients: (1) revenue from contracts which begin and end in the same fiscal year has not been restated; (2) hindsight was used when determining the transaction price for contracts that include variable consideration, rather than estimating variable consideration amounts in the comparative reporting period; (3) the amount of transaction price allocated to unsatisfied performance obligations and when those amounts are expected to be recognized, for the reporting periods prior to the date of initial application of the guidance, have not been disclosed; and (4) all contract modifications that occurred prior to the date of initial application when identifying the satisfied and unsatisfied performance obligations, determining the transaction price, and allocating the transaction price have been reflected in the aggregate.

The Foundation recognizes contributions, including unconditional promises to give, as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the time of the gift.

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 adoption of ASC 606 did not have a significant impact on the Foundation’s statement of financial position, results of its activities, or cash flows. The Foundation’s revenue arrangements generally consist of a single performance obligation to transfer services. There are no significant contract assets, accounts receivable, or contract liabilities associated with these revenue streams. Based on the Foundation’s evaluation of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standard. No changes were required to previously reported revenues as a result of the adoption.

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. The Foundation's investment in the County treasury is measured at fair value on a recurring basis, which is determined by the fair value per share of the underlying portfolio determined by the program sponsor. Positions in this investment pool are not required to be categorized within the fair value hierarchy. 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.

Capital Assets

The Foundation maintains an initial unit cost capitalization threshold of $500. Capital assets are stated at cost, or if donated, at estimated fair value on the date of donation. Routine maintenance and repairs are charged to expense as incurred. Depreciation is computed on the straight-line method based on the assets' estimated useful lives of the respective property and equipment for five years. At June 30, 2021 and 2020, capital assets have been fully depreciated.

The carrying values of capital assets are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2021 and 2020.

Donated Assets, Services, Facilities, and In-Kind Contributions

A substantial number of volunteers have donated their time and experience to the Foundation's program services and fundraising campaigns during the year. 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.

During the year, office space is provided by the District on behalf of the Foundation. At June 30, 2021 and 2020, donated facilities usage was valued at $26,060 and was recognized in the financial statements as in-kind donation revenue and in-kind expenses.

Donated services include the value of Foundation services paid for by the District as part of its master agreement with the Foundation. At June 30, 2021 and 2020, services were valued at $939,569 and $945,581, respectively. Donated services were recognized in the financial statements as in-kind donation revenue and in-kind services and allocated to all of the Foundation's programs. At June 30, 2021, donated assets in the amount of $24,586 were also recorded, of which $24,218 was passed through to the District, and $368 was used in special events. At June 30, 2020, donated assets in the amount of $9,463 were recorded, of which $4,422 was passed through to the District, and $5,041 was used in special events.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and 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. Actual results could differ from those estimates, and the differences could be material.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts with original maturities of less than 90 days, which are neither held for nor restricted by donors for long-term purposes. The Foundation maintains cash balances in financial institutions which are insured up to $250,000. At June 30, 2021 and 2020, no amounts were uninsured. Cash and cash equivalents reported on the Statement of Cash Flows also includes cash with the County Treasury.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from the outstanding balance. Management provides an analysis of the probable collection of the accounts through a provision for bad debts. At June 30, 2021 and 2020, management had determined all accounts receivable are fully collectible, and no allowance for bad debts has been established.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Donor-restricted contributions are reported as increases in donor-restricted net assets depending on the nature of the restrictions. When a restriction expires, the donor-restricted net assets are reclassified to without donor restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give and irrevocable planned gifts that are expected to be collected in future years are initially recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. In addition, the Foundation utilizes the IRS mortality tables to calculate the present value of the irrevocable planned gift. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

The Foundation uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. At June 30, 2021 and 2020, management has determined that all promises to give are fully collectible.

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, 199, and RRF-1, 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.

Allocation of Functional Expenses

The costs of providing various programs and 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, based upon management's estimates, certain costs have been allocated among the program, management and general, and fundraising activities.

Recent Accounting Pronouncements

In February 2016, FASB issued ASU 2016-02, *Leases* (ASU 2016-02). ASU 2016-02 requires a lessee to recognize a lease asset representing its right to use the underlying asset for the lease term, and a lease liability for the payments to be made to lessor, on its statement of financial position for all operating leases greater than 12 months. Although the full impact of ASU 2016-02 on the Foundation's financial statements has not yet been determined, the future adoption of this guidance will require the Foundation to record assets and liabilities on its statement of financial position relating to facility and other leases currently being accounted for as operating leases.

The ASU is effective for the Foundation for the year ended June 30, 2022. Management is evaluating the impact of the adoption of this standard.

Note 2 - Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date, comprise the following at June 30,:

	2021	2020
Cash and cash equivalents	$ 62,779	$ 39,750
Investments - cash held by Los Angeles County Treasury	2,620,178	2,548,547
Investments	1,298,470	985,075
Accounts receivable	31,380	20,149
Unconditional promises to give, current	8,087	9,820
Total financial assets available within one year	4,020,894	3,603,341
Less		
Amounts unavailable for general expenditures within one year, due to restrictions by donors	2,050,326	2,007,677
Total financial assets available to management for general expenditures within one year	$ 1,970,568	$ 1,595,664

Liquidity Management

To manage liquidity, the Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Foundation has an Investment Policy Statement that establishes investment objectives for short-term and long-term investments.

The short-term investments include assets with donor restrictions, as well as assets without donor restrictions. Since these funds are maintained for current operating expenses, as well as near-term funding commitments, they are managed with little or no risk to principle. They include cash and cash equivalents and short-term fixed income securities with an average maturity of three years and a maximum maturity of five years. The Endowed Assets are invested to emphasize long-term investment fundamentals. The objective is to maximize long-term returns consistent with prudent levels of risk. Investment returns are expected to provide adequate funds to sufficiently support designated needs and preserve or enhance the real value of the Foundation.

Note 3 - Unconditional Promises to Give

The Foundation's unconditional promises to give consisted of the following at June 30,:

	2021	2020
Unconditional promises to give - other	$ 6,087	$ 7,970
Unconditional promises to give - Culinary Educational Fund	2,000	2,000
Less: Discount	-	(5)
Total	$ 8,087	$ 9,965

Unconditional promises to give are either without donor restriction or restricted by donor instruction. At June 30, 2021 and 2020, management has determined that all promises to give are fully collectible.

The discount rate used was 0.49% for 2021. The amortization of the discounts at June 30, 2021 and 2020, were $0 and $5, respectively.

As of June 30, 2021, the Foundation has been promised unconditional promises to give, which were classified as follows:

	Miscellaneous	Culinary Campaign	Total
Due within one year	$ 6,087	$ 2,000	$ 8,087
Due within one to five years	-	-	-
Less: Pledge discount amortize	-	-	-
Subtotal long-term portion of unconditional promises to give	-	-	-
Total	$ 6,087	$ 2,000	$ 8,087

As of June 30, 2020, the Foundation has been promised unconditional promises to give, which were classified as follows:

	Miscellaneous		Culinary Campaign		Total	
Due within one year	$	7,820	$	2,000	$	9,820
Due within one to five years		150		-		150
Less: Pledge discount amortize		(5)		-		(5)
Subtotal long-term portion of unconditional promises to give		145		-		145
Total	$	7,965	$	2,000	$	9,965

During the current fiscal year, management monitored and reviewed the uncollectible pledges. There was no uncollectible pledge write-off.

Note 4 - Investments

Investments are stated at fair value and are summarized as of June 30, 2021:

	Adjusted Cost		Fair Value		Unrealized Gain	
Investments - cash held by Los Angeles County Treasury	$	2,620,178	$	2,620,178	$	-
Investments - Vanguard and Raymond James Funds		1,065,074		1,298,470		233,396
Beneficial interest in assets held by the Foundation for California Community Colleges		1,417,245		1,417,245		-
Total	$	5,102,497	$	5,335,893	$	233,396

Investments are stated at fair value and are summarized as of June 30, 2020:

	Adjusted Cost		Fair Value		Unrealized Gain	
Investments - cash held by Los Angeles County Treasury	$	2,548,547	$	2,548,547	$	-
Investments - Vanguard Funds		967,725		985,075		17,350
Beneficial interest in assets held by the Foundation for California Community Colleges		1,168,073		1,168,073		-
Total	$	4,684,345	$	4,701,695	$	17,350

Change in value of investments is reflected in the Statement of Activities. Dividends and interest income are recorded during the period earned.

Investment activity as of June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	$ 1,850	$ 57,305	$ 59,155
Unrealized gain on investments	-	233,396	233,396
Change in cash surrender value of life insurance	4,024	-	4,024
Change in the fair market value of the cash held by the Los Angeles County Treasury	(1,607)	(12,500)	(14,107)
Change in beneficial interest in assets held by the Foundation for California Community Colleges	-	309,972	309,972
Total investment income	$ 4,267	$ 588,173	$ 592,440

Investment activity as of June 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	$ 5,689	$ 66,038	$ 71,727
Unrealized gain on investments	-	17,350	17,350
Change in cash surrender value of life insurance	4,883	-	4,883
Change in the fair market value of the cash held by the Los Angeles County Treasury	-	-	-
Change in beneficial interest in assets held by the Foundation for California Community Colleges	-	10,139	10,139
Total investment income	$ 10,572	$ 93,527	$ 104,099

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:

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 the reporting entity has the ability to access 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 underlying investments in the beneficial interest in assets held by the Foundation for California Community Colleges - Osher Endowment are all Level 1 with quoted prices in active markets. See Note 6 to the financial statements for additional information.

The following table presents assets and liabilities measured at fair value on a recurring basis, as of June 30, 2021:

	Fair Value Measurements at Report Date Using	
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)
Assets		
Beneficial interests in		
Assets held by CA Community Foundation		
Board Designated Osher operating investments	$ 23,649	$ 23,649
Endowment Osher investments	1,393,596	1,393,596
	1,417,245	1,417,245
Endowment investments		
Mutual funds	1,298,470	1,298,470
Total	$ 2,715,715	$ 2,715,715

The Foundation has no liabilities measured at fair value on a recurring basis as of June 30, 2021.

The following table presents assets and liabilities measured at fair value on a recurring basis, as of June 30, 2020:

	Fair Value Measurements at Report Date Using	
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)
Assets		
Beneficial interests in		
Assets held by CA Community Foundation		
Board Designated Osher operating investments	$ 23,649	$ 23,649
Endowment Osher investments	1,144,424	1,144,424
	1,168,073	1,168,073
Endowment investments		
Common stocks	592,450	592,450
Bonds and notes	392,625	392,625
	985,075	985,075
Total	$ 2,153,148	$ 2,153,148

The Foundation has no liabilities measured at fair value on a recurring basis as of June 30, 2020.

Note 6 - 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 $1,065,262. As of June 30, 2021 and 2020, the ending balance of the Osher Endowment Scholarship was $1,417,245 and $1,168,073, 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 7 - Deferred Revenue

As of June 30, 2021 and June 30, 2020, the Foundation's deferred revenue balance was $28,250 and $103,800, respectively. In the fiscal year ended June 30, 2021, the primary balances consisted of $25,950 for the Silver Spur event and $2,300 for the Foundation Golf Tournament. The deferred revenue related to the Silver Spur event was postponed to the fiscal year ended June 30, 2022, due to the COVID-19 pandemic. The deferred revenue related to the Foundation Golf Tournament is for the event set to occur in the fiscal year ended June 30, 2022.

Note 8 - Restrictions on Net Assets

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

	2021	2020
Capital Campaign	$ 2,008	$ 2,008
Scholarships - Expendable	563,804	582,762
Scholarships - Endowed	184,853	73,920
Academic and student support	1,532,147	1,278,103
Endowments - Other	706,316	301,997
Major gifts	4,481	7,965
Total purpose restrictions on donor net assets	$ 2,993,609	$ 2,246,755

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

	2021	2020
Endowed scholarships	$ 514,577	$ 471,857
Beneficial interest in assets held by the Foundation for California Community Colleges	1,041,613	1,041,613
Endowments - Other	494,137	494,208
Total perpetual restrictions on donor net assets	$ 2,050,327	$ 2,007,678

Note 9 - Donor Designated Endowment

The Foundation's endowment consists of funds established for a variety of purposes. As required by generally accepted accounting principles, 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 the Uniform Prudent Management of Institutional Funds Act (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 retains in perpetuity (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent 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 funds that is not held in perpetuity is classified as net assets with donor restrictions and may be appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters, and Strategies

The Foundation has adopted an investment policy, approved by the Board of Directors, for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long term. Therefore, the Foundation expects its endowment assets, over time, to exceed the average annual return of the applicable benchmark index with a lower than benchmark volatility over a three to five year rolling time period. Actual returns in any given year may vary from this expectation. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy

The Foundation's Board-approved spending policy was created to protect the values of the endowments.

This policy attempts to provide a predictable stream of funding to programs supported by the Endowments while seeking to maintain the 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-specified period. Under this policy, as approved by the Foundation Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the performance of a Policy Index based upon strategic asset allocation.

The Foundation expects its endowment funds, over a full market cycle (5 years), to provide an average annual real rate of return, net of fees, equal to or greater than spending and inflation (5%). Actual returns in any given year may vary from this amount.

Endowment funds consist of donor-restricted endowments and do not include board-designated endowments. Only Permanently Restricted Endowment funds are covered by this policy. The principle of the Endowment Funds is not invaded for any reason and therefore the Foundation is not permitted to spend from Underwater endowment funds, as defined in ASU 2016-14. Spending from the endowments is limited to interest and dividends only. An Endowment Fund that is Underwater should include accumulated losses of that fund in net assets with donor restrictions and not in net assets without donor restrictions.

In the event the Scholarship Fund is Underwater, scholarships will be funded from prior year dividends, the general scholarship fund or by the donor.

Changes in endowment net assets as of June 30, 2021, are as follows:

	With Donor Restrictions
Balance at June 30, 2020	$ 2,383,595
Contributions	42,648
Investment income	279,081
Net change in value in Beneficial interest in assets held by the Foundation for California Community Colleges	249,172
Amounts appropriated for expenditures	(13,000)
Endowment net assets, June 30, 2021	$ 2,941,496

Changes in endowment net assets as of June 30, 2020, are as follows:

	With Donor Restrictions
Balance at June 30, 2019	$ 2,340,556
Contributions	59,040
Investment income	49,327
Net change in value in Beneficial interest in assets held by the Foundation for California Community Colleges	(50,660)
Amounts appropriated for expenditures	(14,668)
Endowment net assets, June 30, 2020	$ 2,383,595

Note 10 - Net Assets Released from Restrictions

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

	2021	2020
Academic support and student programs	$ 135,004	$ 506,212
Scholarships - Expendable	270,795	236,202
Scholarships - Endowed	3,500	(1,850)
Scholarships - Osher student scholarships	96,600	98,600
Total	$ 505,899	$ 839,164

Note 11 - Donated Services and Facilities

The Foundation was given program and service support from the Santa Clarita Community College District. The following is a breakdown of these in-kind donated services and facilities at June 30,:

	2021	2020
Donated Services		
Salaries	$ 592,007	$ 605,080
Benefits	257,435	276,224
Operating expenses	90,127	64,277
Total donated services	$ 939,569	$ 945,581
Donated Facilities	$ 26,060	$ 26,060

During the year ended June 30, 2021 and 2020, the Foundation also received donated assets from various companies, which the Foundation passed through to the District for use in its facilities and programs.

	2021	2020
Donated Assets		
Passed through to Santa Clarita Community College District	$ 24,218	$ 4,422
Donated assets used in special events	368	5,041
Total donated assets	$ 24,586	$ 9,463

Note 12 - Related Party Transactions

The Foundation provides various levels of monetary support and service to the Santa Clarita Community College District. The transactions are recorded within the financial statements as distributions, student programs, and scholarship expense. The District provides office space and other support to the Foundation. The value of this support has been calculated and is reflected within these financial statements.

At June 30, 2021 and 2020, the Foundation had outstanding receivables from the District in the amounts of $5,523 and $5,854, respectively. At June 30, 2021 and 2020, the Foundation had $0 and $43,740, respectively, in outstanding payables due to the District.

Note 13 - Board Designated Assets

The Board of the College of the Canyons Foundation has chosen to designate $23,649 of net assets without donor restrictions as of June 30, 2021, as funds reserved for programs and for other designated projects.

	Available June 30, 2020	2020-2021 Board Designations	2020-2021 Expenditures	Available June 30, 2021	
Board designated to beneficial interest in assets held by the Foundation for California Community Colleges	$ 23,649	$ -	$ -	$ 23,649	*
Total	$ 23,649	$ -	$ -	$ 23,649	

The Board of the College of the Canyons Foundation has chosen to designate $23,649 of net assets without donor restrictions as of June 30, 2020, as funds reserved for programs and for other designated projects.

	Available June 30, 2019	2019-2020 Board Designations	2019-2020 Expenditures	Available June 30, 2020	
Board designated to beneficial interest in assets held by the Foundation for California Community Colleges	$ 23,649	$ -	$ -	$ 23,649	*
Board designated for Golf Program Support	-	2,000	(2,000)	-	
Total	$ 23,649	$ 2,000	$ (2,000)	$ 23,649	

* These funds will remain on deposit in the unrestricted operating fund in perpetuity, and annual scholarships will be awarded in accordance with the Foundation for California Community Colleges - Osher Endowed Scholarship Fund guidelines.

Note 14 - Retirement Plan

California Public Employees' Retirement System (CalPERS)

Plan Description

The Foundation offers eligible employees retirement benefits with CalPERS. Employees become eligible starting the first day of employment if one of the following criteria is met:

- Employee's position is full-time, seasonal, or limited term and is more than six months,
- Employee's part-time position exceeds 1,000 hours in one fiscal year, or
- Employee is a member of CalPERS by previous employment (either has funds on deposit or service credit).

The Public Employees' Retirement Law (Part 3 of the *California Government Code*, Section 20000 et seq.) establishes benefit provisions for CalPERS. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy

The Foundation pays the required employer contribution. The Santa Clarita Community College District reimburses the Foundation for the employer contributions to CalPERS pursuant to the provisions of the Master Operating Agreement between the two entities. CalPERS eligible employees contribute their required contribution. The retirement calculation for Foundation employees is as follows:

1) Full-time and part-time eligible employees (classic members as defined by CalPERS) hired prior to October 1, 2011 have a retirement calculation of two percent at 55.
2) Full-time and part-time eligible employees (PEPRA members as defined by CalPERS) hired on or after January 1, 2013, will have a retirement calculation of two percent at 62. PEPRA is Public Employees' Pension Reform Act.
3) The rates are based upon an actuarially determined rate and the actuarial methods and assumptions used for determining those rates are those adopted by the CalPERS Board of Administration.

Plan Valuation

Accounting Standards Codification (ASC) 718-80-35-2 requires employers providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability when reasonably estimable.

The plan is a Multiple Employer Plan where the net pension liability is allocated to the plan based on the valuation date of June 30, 2020 and 2019. Its proportion of the CalPERS Miscellaneous Risk Pool is summarized as follows:

	2020	2019
Plan's Proportion of the Net Pension Liability	0.0023%	0.0022%
Plan's Proportionate Share of the Net Pension Liability	$ 96,991	$ 89,679
Plan's Covered-Employee Payroll	$ 15,523	$ 62,598
Plan's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	624.82%	143.26%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	77.71%	77.73%
Plan's Proportionate Share of Aggregate Employer Contributions	$ 13,926	$ 11,411

Actuarial Assumptions and Sensitivity to Changes in the Discount Rate

The actuarial assumptions include: a discount rate of 7.15%, inflation of 2.75%, and is based on the entry age normal methodology.

The following presents the net pension liability of the plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.15%), or one percentage point higher (8.15%) than the current rate:

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Plan's Net Pension Liability	$ 154,887	$ 96,991	$ 49,154

The Foundation made contributions to CalPERS for fiscal year ending June 30, 2021 and 2020, in the amount of $7,576 and $11,289, respectively. Subsequently, the Santa Clarita Community College District reimbursed the Foundation pursuant to the provisions of the Master Operating Agreement between the two entities.

Note 15 - Subsequent Events

The Foundation's management has evaluated events or transactions from June 30, 2021, through December 10, 2021, 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.