

Financial Statements
June 30, 2025 and 2024

College of the Canyons Foundation

Management's Discussion and Analysis	i
Independent Auditor's Report.....	1
Financial Statements	
Statements of Financial Position.....	3
Statements of Activities	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

Components of the Annual Financial Report

The Annual Financial Report for the Period Ending June 30, 2025 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, 2025, 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 material transactions 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 the financial statements, which detail significant accounting policies and transactions for the year being reviewed:

- The ***Statement of Financial Position for the Year Ended June 30, 2025*** reports the value of all assets and liabilities of the Foundation. This statement reflects total assets of **\$7,610,783** which includes current assets of **\$5,993,270** and noncurrent assets of **\$1,617,513**. 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 **\$197,634** represents accounts payable and scholarships due to students.

Statement of Financial Position

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>
Current Assets	\$ 5,993,270	\$ 5,535,227	\$ 458,043
Noncurrent Assets	\$ 1,617,513	\$ 1,570,630	\$ 46,883
Total Liabilities	\$ 197,634	\$ 560,091	\$ (362,457)

COLLEGE OF THE CANYONS FOUNDATION
(A California Non-Profit Corporation)

MANAGEMENT’S DISCUSSION AND ANALYSIS
June 30, 2025

- The ***Statement of Activities for the Years Ended June 30, 2025*** 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

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>Increase (Decrease)</u>
Revenues Without Donor Restrictions	\$ 2,348,560	\$ 2,825,111	\$ (476,551)
Revenues With Donor Restrictions	\$ 862,443	\$ 590,057	\$ 272,386
Total Expenses	\$ 2,343,620	\$ 2,893,095	\$ (549,475)

- The ***Statement of Functional Expenses for the Years Ended June 30, 2025*** 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 2024-2025 were **\$2,343,620**.

The Foundation continues to keep **Management and General** expenses low at 11% of total expenses, and focuses most of the resources generated on providing support to campus programs, which represent 67% of all expenses:

- **\$1,572,783 in Program expenses** 67% of total expenses
 - **\$ 508,274 in Fundraising expenses** 22% of total expenses
 - **\$ 262,563 in Management and General expenses** 11% of total expenses
- The ***Statement of Cash Flows for the Years Ended June 30, 2025*** identifies the change in cash and cash equivalents from operating activities, investing activities, and financing activities. Total net change in Cash and Cash Equivalents increased by \$165,798 overall as of June 30, 2025.
- The ***Notes to Financial Statements for the Years Ended June 30, 2025*** 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2025

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:

- **Dollars Raised** in fiscal year 2024-2025 totaled \$1,259,440
- **Awarded** scholarships to provide direct support to students (554 students received Foundation scholarships for the 2024-2025 academic year)
- **Supported** academic and college programs such as Athletic Hall of Fame, Auto Technology, Career Services, Culinary Arts, Culinary Education Fund for Excellence, Fire Academy, Football, INSPIRE Scholars, Medical Lab Tech, and Patrons of the Arts 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. Twenty-seven (27) volunteer Board Members donated approximately **2,916** hours of their time during the **2024-2025** fiscal year in support of fundraising for District programs, students and services.



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the 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, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of College of the Canyons Foundation as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

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



Rancho Cucamonga, California
November 14, 2025

College of the Canyons Foundation
Statements of Financial Position
June 30, 2025 and 2024

	2025	2024
Assets		
Current assets		
Cash and cash equivalents	\$ 374,837	\$ 173,015
Investments - cash held by Los Angeles County Treasury (See Note 4)	2,683,203	2,719,227
Investments (See Note 4 and 5)	2,706,873	2,448,805
Unconditional promises to give (See Note 3)	93,350	52,175
Accounts receivable	115,531	124,980
Prepaid expenses	19,476	17,025
Total current assets	5,993,270	5,535,227
Noncurrent Assets		
Beneficial interest in assets held by the Foundation for California Community Colleges (See Note 4, 5 and 6)	1,390,457	1,302,569
Unconditional promises to give, net (See Note 3)	90,620	135,590
Irrevocable planned gift	34,093	33,290
Cash surrender value of life insurance (See Note 4)	102,343	99,181
Total noncurrent assets	1,617,513	1,570,630
Total assets	<u>\$ 7,610,783</u>	<u>\$ 7,105,857</u>
Liabilities		
Current liabilities		
Accounts payable and other current liabilities	\$ 193,634	\$ 544,091
Scholarships due to students	4,000	4,000
Deferred revenue	-	12,000
Total current liabilities	197,634	560,091
Net Assets		
Without donor restrictions		
Undesignated	295,391	290,451
Board designated (See Note 12)	23,649	23,649
Total without donor restrictions	319,040	314,100
With donor restrictions (See Note 7 and 8)	7,094,109	6,231,666
Total net assets	7,413,149	6,545,766
Total liabilities and net assets	<u>\$ 7,610,783</u>	<u>\$ 7,105,857</u>

College of the Canyons Foundation

Statements of Activities

Years Ended June 30, 2025 and 2024

	2025		
	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenues			
Contributions	\$ 15,878	\$ 974,553	\$ 990,431
In-kind donations			
Donated facilities	26,885	-	26,885
Donated services	1,181,139	-	1,181,139
Donated assets	108,639	-	108,639
Special events			
Chancellor's Circle	12,874	-	12,874
Other special events	195,235	-	195,235
Assets released from restrictions	796,070	(796,070)	-
Total public support and revenues	2,336,720	178,483	2,515,203
Expenses			
Program	1,572,783	-	1,572,783
Management and general	262,563	-	262,563
Fundraising	508,274	-	508,274
Total expenses	2,343,620	-	2,343,620
Other Income and gains			
Interest and dividends	5,116	86,558	91,674
Unrealized gain on investments	-	307,747	307,747
Realized gain on investments	-	104,427	104,427
Change in cash surrender value of life insurance	3,162	-	3,162
Change in the fair market value of the cash held by the Los Angeles County Treasury	3,562	36,440	40,002
Change in beneficial interest in assets held by the Foundation for CA Community Colleges	-	148,788	148,788
Total other income and gains	11,840	683,960	695,800
Change in Net Assets	4,940	862,443	867,383
Net Assets, Beginning of Year	314,100	6,231,666	6,545,766
Net Assets, End of Year	\$ 319,040	\$ 7,094,109	\$ 7,413,149

College of the Canyons Foundation

Statements of Activities

Years Ended June 30, 2025 and 2024

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenues			
Contributions	\$ 20,791	\$ 1,183,196	\$ 1,203,987
In-kind donations			
Donated facilities	28,385	-	28,385
Donated services	1,373,135	-	1,373,135
Donated assets	78,905	-	78,905
Special events			
Chancellor's Circle	53,171	-	53,171
Other special events	166,285	-	166,285
Assets released from restrictions	1,092,974	(1,092,974)	-
Total public support and revenues	2,813,646	90,222	2,903,868
Expenses			
Program	2,063,096	-	2,063,096
Management and general	298,695	-	298,695
Fundraising	531,304	-	531,304
Total expenses	2,893,095	-	2,893,095
Other Income and gains			
Interest and dividends	6,105	54,709	60,814
Unrealized gain on investments	-	205,775	205,775
Realized gain on investments	-	69,747	69,747
Change in cash surrender value of life insurance	3,048	-	3,048
Change in the fair market value of the cash held by the Los Angeles County Treasury	2,312	30,270	32,582
Change in beneficial interest in assets held by the Foundation for CA Community Colleges	-	139,334	139,334
Total other income and gains	11,465	499,835	511,300
Change in Net Assets	(67,984)	590,057	522,073
Net Assets, Beginning of Year	382,084	5,641,609	6,023,693
Net Assets, End of Year	\$ 314,100	\$ 6,231,666	\$ 6,545,766

College of the Canyons Foundation

Statements of Functional Expenses

Years Ended June 30, 2025 and 2024

	2025			
	Program	Management and General	Fundraising	Total
In-Kind Donations				
Donated facilities	\$ 16,939	\$ 3,909	\$ 6,037	\$ 26,885
Donated services	685,061	224,416	271,662	1,181,139
Donated assets	63,449	-	45,190	108,639
Alumni Development	752	-	-	752
General Fundraising	9,499	-	13,631	23,130
Foundation General Operations				
Salaries and employee benefits	-	-	61,902	61,902
Supplies	-	1,827	-	1,827
Professional services	-	25,691	-	25,691
Legal services	-	-	-	-
Mileage	-	337	-	337
Postage and printing	175	-	175	350
Other expenses	-	666	-	666
Board expenses	1,840	-	1,840	3,680
Bank and payroll fees	-	656	-	656
Credit card fees	-	5,061	5,061	10,122
Special Events				
Chancellor's Circle	-	-	3,180	3,180
Other special events	-	-	99,596	99,596
Support Expenses				
Support - instruction programs	59,672	-	-	59,672
Scholarships	512,475	-	-	512,475
Academic support - student programs	222,921	-	-	222,921
Total expenses	<u>\$ 1,572,783</u>	<u>\$ 262,563</u>	<u>\$ 508,274</u>	<u>\$ 2,343,620</u>

College of the Canyons Foundation

Statements of Functional Expenses

Years Ended June 30, 2025 and 2024

	2024			
	Program	Management and General	Fundraising	Total
In-Kind Donations				
Donated facilities	\$ 16,939	\$ 3,909	\$ 7,537	\$ 28,385
Donated services	796,418	260,896	315,821	1,373,135
Donated assets	54,617	-	24,288	78,905
Alumni Development	2,654	-	-	2,654
General Fundraising	11,200	-	19,365	30,565
Foundation General Operations				
Salaries and employee benefits	-	-	66,525	66,525
Supplies	-	2,222	-	2,222
Professional services	-	23,966	-	23,966
Legal services	-	2,184	-	2,184
Mileage	-	-	-	-
Postage and printing	205	-	205	410
Other expenses	-	831	-	831
Board expenses	2,089	-	2,089	4,178
Bank and payroll fees	-	924	-	924
Credit card fees	-	3,763	3,763	7,526
Special Events				
Chancellor's Circle	-	-	17,281	17,281
Other special events	-	-	74,430	74,430
Support Expenses				
Support - instruction programs	94,214	-	-	94,214
Scholarships	537,434	-	-	537,434
Academic support - student programs	547,326	-	-	547,326
Total expenses	<u>\$ 2,063,096</u>	<u>\$ 298,695</u>	<u>\$ 531,304</u>	<u>\$ 2,893,095</u>

College of the Canyons Foundation

Statements of Cash Flows

Years Ended June 30, 2025 and 2024

	2025	2024
Operating Activities		
Change in net assets	\$ 867,383	\$ 522,073
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Unrealized gain on investments	(307,747)	(205,775)
Realized gain on investments	(104,427)	(69,747)
Discount on unconditional promises to give	6,380	11,460
Contributions restricted for long-term purposes	(268,213)	(238,420)
Distributions from beneficial interest in assets held by the Foundation for California Community Colleges	60,900	58,967
Change in beneficial interest in assets held by the Foundation for California Community Colleges	(148,788)	(139,334)
Change in cash surrender value of life insurance	(3,162)	(3,048)
Changes in assets and liabilities		
Unconditional promises to give	(2,585)	(194,758)
Accounts receivable	9,449	(12,188)
Prepaid expenses	(2,451)	(8,525)
Irrevocable planned gift	(803)	(809)
Accounts payable and other current liabilities	(350,457)	438,331
Scholarships due to students	-	(10,454)
Deferred revenue	(12,000)	10,000
Net Cash Flows from Operating Activities	(256,521)	157,773
Investing Activities		
Purchases of investments	(184,876)	(1,237,541)
Sales of investments	338,982	841,016
Net Cash Flows From Investing Activities	154,106	(396,525)
Financing Activities		
Collections of contributions restricted for long-term purposes	268,213	238,420
Net Change in Cash and Cash Equivalents	165,798	(332)
Cash and Cash Equivalents, Beginning of Year	2,892,242	2,892,574
Cash and Cash Equivalents, End of Year	\$ 3,058,040	\$ 2,892,242
Noncash Transactions		
In-kind donations		
Passed through to Santa Clarita Community College District	\$ 63,449	\$ 54,617
Donated to special events	45,190	24,288
Donated facilities	26,885	28,385
Donated services	1,181,139	1,373,135
Total in-kind donations	\$ 1,316,663	\$ 1,480,425

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

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

Net Assets without Donor Restrictions - Net assets available for general operations and not subject to donor restrictions. Net assets without donor restrictions represents all resources over which the Board of Directors has discretionary control for use in operating the Foundation. In addition, the Foundation's Board has also designated various balances of net assets without donor restrictions for certain uses as described in Note 12.

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

Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. In the years ended June 30, 2025 and 2024, the Foundation did not receive any conditional promises to give.

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.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Foundation recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

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 Los Angeles 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.

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. Donated facilities are valued at an agreed upon rate and the square footage of the office space used by the Foundation. At June 30, 2025 and 2024, donated facilities usage was valued at \$26,885 and \$28,385, respectively, and was recognized in the financial statements as in-kind donation revenue and in-kind expenses. Donated facilities are presented at the estimated values at the date of donation and the fair market value of the facilities for the year.

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, 2025 and 2024, services were valued at \$1,181,139 and \$1,373,135, respectively. Donated services are based on the fair value of comparable services provided by third parties. 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, 2025, donated assets in the amount of \$108,639 were also recorded, of which \$63,449 was passed through to the District, and \$45,190 was used in special events. At June 30, 2024, donated assets in the amount of \$78,905 were recorded, of which \$54,617 was passed through to the District, and \$24,288 was used in special events. Donated assets are valued at the fair market value of the asset upon donation. The Foundation did not monetize any contributed nonfinancial assets during the years ended June 30, 2025 and 2024.

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, 2025 and 2024, no amounts were uninsured. Cash and cash equivalents reported on the Statement of Cash Flows also includes cash with the Los Angeles County Treasury.

Accounts Receivable

Accounts receivable consists of interest receivable for investments held by the Los Angeles County Treasury, receivables due from the District, and donations receivable. Management has deemed all amounts as collectable; therefore, no allowance for uncollectable amounts is considered necessary.

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, 2025 and 2024, management has determined that all promises to give are fully collectible.

Beneficial Interest in Assets Held by Community Foundation

During 2008, the Foundation established an endowment fund that is perpetual in nature (the Fund) under a community foundation's (the CF) Osher Endowment Scholarship program and named the Foundation as a beneficiary. Variance power was granted to the CF which allows the CF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the CF's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The Fund is held and invested by the CF for the Foundation's benefit and is reported at fair value in the statement of financial position, with distributions and changes in fair value recognized in the statements of activities.

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. The donated facilities and donated services are allocated based on what type of services that are provided and a percentage of usage for the facilities.

Subsequent Events

The Foundation's management has evaluated events or transactions from June 30, 2025 through November 14, 2025, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that require additional disclosure in the Foundation's financial statements.

Note 2 - Liquidity and Availability

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

	2025	2024
Cash and cash equivalents	\$ 374,837	\$ 173,015
Investments - cash held by Los Angeles County Treasury	2,683,203	2,719,227
Investments	2,706,873	2,448,805
Unconditional promises to give, current	93,350	52,175
Accounts receivable	115,531	124,980
Total financial assets available within one year	<u>5,973,794</u>	<u>5,518,202</u>
Less		
Amounts unavailable for general expenditure within one year, due to restrictions by donors	<u>5,889,653</u>	<u>5,442,876</u>
Total financial assets available to management for general expenditure within one year	<u><u>\$ 84,141</u></u>	<u><u>\$ 75,326</u></u>

Liquidity Management

To manage liquidity, the Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. 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,:

	2025	2024
Unconditional promises to give	\$ 190,350	\$ 199,225
Less discount to net present value	<u>(6,380)</u>	<u>(11,460)</u>
Total	<u><u>\$ 183,970</u></u>	<u><u>\$ 187,765</u></u>

At June 30, 2025 and 2024, management has determined that all promises to give are fully collectible. The discount rate used was 3.46% and 4.14% for the years ended June 30, 2025 and 2024, respectively.

College of the Canyons Foundation

Notes to Financial Statements

June 30, 2025 and 2024

As of June 30, 2025 and 2024, the Foundation has been promised unconditional promises to give, which were classified as follows:

	2025	2024
Due within one year	\$ 93,350	\$ 52,175
Due within one to five years	97,000	147,050
	190,350	199,225
Less discount to net present value	(6,380)	(11,460)
Total	<u>\$ 183,970</u>	<u>\$ 187,765</u>

Note 4 - Investments

Investments are stated at fair value and are summarized as of June 30, 2025:

	Adjusted Cost	Fair Value	Unrealized Gain
Investments - cash held by Los Angeles County Treasury	\$ 2,683,203	\$ 2,683,203	\$ -
Investments - Raymond James Funds	2,399,126	2,706,873	307,747
Cash surrender value of life insurance	102,343	102,343	-
Beneficial interest in assets held by the Foundation for California Community Colleges	1,390,457	1,390,457	-
Total	<u>\$ 6,575,129</u>	<u>\$ 6,882,876</u>	<u>\$ 307,747</u>

Investments are stated at fair value and are summarized as of June 30, 2024:

	Adjusted Cost	Fair Value	Unrealized Gain
Investments - cash held by Los Angeles County Treasury	\$ 2,719,227	\$ 2,719,227	\$ -
Investments - Raymond James Funds	2,243,030	2,448,805	205,775
Cash surrender value of life insurance	99,181	99,181	-
Beneficial interest in assets held by the Foundation for California Community Colleges	1,302,569	1,302,569	-
Total	<u>\$ 6,364,007</u>	<u>\$ 6,569,782</u>	<u>\$ 205,775</u>

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, 2025:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 5,116	\$ 86,558	\$ 91,674
Realized gain on investments	-	104,427	104,427
Unrealized gain on investments	-	307,747	307,747
Change in cash surrender value of life insurance	3,162	-	3,162
Change in the fair market value of the cash held by the Los Angeles County Treasury	3,562	36,440	40,002
Change in beneficial interest in assets held by the Foundation for California Community Colleges	-	148,788	148,788
Total investment income	<u>\$ 11,840</u>	<u>\$ 683,960</u>	<u>\$ 695,800</u>

Investment activity as of June 30, 2024:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 6,105	\$ 54,709	\$ 60,814
Realized gain on investments	-	69,747	69,747
Unrealized gain on investments	-	205,775	205,775
Change in cash surrender value of life insurance	3,048	-	3,048
Change in the fair market value of the cash held by the Los Angeles County Treasury	2,312	30,270	32,582
Change in beneficial interest in assets held by the Foundation for California Community Colleges	-	139,334	139,334
Total investment income	<u>\$ 11,465</u>	<u>\$ 499,835</u>	<u>\$ 511,300</u>

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.

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 fair value of the beneficial interest in assets held by the Foundation for California Community Colleges is based on the fair value of fund investments as reported by the Foundation for California Community Colleges. These are considered Level 3 measurements.

The following table presents assets and liabilities measured at fair value on a recurring basis, as of June 30, 2025:

	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Beneficial interests in assets held by the Foundation for CA Community Colleges				
Endowment Osher investments	<u>\$ 1,390,457</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,390,457</u>
Endowment investments				
Mutual funds	1,828,575	1,828,575	-	-
Bonds and notes	<u>878,298</u>	<u>-</u>	<u>878,298</u>	<u>-</u>
	<u>2,706,873</u>	<u>1,828,575</u>	<u>878,298</u>	<u>-</u>
Total	<u>\$ 4,097,330</u>	<u>\$ 1,828,575</u>	<u>\$ 878,298</u>	<u>\$ 1,390,457</u>

The Foundation has no liabilities measured at fair value on a recurring basis as of June 30, 2025.

The following table presents assets and liabilities measured at fair value on a recurring basis, as of June 30, 2024:

	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Beneficial interests in assets held by the Foundation for CA Community Colleges				
Endowment Osher investments	\$ 1,302,569	\$ -	\$ -	\$ 1,302,569
Endowment investments				
Mutual funds	1,563,359	1,563,359	-	-
Bonds and notes	885,446	-	885,446	-
	<u>2,448,805</u>	<u>1,563,359</u>	<u>885,446</u>	<u>-</u>
Total	<u>\$ 3,751,374</u>	<u>\$ 1,563,359</u>	<u>\$ 885,446</u>	<u>\$ 1,302,569</u>

The Foundation has no liabilities measured at fair value on a recurring basis as of June 30, 2024.

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, 2025 and 2024, the ending balance of the Osher Endowment Scholarship was \$1,390,457 and \$1,302,569, 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 - Restrictions on Net Assets

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

	2025	2024
Capital Campaign	\$ 9	\$ 9
Scholarships - Expendable	563,287	385,558
Scholarships - Endowed	456,195	276,716
Academic and student support	1,735,302	1,671,061
Endowments - Other	787,790	534,898
Major gifts	4,920	4,674
	<u>\$ 3,547,503</u>	<u>\$ 2,872,916</u>
Total purpose restrictions on donor net assets		

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

	2025	2024
Endowed scholarships	\$ 1,426,270	\$ 1,270,067
Beneficial interest in assets held by the Foundation for California Community Colleges	1,041,613	1,041,613
Endowments - Other	1,078,723	1,047,070
	<u>\$ 3,546,606</u>	<u>\$ 3,358,750</u>
Total perpetual restrictions on donor net assets		

Note 8 - 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 principal 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. There were no funds considered underwater as of June 30, 2025 and 2024, respectively.

College of the Canyons Foundation

Notes to Financial Statements

June 30, 2025 and 2024

Changes in endowment net assets as of June 30, 2025, are as follows:

	With Donor Restrictions
Balance at June 30, 2024	\$ 4,170,364
Contributions	268,213
Investment income	414,775
Change in value in Beneficial interest in assets held by the Foundation for California Community Colleges	148,788
Distributions from the Beneficial interest in assets held by the Foundation for California Community Colleges	(60,900)
Reclassifications of donor contributions	9,451
Amounts appropriated for expenditures	(160,100)
Endowment net assets, June 30, 2025	<u>\$ 4,790,591</u>

Changes in endowment net assets as of June 30, 2024, are as follows:

	With Donor Restrictions
Balance at June 30, 2023	\$ 3,335,054
Contributions	238,420
Investment income	226,084
Change in value in Beneficial interest in assets held by the Foundation for California Community Colleges	139,334
Distributions from the Beneficial interest in assets held by the Foundation for California Community Colleges	(58,967)
Reclassifications of donor contributions	397,696
Amounts appropriated for expenditures	(107,257)
Endowment net assets, June 30, 2024	<u>\$ 4,170,364</u>

Note 9 - 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:

	2025	2024
Academic support and student programs	\$ 283,595	\$ 555,540
Scholarships - Expendable	399,375	462,034
Scholarships - Osher student scholarships	113,100	75,400
Total	<u>\$ 796,070</u>	<u>\$ 1,092,974</u>

Note 10 - 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:

	2025	2024
Donated services		
Salaries	\$ 705,721	\$ 838,629
Benefits	363,019	425,402
Operating services	112,399	109,104
Total donated services	<u>\$ 1,181,139</u>	<u>\$ 1,373,135</u>
Donated facilities	<u>\$ 26,885</u>	<u>\$ 28,385</u>

During the year ended June 30, 2025 and 2024, the Foundation also received donated assets from various companies, which the Foundation passed through to the District for use in its facilities and programs.

	2025	2024
Donated assets		
Passed through to Santa Clarita Community College District	\$ 63,449	\$ 54,617
Donated assets used in special events	45,190	24,288
Total donated assets	<u>\$ 108,639</u>	<u>\$ 78,905</u>

All donated assets received during the years ended June 30, 2025 and 2024 were unrestricted.

Note 11 - 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, 2025 and 2024, the Foundation had outstanding receivables from the District in the amounts of \$4,012 and \$5,691, respectively.

Note 12 - Board Designated Assets

The Board of the Foundation has chosen to designate \$23,649 of net assets without donor restrictions as of June 30, 2025, as funds reserved for programs and for other designated projects.

	Available June 30, 2024	2024-2025 Board Designations	2024-2025 Expenses	Available June 30, 2025
Board designated for scholarship funds				
Raising the Bar	\$ 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, 2024, as funds reserved for programs and for other designated projects.

	Available June 30, 2023	2023-2024 Board Designations	2023-2024 Expenses	Available June 30, 2024
Board designated for scholarship funds				
Raising the Bar	\$ 23,649	\$ -	\$ -	\$ 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 13 - 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 it can be reasonably estimated.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Foundation is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2025 and 2024, are presented above and the total Foundation's contributions were \$20,965 and \$14,289, respectively.