

**THE FOUNDATION FOR THE CHABOT-LAS
POSITAS COLLEGE DISTRICT**

FINANCIAL STATEMENTS

June 30, 2024

THE FOUNDATION FOR THE CHABOT-LAS POSITAS COLLEGE DISTRICT

FINANCIAL STATEMENTS
June 30, 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Foundation for the Chabot-Las Positas College District

Opinion

We have audited the financial statements of The Foundation for the Chabot-Las Positas College District (the "Foundation"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expense and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Foundation for the Chabot-Las Positas College District as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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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 Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of changes in fund balances is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain other procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

Crowe LLP

Sacramento, California
February 25, 2025

THE FOUNDATION FOR THE CHABOT-LAS POSITAS COLLEGE DISTRICT
STATEMENT OF FINANCIAL POSITION
June 30, 2024

ASSETS

Current assets

Cash	\$ 20,444
Investments	546,312
Total current assets	<u>566,756</u>

Total assets	<u>\$ 566,756</u>
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NET ASSETS

Without donor restriction	\$ 133,583
With donor restriction	433,173
Total net assets	<u>566,756</u>

Total liabilities and net assets	<u>\$ 566,756</u>
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See accompanying notes to financial statements.

THE FOUNDATION FOR THE CHABOT-LAS POSITAS COLLEGE DISTRICT
STATEMENT OF ACTIVITIES
Year ended June 30, 2024

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Support and revenues			
Investment gain, net	\$ -	\$ 53,465	\$ 53,465
Net assets released from restrictions	<u>14,292</u>	<u>(14,292)</u>	<u>-</u>
Total support and revenues	<u>14,292</u>	<u>39,173</u>	<u>53,465</u>
Expenses			
Program services	14,292	-	14,292
Management and general activities	<u>1,051</u>	<u>-</u>	<u>1,051</u>
Total expenses	<u>15,343</u>	<u>-</u>	<u>15,343</u>
Change in net assets	(1,051)	39,173	38,122
Net assets, beginning of year	<u>134,634</u>	<u>394,000</u>	<u>528,634</u>
Net assets, end of year	<u>\$ 133,583</u>	<u>\$ 433,173</u>	<u>\$ 566,756</u>

See accompanying notes to financial statements.

THE FOUNDATION FOR THE CHABOT-LAS POSITAS COLLEGE DISTRICT
STATEMENT OF CASH FLOWS
Year ended June 30, 2024

Cash flows from operating activities	
Change in net assets	\$ 38,122
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Net gain on investments	<u>(38,423)</u>
Net cash used in operating activities	<u>(301)</u>
Cash flows from investing activities	
Purchases of investments	(20,519)
Proceeds from sale of investments	<u>5,477</u>
Net cash used in investing activities	<u>(15,042)</u>
Net change in cash	(15,343)
Cash, beginning of year	<u>35,787</u>
Cash, end of year	<u><u>\$ 20,444</u></u>

See accompanying notes to financial statements.

THE FOUNDATION FOR THE CHABOT-LAS POSITAS COLLEGE DISTRICT
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2024

	<u>Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Expenses			
Scholarships and awards	\$ 14,292	\$ -	\$ 14,292
Professional fees	-	650	650
Miscellaneous	-	401	401
	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 14,292</u>	<u>\$ 1,051</u>	<u>\$ 15,343</u>

See accompanying notes to financial statements.

THE FOUNDATION FOR THE CHABOT-LAS POSITAS COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Organization: The Foundation for the Chabot-Las Positas College District (the "Foundation") was initially formed as a California not-for-profit Foundation exempt from federal income taxes under section 501 (c)(3) of the Internal Revenue Code. Management is currently re-evaluating the Foundation's tax-exempt status. The Foundation was formed for the purpose of collecting and accepting funds to provide grants and scholarships for students of the Chabot-Las Positas Community College District (the "District"). The Foundation's primary source of income is investment income.

Basis of Presentation: The Foundation presents its financial statements on the basis of without donor restrictions and with donor restrictions. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Net Assets: The financial statements focus on the Foundation as a whole and present balances and transactions classified based upon the existence or absence of donor-imposed restrictions. Net assets, revenue, expenses, gains and losses have been classified into two net asset classes based on these donor-imposed restrictions. A description of each net asset class follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions. Items that affect this category of net assets include contributions and grants, fundraising activities, other income and operating expenses without donor-imposed restrictions. Certain funds, generally set aside by Board action, function as endowments and are included in net assets without donor restrictions.

With Donor Restrictions – Net assets subject to donor-imposed restrictions that will be met either by actions of the Foundation or the passage of time. Items in this net asset category are contributions and investment income whose use is limited to specific purposes by the donor. These amounts are reclassified when such restrictions are met or when time restrictions have expired.

Net assets that are subject to donor-imposed restrictions which require them to be maintained permanently by the Foundation are also considered net assets with donor restrictions. Items in this net asset category include gifts wherein donors stipulate that the corpus be held in perpetuity and only the income be made available for purposes without donor restrictions or with donor restrictions (primarily gifts for endowments that will fund perpetual endowments).

Cash: The Foundation presents its statement of cash flows on the indirect method. As of June 30, 2024, cash consisted of amounts held in a non-interest-bearing checking account totaling \$20,444.

Concentration of Risk: Deposit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to it. The Foundation does not have a policy for risk of deposits. The FDIC insures up to \$250,000 per depositor per insured bank. As of June 30, 2024, the Foundation did not have any cash deposits subject to deposit risk.

Investments: Investments are carried at fair value. Net change in the fair value of investments, which consists of realized gains or losses and the unrealized appreciation (depreciation) of those investments, is reported in the statement of activities. Investment income is accrued as earned.

Contributions: Contributions are recognized as revenues in the period received. Unconditional promises to give (pledges) are recognized as revenue when the commitment is communicated to the Foundation. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met or explicitly waived by the donor. Contributions are considered available for unrestricted use unless specifically restricted by the donor.

(Continued)

THE FOUNDATION FOR THE CHABOT-LAS POSITAS COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 1 - SUMMARY OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions (Continued): Non-cash or in-kind contributions of goods and materials are recorded at fair value at the date of contribution.

Contributed Services: Contributed services are recorded at fair value at the date of contribution if they are used to create or enhance a non-financial asset or require specialized skills, are provided by someone who possesses those skills and would have to be purchased by the organization if not donated. No amounts have been recognized in the statement of activities because the criteria for recognition under generally accepted accounting principles have not been satisfied.

Functional Allocation of Expenses: The costs of providing services have been summarized on a functional basis in the statement of activities and detailed in the statement of functional expenses. Certain costs and expenditures have been allocated between program and supporting services based on management's estimates.

Use of Estimates: Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the reported revenues and expenses, and disclosures. Actual results could vary from the estimates that were used.

NOTE 2 - INVESTMENTS

Investments are reported at fair value in the statement of financial position. See Note 1 for a discussion of the Foundation's accounting policies.

Investments are reported at fair value as follows at June 30, 2024:

	<u>Cost</u>	<u>Fair Market Value</u>			<u>Total</u>
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Mutual funds - equities	\$ 298,903	\$ 298,903	\$ -	\$ -	\$ 298,903
Mutual funds - fixed income	242,102	242,102	-	-	242,102
Cash and cash equivalents	<u>5,307</u>	<u>5,307</u>	<u>-</u>	<u>-</u>	<u>5,307</u>
 Total investments	 <u>\$ 546,312</u>	 <u>\$ 546,312</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 546,312</u>

The following schedule summarizes the gains and losses, realized and unrealized, and its classification in the statement of activities for the year ended June 30, 2024:

	<u>2024</u>
Interest and dividends	\$ 20,098
Realized gain/loss	423
Unrealized gain	38,000
Investment management fees	<u>(5,056)</u>
 Total investment income, net	 <u>\$ 53,465</u>

(Continued)

THE FOUNDATION FOR THE CHABOT-LAS POSITAS COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 2 – INVESTMENTS (Continued)

Fair Value Measurements: Generally accepted accounting principles provide a framework for measuring fair value. That framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Assets and liabilities that are required to be recorded at fair value in the statement of financial position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are assets and liabilities where values are based on unadjusted quoted prices for identical assets in an active market that the Foundation has the ability to access. As of June 30, 2024, these assets include certain mutual funds and money market funds.

Level 2. These are assets and liabilities where values are based on the following inputs:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices those are observable for the asset or liability.
- Inputs which are derived principally from or corroborated by observable market data by correlation or other means.

As of June 30, 2024, there are no Level 2 assets or liabilities.

Level 3. These are assets and liabilities where inputs to the valuation methodology are unobservable and significant to the fair value measurement. As of June 30, 2024, there are no Level 3 assets or liabilities.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

NOTE 3 - NET ASSETS

Net assets with donor restrictions are restricted for specific purposes or until specific events occur. Net assets are released from restriction when amounts are expended for that specific purpose or time restrictions are met.

Net assets with donor restrictions at June 30, 2024 are restricted for the following purposes:

	<u>2024</u>
Scholarship and awards	\$ 252,067
Named endowments	<u>181,106</u>
Total net assets with donor restrictions	<u>\$ 433,173</u>

Net assets released from restrictions during the year ended June 30, 2024, totaled \$14,292 and were related to scholarship and awards.

(Continued)

THE FOUNDATION FOR THE CHABOT-LAS POSITAS COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 4 - ENDOWMENTS

The Foundation's endowment consists of two individual funds established primarily for scholarships. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Foundation's Board of Directors is responsible for managing of the endowed assets. For the year ended June 30, 2024, the Foundation's named endowments within temporarily restricted net assets are as follow:

	<u>2024</u>
R. Buffington	\$ 122,539
Chancellor's Fund	<u>58,567</u>
Total	<u>\$ 181,106</u>

The Board of Directors of the Foundation treats all donor-restricted endowment funds as net assets with donor restrictions. These endowment funds are invested in pool with all other investments of the Foundation. The returns on the endowment funds invested have been included in net assets with donor restriction interest and investment income on the statement of activities and changes in net assets. The Foundation operates under a version of UPMIFA enacted by the State of California. The Board of Directors has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, The Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, (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, and (d) the remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard prudence prescribed by UPMIFA.

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

Funds with Deficiencies: From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). We have interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no such deficiencies as of June 30, 2024.

Return Objectives and Risk Parameters: The Foundation has invested its endowment assets and has adopted their investment policy whereby funds are invested in a manner that attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. The investment objective is to maximize returns while assuming an appropriate level of risk. Under this policy, the endowment assets are invested in a manner that is intended to produce results comparable to the performance of a policy index based upon the strategic asset allocation of the assets to various broad asset classes.

Spending Policies of the Endowments: The Foundation allocates the investment income generated by the endowment each year based on the purpose of the endowment fund as specified by the donor. If the donor does not specify a purpose for their endowment, the income is used for general support.

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THE FOUNDATION FOR THE CHABOT-LAS POSITAS COLLEGE DISTRICT
NOTES TO FINANCIAL STATEMENTS
June 30, 2024

NOTE 5 - LIQUIDITY AND AVAILABILITY

The Foundation's financial assets available within one year of the statement of financial position date for general expenditure are as follows for the year ended June 30, 2024:

	<u>2024</u>
Financial assets at year end:	
Cash and cash equivalents	\$ 20,444
Investments	546,312
Total financial assets	<u>566,756</u>
Less amounts not available to be used for general expenditures:	
Net assets with donor restrictions	<u>433,173</u>
Total financial assets available to meet cash needs for general expenditures	<u>\$ 133,583</u>

As part of the Foundation's liquidity management, the Foundation invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 6 - SUBSEQUENT EVENTS

The Foundation evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Management has determined that there were no events which require additional disclosure.

Subsequent events have been evaluated through February 25, 2025, which is the date the financial statements were available to be issued.

SUPPLEMENTAL SCHEDULE

THE FOUNDATION FOR THE CHABOT-LAS POSITAS COLLEGE DISTRICT
SUPPLEMENTAL SCHEDULE OF CHANGES IN FUND BALANCES
Year Ended June 30, 2024

<u>Fund name</u>	<u>July 1, 2023</u>	<u>Donation Receipts</u>	<u>Investment Income</u>	<u>Investment Expenses</u>	<u>Administrative Burden</u>	<u>Funds Payments</u>	<u>June 30, 2024</u>
With Donor Restriction Funds							
Scholarship and Awards Funds							
Van Etten, Arthur	\$ 4,351	\$ -	\$ 646	\$ (56)	\$ -	\$ (100)	\$ 4,841
Authur L Larson	6,337	-	941	(81)	-	-	7,197
John R. McKinley	10,526	-	1,563	(135)	-	(1,000)	10,954
C.A.R.E.	116,758	-	17,342	(1,498)	-	-	132,602
Chancellor Jackson	15,876	-	2,358	(204)	-	-	18,030
General District Foundation	56,429	-	8,381	(724)	-	-	64,086
DECA CLUB	12,641	-	1,878	(162)	-	-	14,357
Total Awards and Scholarship funds	<u>222,918</u>	<u>-</u>	<u>33,109</u>	<u>(2,860)</u>	<u>-</u>	<u>(1,100)</u>	<u>252,067</u>
Endowment Funds							
Buffington, Reed L.	112,489	-	16,708	(1,443)	-	(5,215)	122,539
Chancellor's Fund	58,593	-	8,704	(753)	-	(7,977)	58,567
Total Endowment Funds	<u>171,082</u>	<u>-</u>	<u>25,412</u>	<u>(2,196)</u>	<u>-</u>	<u>(13,192)</u>	<u>181,106</u>
Total With Donor Restriction	<u>\$ 394,000</u>	<u>\$ -</u>	<u>\$ 58,521</u>	<u>\$ (5,056)</u>	<u>\$ -</u>	<u>\$ (14,292)</u>	<u>\$ 433,173</u>
Without Donor Restriction Funds							
Capital Appreciation Fund	\$ 88,630	\$ -	\$ -	\$ -	\$ (1,051)	\$ -	\$ 87,579
Operating Fund	12,234	-	-	-	-	-	12,234
Reserve Fund	33,770	-	-	-	-	-	33,770
Total Without Donor Restriction	<u>\$ 134,634</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,051)</u>	<u>\$ -</u>	<u>\$ 133,583</u>
Total Net Assets	<u>\$ 528,634</u>	<u>\$ -</u>	<u>\$ 58,521</u>	<u>\$ (5,056)</u>	<u>\$ (1,051)</u>	<u>\$ (14,292)</u>	<u>\$ 566,756</u>