

CRAFTON HILLS COLLEGE FOUNDATION

For the Year Ended

June 30, 2023

Independent Auditor's Report

L. Ray Ashworth

- Certified Public Accountant -

CRAFTON HILLS COLLEGE FOUNDATION

JUNE 30, 2023

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L. Ray Ashworth

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Crafton Hills College Foundation

Opinion

I have audited the accompanying financial statements of Crafton Hills College Foundation (a California nonprofit public benefit corporation) (the Foundation), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crafton Hills College Foundation as of June 30, 2023, 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

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Crafton Hills College Foundation and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 Crafton Hills College Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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 generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial

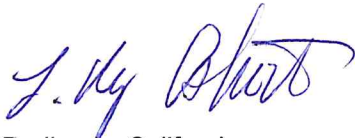
Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgement 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 Crafton Hills College 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 my judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Crafton Hills College Foundation's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.



Redlands, California

January 11, 2024

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CRAFTON HILLS COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
June 30, 2023

ASSETS

CURRENT ASSETS

| | |
|--|------------|
| Unrestricted cash and cash equivalents | \$ 182,359 |
| Investments - unrestricted | 1,106,532 |
| Pledges receivable, net | 63,429 |
| Total Current Assets | 1,352,320 |

NON-CURRENT ASSETS

| | |
|---|-----------|
| Restricted cash | 589,770 |
| Investments - restricted | 3,924,770 |
| Title V Endowment- restricted | 61,453 |
| Charitable gift annuities | 28,027 |
| Community Foundation | 139,089 |
| California Community Colleges Scholarship Endowment Fund | 39,509 |
| Total Non-Current Assets | 4,782,618 |

| | |
|--------------|--------------|
| TOTAL ASSETS | \$ 6,134,938 |
|--------------|--------------|

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | |
|---------------------------|----------|
| Accounts payable | \$ 1,923 |
| Total Current Liabilities | 1,923 |

| | |
|-------------------|-------|
| TOTAL LIABILITIES | 1,923 |
|-------------------|-------|

NET ASSETS

| | |
|----------------------------|-----------|
| Without donor restrictions | 1,477,786 |
| With donor restrictions | 4,655,229 |
| Total Net Assets | 6,133,015 |

| | |
|----------------------------|--------------|
| LIABILITIES AND NET ASSETS | \$ 6,134,938 |
|----------------------------|--------------|

See accompanying notes to financial statements and Independent Auditor's Report

CRAFTON HILLS COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

| | WITHOUT DONOR RESTRICTIONS | WITH DONOR RESTRICTIONS | TOTAL |
|---------------------------------------|-------------------------------|----------------------------|---------------------|
| SUPPORT AND REVENUE | | | |
| Contributions | \$ 299,471 | \$ 61,514 | \$ 360,985 |
| Support and revenue - scholarships | - | 265,335 | 265,335 |
| Grants | - | 1,155,390 | 1,155,390 |
| Fundraising | 83,774 | - | 83,774 |
| Interest and dividends | 27,606 | 70,784 | 98,390 |
| Investment income | 95,860 | 348,633 | 444,493 |
| Donated services revenue | 230,884 | - | 230,884 |
| Other income | 8,177 | - | 8,177 |
| Net assets released from restrictions | 492,377 | (492,377) | - |
| Total Support and Revenue | 1,238,149 | 1,409,279 | 2,647,428 |
| OPERATING EXPENSES | | | |
| Programs | | | |
| Scholarships | 273,409 | - | 273,409 |
| Academic support and other | 240,771 | - | 240,771 |
| Total Program Expenses | 514,180 | - | 514,180 |
| Support Services | | | |
| General and administrative | 214,913 | - | 214,913 |
| Fundraising | 146,795 | - | 146,795 |
| Total Support Services | 361,708 | - | 361,708 |
| Total Operating Expenses | 875,888 | - | 875,888 |
| Change in Net Assets | 362,261 | 1,409,279 | 1,771,540 |
| Net Assets - Beginning | 1,406,630 | 2,954,845 | 4,361,475 |
| Fund transfer | (291,105) | 291,105 | - |
| Net Assets - Ending | \$ 1,477,786 | \$ 4,655,229 | \$ 6,133,015 |

See accompanying notes to financial statements and Independent Auditor's Report

CRAFTON HILLS COLLEGE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|------------------|
| Change in net assets | |
| Adjustments to reconcile change in net assets to | |
| net cash provided by (used in) operating activities: | \$ 1,771,540 |
| Depreciation | - |
| Permanently restricted contributions | (1,482,239) |
| Net realized/unrealized (gain) loss on investments | (444,493) |
| Other | (4,458) |
| Effects of changes in operating assets and liabilities: | |
| Pledges receivable, net | 27,324 |
| Title V endowment | (61,453) |
| Net cash provided by (used in) operating activities | <u>(193,779)</u> |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|--|-----------------|
| Increase in investments | |
| Decrease in investment in Community Foundation | (10,424) |
| Decrease in investment in California Colleges | |
| Scholarship Endowment Fund | (2,202) |
| Increase in charitable gift annuities | 893 |
| Net cash used by investing activities | <u>(11,733)</u> |

CASH FLOWS FROM FINANCING ACTIVITIES

| | |
|--|----------------|
| Purchase of investments | (1,157,708) |
| Proceeds from Permanently restricted contributions | 1,482,239 |
| Net cash used by financing activities | <u>324,531</u> |

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 119,019

CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR 653,110

CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR \$ 772,129

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

| | |
|--|--------------------------|
| Cash and Cash Equivalents - Without Donor Restrictions | \$ 182,359 |
| Cash and Cash Equivalents - With Donor Restrictions | 589,770 |
| Total Cash and cash equivalents | <u><u>\$ 772,129</u></u> |

Cash paid for interest was \$ 0 and In-kind donations and expenses were \$ 230,884

See accompanying notes to financial statements and Independent Auditor's Report

**CRAFTON HILLS COLLEGE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023**

| | PROGRAMS | | | SUPPORT SERVICES | | |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | ACADEMIC | | | GENERAL AND | | |
| | SCHOLARSHIPS | SUPPORT AND OTHER | TOTAL | ADMINISTRATIVE | FUNDRAISING | TOTAL |
| Scholarship awards | \$ 258,083 | \$ - | \$ 258,083 | \$ - | \$ - | \$ 258,083 |
| Direct student support | - | 41,087 | 41,087 | - | - | 41,087 |
| Materials and supplies | - | 2,217 | 2,217 | 3,031 | - | 5,248 |
| Marketing and promotion | - | 200 | 200 | 2,665 | - | 2,865 |
| Donated services | 15,326 | 13,247 | 28,573 | 131,107 | 71,204 | 230,884 |
| Professional fees | - | - | - | 21,756 | 43,972 | 65,728 |
| Investment fees | - | - | - | 52,702 | - | 52,702 |
| Equipment and computers | - | - | - | 3,437 | - | 3,437 |
| Engagement | - | 29,086 | 29,086 | - | - | 29,086 |
| Split interest agreement | - | 893 | 893 | - | - | 893 |
| Travel and conferences | - | - | - | 12 | - | 12 |
| Specialized training | - | 153,891 | 153,891 | - | - | 153,891 |
| Cultivation expenses | - | - | - | - | 31,619 | 31,619 |
| Other | - | 150 | 150 | 203 | - | 353 |
| Total Program Costs | \$ 273,409 | \$ 240,771 | \$ 514,180 | \$ 214,913 | \$ 146,795 | \$ 875,888 |

See accompanying notes to financial statements and Independent Auditor's Report

**CRAFTON HILLS COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2023**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL

Crafton Hills College Foundation (the Organization) is an independent nonprofit corporation whose mission is to promote gifts for the support and enhancement of quality education at Crafton Hills College. The Organization's programs include scholarships and other student awards, academic support, and the acquisition of instructional equipment and improvements to facilities for both vocational and academic enrichment.

SOURCES OF FUNDING

The Organization receives support from contributions and revenues generated by investments, grants, and campus activities.

BASIS OF ACCOUNTING

The Organization maintains its accounting records on the accrual basis of accounting whereby revenues are recorded when earned and expenses are recorded when the obligation is incurred.

BASIS OF PRESENTATION

The financial statements have been presented in accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, the Organization is required to report information regarding its financial position and activities in two classes of net assets:

Without Donor Restrictions: Net assets available for use in general operations and not subject to donor restrictions. Grants and contributions gifted for recurring programs are generally not considered "restricted" under GAAP, though for internal reporting, the Organization monitors grants and contributions to verify that disbursements match the intent. Assets restricted solely through actions of the Board are reported as net assets without donor restrictions, board designated.

With Donor Restrictions: Net assets subject to donor-imposed stipulations that are more restrictive than the Organization's mission and purpose. 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. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, when the donor stipulates those resources be maintained in perpetuity.

Crafton Hills College Foundation and the District are financially interrelated organizations as defined by ASC Topic 958-605 *Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others*. The Organization reflects contributions received for the benefit of the District as revenue in its financial statements. The expenses related to these contributions are accounted for under program and supporting services.

**CRAFTON HILLS COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2023**

PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost if purchased, or at fair value at the date of donation. Donor restricted property and equipment whose restrictions are met in the same period are labeled as unrestricted donations. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$2,500 and the useful life is greater than one year. Depreciation is calculated using the straight-line method over five to fifteen years.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CONTRIBUTIONS

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence and/or nature of any donor restrictions. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

PLEDGES RECEIVABLE

The Organization uses the allowance method to determine uncollectable promises receivable. The allowance is based upon Management's analysis of past promises made and collected. Management has determined that all of the pledge's receivables are collectable and therefore no allowance for uncollectable promises to give is necessary.

INCOME TAX STATUS

The Organization is exempt from income tax status under Internal Revenue Code Section 501 (c) (3) and California Revenue Code Section 23701d. The Organization is not considered a private foundation under Section 509 (a) of the Internal Revenue Code.

In accordance with accounting standards, which provides accounting and disclosure guidance about uncertain tax positions taken by a foundation, Management believes that all of the positions taken by the Organization in its federal and state income tax returns are more likely than not to be sustained upon examination. The Organization files returns in the U.S. Federal jurisdiction and the State of California. The Organization's federal income tax returns for the tax years 2020 and beyond remain subject to examination by the Internal Revenue Service. The Organization's California income tax returns for 2019, and beyond, remain subject to examination by the Franchise Tax Board.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an original maturity date of less than 90 days to be cash.

**CRAFTON HILLS COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2023**

CONCENTRATION OF CREDIT RISK

The Organization has cash in financial institutions which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution for the interest-bearing accounts, or the Securities Investor Protection Corporation (SIPC) up to \$500,000 at each institution. At various times throughout the year, the Organization may have cash balances at financial institutions in excess of the FDIC limit and does not believe this concentration of cash results in a high level of risk for the Organization. At year end, the Organization had investment funds in excess of the SIPC limit of \$ 4,531,302, private insurance is provided by the investment brokerage for amounts exceeding the SIPC limit.

CONTRIBUTED GOODS AND SERVICES

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets, or services that require specialized skills, are provided by individuals possessing those skills, and would typically be purchased if not provided through donation, are recorded at fair value in the period received.

DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES

The Organization adopted the standard for Fair Value Measurements. The Accounting principle for fair value measurements defines fair value, establishes a framework for measuring fair value, and expands disclosure about fair value measurements.

The following provides a summary of the hierarchical levels used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 assets and liabilities may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity, and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant Management judgment or estimation.

SPLIT-INTEREST AGREEMENTS

The Organization has four split-interest agreements. The terms and discount rates for these agreements are based upon the life expectancy of the donor(s) and present value tables provided by the IRS for determining the amount of the charitable contribution. The charitable remainder trusts are administered by a third party. Assets associated with the split-interest agreements are recognized at the present value of the estimated future benefits of the agreement.

**CRAFTON HILLS COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2023**

INVESTMENTS

Investments are recorded at fair market value. Both unrealized gains and losses from the fluctuation of market value and realized gains and losses from the sale of investments are reflected in the statement of activities.

FUNCTIONAL ALLOCATION OF EXPENSES

Costs of providing the Organization's programs and activities are presented in the statement of functional expenses. The Organization classifies portions to general and administrative and fundraising based on the costs associated with the respective categories.

2. COMMUNITY FOUNDATION

The Organization has transferred assets to the Community Foundation (the Foundation) which is holding them as an agency fund (Fund) for the benefit of the Organization. The Organization has granted the Foundation variance power which gives the Foundation's Board of Trustees the power to use the Fund for other purposes in certain circumstances. The Fund is subject to the Foundation's investment and spending policies which currently result in a distribution to the Organization of 4 percent of the fund balance per year. The Organization reports the fair value of the Fund, the Beneficial Interest in Assets, held at the Foundation in the statement of financial position as Community Foundation and reports distributions received as investment income. Changes in the value of the Fund are reported as gains or losses in the statement of activities.

3. FOUNDATION FOR CALIFORNIA COMMUNITY COLLEGES (CCCSE)

CCCSE was established as a Foundation to benefit, support, and enhance the California Community Colleges and was established on May 6, 2008, with an upfront matching gift of \$ 25 million dollars from The Bernard Osher Foundation California. The Organization along with all California Community Colleges raised the matching funds. Each California Community College maintains a percentage ownership in CCCSE. The funds are invested under the direction of a Board of Directors and the earnings are distributed in the form of student scholarships. See Foot Note 8 for additional information.

4. RELATED PARTY TRANSACTIONS

The Organization provides various levels of support and services to Crafton Hills College. The transactions are recorded within the financial statements as distributions, student programs, and scholarship expenses. The district provides office space and other support to the Organization. The value of this support has been calculated and is reflected within these financial statements.

CRAFTON HILLS COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2023

5. TITLE V FUNDS RESTRICTED FUNDS

The Organization has elected to restrict Title V funds as a temporary endowment for a period of 20 years. The restriction was placed on the amount of \$58,000 which will be released on August 18, 2029.

6. CHARITABLE GIFT ANNUITIES

The Organization is the beneficiary of four irrevocable split-interest agreements. All of the agreements are charitable gift annuities whereby the Community College League of California is the third-party trustee. Per the agreements, the donors are also the annuitant, and upon termination the Organization is entitled to the residual value of the annuity. In the case where the annuity payments exceed the fair value of the principal, and since the Organization has no liability for future payments, the annuity is reported as zero value for reporting purposes, the Organization's source for measuring the fair value of these annuities is statements received from the Community College League of California's trust company, whereby the value of donated assets are reduced by the present value of expected future cash payments to the annuitants. Accordingly, this is considered a Level II fair value measurement.

7. DONATED SERVICES

The activities carried on by the Organization are conducted by employees of the San Bernardino Community College District (District) using the physical resources of Crafton Hills College. Costs incurred by the district on behalf of the Organization include wages and occupancy expenses. The estimated number of donated services rendered to the Organization for the year ended June 30, 2023, was \$ 230,884.

8. RESTRICTED NET ASSETS ACCOUNTING AND INVESTING

Crafton Hills College Foundation Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), in accordance with California state law, as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. Accordingly, the Organization classifies the original value of the gifts made to such endowment as permanently restricted.

Crafton Hills College Foundation's investment policy stipulates that a prudent portion of monies are to be placed in interest-bearing accounts, to maximize the potential earnings on the gifts. The unappropriated investment earnings on permanently and temporarily restricted net assets are classified as temporarily restricted net assets until the funds are released from their temporarily restricted purpose.

**CRAFTON HILLS COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED
JUNE 30, 2023**

The general rule for acceptable investments for the aggregated endowment funds (federal and non-federal) are savings accounts or in low-risk securities in which a regulated insurance company may invest under the law of the State in which the institution is located. This typically includes savings accounts such as a federally insured bank savings account, a comparable interest-bearing account offered by a bank, or a money market fund. "Low-risk securities" includes certificates of deposit, mutual funds, stocks, or bonds.

Income from the endowment may be spent for costs necessary to operate the Organization, including general operating and maintenance costs, costs to administer and manage the endowment fund, and costs associated with buying and selling securities, such as stockbroker commissions and fees to "load" mutual funds. Income from the endowment cannot be spent for a school or department of divinity or any religious worship or sectarian activity, an activity that is inconsistent with a state plan for desegregation application to the grantee, or an activity that is inconsistent with a state plan applicable to the grantee.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events on January 11, 2024, the date on which the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

10. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

| | |
|---------------------------|---------------------|
| Cash and Cash Equivalents | \$ 182,359 |
| Operating Investments | 1,106,532 |
| Pledges Receivable, net | <u>63,429</u> |
| Total | <u>\$ 1,352,320</u> |

CRAFTON HILLS COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED
June 30, 2023

11 INVESTMENTS

| | Level 1 | Level 2 | Level 3 | Total |
|-------------------------------|---------------------|-------------|-------------|---------------------|
| Merrill Lynch | | | | |
| Investment cash | \$ 162,250 | \$ - | \$ - | \$ 162,250 |
| Equities | 2,709,705 | - | - | 2,709,705 |
| Mutual funds | 1,246,716 | - | - | 1,246,716 |
| Government securities | 893,480 | - | - | 893,480 |
| Estimated accrued interest | 5,990 | - | - | 5,990 |
| Community Foundation | 139,089 | - | - | 139,089 |
| California Community Colleges | 39,509 | - | - | 39,509 |
| Title V Endowment | 61,453 | - | - | 61,453 |
| Total Investments | \$ 5,258,192 | \$ - | \$ - | \$ 5,258,192 |

See Note 1 for a description of the three levels of imputes that may be used to measure fair value.

The following table presents further detail for investments at year end:

| | Adjusted Cost | Fair value | Unrealized Gain |
|--------------------------|---------------------|---------------------|---------------------|
| Merrill Lynch | \$ 3,782,122 | \$ 5,031,302 | \$ 1,249,180 |
| Community Foundation | 100,000 | 139,089 | 39,089 |
| CCCSE | 25,000 | 39,509 | 14,509 |
| Total Investments | \$ 3,907,122 | \$ 5,209,900 | \$ 1,302,778 |

Community Foundation

Beginning balance July 1, 2022

| | |
|------------------|------------|
| Investments | \$ 128,665 |
| Income and gains | 11,778 |
| Losses and fees | (1,354) |

Ending balance at June 30, 2023 \$ 139,089

California Community Colleges Scholarship Endowment Fund

Beginning balance July 1, 2022

| | |
|------------------|-----------|
| Income and gains | \$ 37,307 |
| Distributions | 4,064 |
| Losses and fees | (1,733) |
| Losses and fees | (129) |

Ending balance at June 30, 2023 \$ 39,509

CRAFTON HILLS COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED
June 30, 2023

12 NET ASSEST WITH DONOR RESTRICTIONS

The details of Net Assets With Donor Restrictions as of June 30, 2023 are as follows:

| | Total |
|--|--------------|
| Endowment net assets beginning of year | \$ 2,954,845 |
| Contributions and gains | 326,849 |
| Interest and dividends | 70,784 |
| Investment income | 348,633 |
| Grants | 1,155,390 |
| Appropriation of endowment assets | (492,377) |
| Fund Transfers | 291,105 |
| Total | \$ 4,655,229 |

Restrictions on Net Asset Balances

| | |
|--|--------------|
| Time and Purpose Restrictions | \$ 685,113 |
| Perpetual Restrictions | 3,970,116 |
| Total Net Assets With Donor Restrictions | \$ 4,655,229 |