



Crafton Hills College Foundation

Financial Statements
With Independent Auditor's Report

June 30, 2025




CRAFTON HILLS COLLEGE FOUNDATION
Table of Contents


	Page
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities.	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7



 3880 Lemon St., Ste. 300
Riverside, CA 92501

 P.O. Box 1529
Riverside, CA 92502-1529

 951-241-7800

 www.eadiepaynellp.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Crafton Hills College Foundation
Yucaipa, California

Opinion

We have audited the accompanying financial statements of Crafton Hills College Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, 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 our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Crafton Hills College Foundation as of June 30, 2025, 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 Crafton Hills College 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 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 for one year after the date that the financial statements 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 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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Crafton Hills College 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.

Eadie and Payne, LLP

Riverside, California
September 30, 2025

CRAFTON HILLS COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
For the year ended June 30, 2025

Assets

Current Assets

Cash and cash equivalents	\$ 105,003
Short-term investments	2,440,824
Pledges receivable, net	<u>10,323</u>
Total Current Assets	<u>2,556,150</u>

Noncurrent Assets

Restricted cash	668,632
Long-term investments	5,148,237
Titile V Endowment - restricted	64,283
Charitable gift annuities	41,573
Community Foundation	172,438
California Community Colleges Scholarship Endowment Fund	<u>42,078</u>
Total Noncurrent Assets	<u>6,137,241</u>

Total Assets

\$ 8,693,391

Liabilities and Net Assets

Current Liabilities

Accounts payable	<u>\$ 975</u>
------------------	---------------

Net Assets

Without donor restrictions	1,979,137
With donor restrictions	<u>6,713,279</u>
Total Net Assets	<u>8,692,416</u>

Total Liabilities and Net Assets

\$ 8,693,391

The accompanying notes are an integral part of the financial statements.

CRAFTON HILLS COLLEGE FOUNDATION

STATEMENT OF ACTIVITIES

For the year ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support			
Contributions	\$ 90,829	\$ 705,503	\$ 796,332
Fundraising	4,963	-	4,963
Donated services revenue	424,419	-	424,419
Interest and dividends	100,458	137,080	237,538
Investment income	119,995	366,421	486,416
Other income	-	18,609	18,609
Net assets released from restrictions	511,766	(511,766)	-
Total Revenues and Support	<u>1,252,430</u>	<u>715,847</u>	<u>1,968,277</u>
Expenses			
Program Services			
Scholarships	311,002	-	311,002
Academic support and other	222,316	-	222,316
Total Program Services	<u>533,318</u>	<u>-</u>	<u>533,318</u>
Supporting Services			
General and administrative	424,903	-	424,903
Fundraising	91,755	-	91,755
Total Supporting Services	<u>516,658</u>	<u>-</u>	<u>516,658</u>
Total	<u>1,049,976</u>	<u>-</u>	<u>1,049,976</u>
Change in Net Assets	202,454	715,847	918,301
Transfer in/out	(1,727)	1,727	-
Net Assets, Beginning of Year	<u>1,778,410</u>	<u>5,995,705</u>	<u>7,774,115</u>
Net Assets, End of Year	<u>\$ 1,979,137</u>	<u>\$ 6,713,279</u>	<u>\$ 8,692,416</u>

The accompanying notes are an integral part of the financial statements.

CRAFTON HILLS COLLEGE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
For the year ended June 30, 2025

	Programs			Support Services		
	Academic			General and		
	Scholarships	Support and Other	Total	Administrative	Fundraising	Total
Scholarship awards	\$ 293,991	\$ -	\$ 293,991	\$ -	\$ -	\$ 293,991
Direct student support	-	75,182	75,182	-	-	75,182
Materials and supplies	-	-	-	726	-	726
Program support expenses	-	4,060	4,060	-	-	4,060
Marketing and promotion	-	2,833	2,833	1,702	-	4,535
Donated services	17,011	35,322	52,333	316,111	55,975	424,419
Professional fees	-	-	-	27,388	22,910	50,298
Taxes and licensing	-	-	-	225	-	225
Investment fees	-	-	-	74,893	-	74,893
Equipment and computers	-	-	-	3,535	-	3,535
Engagement	-	34,038	34,038	-	-	34,038
Split interest agreement	-	4,164	4,164	-	-	4,164
Travel and conferences	-	-	-	65	-	65
Specialized training	-	64,717	64,717	-	-	64,717
Cultivation expenses	-	-	-	-	12,870	12,870
Direct employee support	-	2,000	2,000	-	-	2,000
Other	-	-	-	258	-	258
Total Expenses	<u>\$ 311,002</u>	<u>\$ 222,316</u>	<u>\$ 533,318</u>	<u>\$ 424,903</u>	<u>\$ 91,755</u>	<u>\$ 1,049,976</u>

The accompanying notes are an integral part of the financial statements.

CRAFTON HILLS COLLEGE FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended June 30, 2025

Cash Flows From Operating Activities

Change in net assets	\$ 918,301
Adjustments to Reconcile Change in Net Assets to Net Cash	
Provided by Operating Activities	
Permanently restricted contributions	(705,503)
Gain on investments	(486,416)
Increase in charitable gift annuities	(14,444)
Changes in operating assets and liabilities:	
Pledges receivable, net	43,099
Title V endowment - restricted	355
Community Foundation	(17,779)
Accounts payable	(3,848)
Net Cash Used By Operating Activities	<u>(266,235)</u>

Cash Flows from Investing Activities

Purchase of investments	(3,903,153)
Proceeds from sale of investments	<u>3,576,898</u>
Net Cash Used By Investing Activities	<u>(326,255)</u>

Cash Flows from Financing Activities

Proceeds from permanently restricted contributions	<u>705,503</u>
Net Cash Provided By Financing Activities	<u>705,503</u>

Net Increase in Cash and Cash Equivalents	<u>113,013</u>
Beginning Unrestricted and Restricted Cash and Cash Equivalents	<u>660,622</u>
Ending Unrestricted and Restricted Cash and Cash Equivalents	<u>\$ 773,635</u>

Supplemental Disclosure of Cash Flow Information	
Cash and Cash Equivalents - Without Donor Restrictions	\$ 105,003
Cash and Cash Equivalents - With Donor Restrictions	<u>668,632</u>
	<u>\$ 773,635</u>

The accompanying notes are an integral part of the financial statements.

CRAFTON HILLS COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

1. **Nature of Activities**

The Crafton Hills College Foundation (Foundation) is an independent nonprofit corporation whose mission is to promote gifts for the support and enhancement of quality education at Crafton Hills College. The Foundation'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.

2. **Summary of Significant Accounting Policies**

A. Basis of Presentation

The financial statements of the Foundation have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's Board of Directors. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

The Foundation and the San Bernardino Community College District (District) are financially interrelated organizations as defined by ASC Topic 958-605 *Transfer of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others*. The Foundation 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.

B. Use of Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses during the reporting period. Actual results could vary from estimates.

C. Cash and Cash Equivalents

Cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

CRAFTON HILLS COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

2. Summary of Significant Accounting Policies (Continued)

D. Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair value in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities.

Investment income/(loss) is reported net in the statements of activities and consists of realized and unrealized gains and losses, less external and direct internal investment expenses. Interest and dividends and investment return are reflected in the statements of activities as income without donor restrictions or income with donor restrictions based upon the existence and nature of any donor restrictions. Interest and dividends and investment return that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the reporting period in which the interest and dividends and investment return are recognized.

E. Pledges Receivable

Pledges receivables represent written unconditional promises to be given by donors. Pledges receivable, other than endowment pledges, are recognized as contribution revenue in the period pledged if they are verifiable, measurable, probable of collection, and they meet all the eligibility requirements. Endowment pledges are recognized as contributions to permanent endowment at the time payment is received. Pledge payments, expected to be collected during the next fiscal year, are recorded at estimated net realizable value. Management has determined that all the pledges receivables are collectable and therefore no allowance for uncollectable promises to give is necessary.

F. Title V Restricted Funds

The Foundation 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.

G. Split-Interest Agreements

The Foundation 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. 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. Per the agreements, the donors are also the annuitant, and upon termination the Foundation is entitled to the residual value of the annuity. The Foundation'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 is reduced by the present value of expected future cash payments to the annuitants. Accordingly, this is considered a Level III fair value measurement.

H. Income Taxes

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

Consequently, the accompanying financial statements do not reflect any provision for income taxes. The Foundation uses the same accounting methods for tax and financial reporting with the exception of investment, which are valued at cost for tax purposes.

CRAFTON HILLS COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

2. Summary of Significant Accounting Policies (Continued)

I. 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.

J. Fair Value of Financial Instruments

The Foundation's financial instruments, including cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable, accrued expenses, and deferred revenue are carried at cost, which approximates fair value because of the short-term nature of these instruments. The investment in debt and equity securities are carried at fair value based on quoted prices in active markets.

Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels as described in Note 4.

K. Functional Allocation of Expenses

Expenses are allocated on a functional basis among the various programs and support services benefited. Expenses that can be identified with a specific program and support service are charged directly to that program or service. Expenses that are common to both programs or services are allocated proportionate to usage.

L. Restricted Net Assets Accounting and Investing

The 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 Foundation classifies the original value of the gifts made to such endowment as permanently restricted.

The Foundation's investment policy stipulates that a prudent portion of money is 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.

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.

CRAFTON HILLS COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

2. Summary of Significant Accounting Policies (Continued)

L. Restricted Net Assets Accounting and Investing (Continued)

Income from the endowment may be spent for costs necessary to operate the Foundation, 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.

M. Subsequent Events

The Foundation has evaluated subsequent events through September 30, 2025, which is the date the financial statements were available to be issued.

3. Investments

The amortized cost and estimated fair value of securities available for sale and held to maturity along with gross unrealized gains and losses and allowance for credit losses are summarized as follows:

	<u>Fair Value</u>	<u>Adjusted Cost</u>	<u>Unrealized Gain/(Loss)</u>
Available for Sale			
Government & agency securities	\$ 683,665	\$ 710,797	\$ (27,132)
Corporate bonds	460,837	456,565	4,272
Equity securities	3,751,712	2,922,968	828,744
Mutual funds	1,510,337	1,453,911	56,426
Cash	248,637	242,552	6,085
	<u>6,655,188</u>	<u>5,786,793</u>	<u>868,395</u>
Held to Maturity			
Certificates of deposit	933,873	988,000	(54,127)
Total	<u>\$ 7,589,061</u>	<u>\$ 6,774,793</u>	<u>\$ 814,268</u>

There is no allowance for credit losses for available for sale and held to maturity securities at June 30, 2025.

CRAFTON HILLS COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

3. Investments (Continued)

The following table shows the gross unrealized losses and estimated fair value of available for sale securities for which an allowance for credit losses has not been recorded aggregated by category and length of time that securities have been in a continuous unrealized loss position at June 30, 2025.

	Less Than 12 Months		12 Months or More		Total	
	Unrealized		Unrealized		Unrealized	
	Fair Value	Losses	Fair Value	Losses	Fair Value	Losses
Government & agency securities	\$ -	\$ -	\$ 683,665	\$ (27,132)	\$ 683,665	\$ (27,132)

Unrealized losses on all investment types above have not been recognized into income because the issuers are of high credit quality, management does not intend to sell and it is likely that management will not be required to sell the securities prior to their anticipated recovery, and the decline in fair value is largely due to changes in interest rates and other market conditions. The fair value is expected to recover as the investments approach maturity.

At June 30, 2025, investments in debt securities mature as follows:

	Held-to-Maturity	Available-for-Sale
Maturity		
Within one year	\$ 433,030	\$ -
1 - 5 years	500,843	496,906
6 - 10 years	-	347,441
Over ten years	-	300,155
Total	\$ 933,873	\$ 1,144,502

The Foundation is exposed to concentration risk, which arises when a substantial portion of its investment portfolio is concentrated in a limited number of equity securities, mutual funds, or industry sectors. A significant downturn in the performance of these securities or sectors may adversely affect the Foundation's financial position and results of operations.

The Foundation held investments in equity securities and mutual funds. These investments are subject to market volatility due to changes in the financial performance of individual companies, market conditions, and economic factors.

CRAFTON HILLS COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

4. Fair Value Measurements

Financial Accounting Standards Board's (FASB) codification ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the entity has the ability to access.

Level 2

Inputs to the valuation methodology are inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's 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. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2025:

	Level 1	Level 2	Level 3	Total
Merrill Lynch				
Cash	\$ 248,637	\$ -	\$ -	\$ 248,637
Government & agency securities	683,665	-	-	683,665
Corporate bonds	460,837	-	-	460,837
Equity securities	3,751,712	-	-	3,751,712
Mutual funds	1,510,337	-	-	1,510,337
Certificates of deposit	933,873	-	-	933,873
Community Foundation	-	-	172,438	172,438
California Community Colleges	-	-	42,078	42,078
Title V Endowment	64,283	-	-	64,283
Annuities	-	-	41,573	41,573
	<u>\$ 7,653,344</u>	<u>\$ -</u>	<u>\$ 256,089</u>	<u>\$ 7,909,433</u>

CRAFTON HILLS COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

4. Fair Value Measurements (Continued)

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2025:

Community Foundation

Beginning Balance July 1, 2024	\$ 154,659
Income and gains	19,182
Losses and fees	(1,403)
Ending Balance at June 30, 2025	<u>\$ 172,438</u>

California Community Colleges Scholarship Endowment Fund

Beginning Balance July 1, 2024	\$ 42,078
Income and gains	-
Losses and fees	-
Ending Balance at June 30, 2025	<u>\$ 42,078</u>

Community College League of California (Charitable Annuities)

Beginning Balance July 1, 2024	\$ 27,129
Income and gains	9,051
Losses and fees	5,393
Ending Balance at June 30, 2025	<u>\$ 41,573</u>

5. Community Foundation

The Foundation has transferred assets to the Community Foundation which is holding them as an agency fund (Fund) for the benefit of the Foundation. The Foundation has granted the Community 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 Foundation of 4% of the fund balance per year. The Foundation reports the fair value of the Fund, the Beneficial Interest in Assets, held at the Community 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. Refer to Note 4 for changes in the value of the fund.

6. Foundation for California Community Colleges (CCCSE)

CCCSE was established 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 Foundation 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 Note 2 Section L for additional information. Refer to Note 4 for changes in the value of the fund.

CRAFTON HILLS COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

7. Information About Financial Instruments

The Foundation maintains its cash balances at financial institutions, which at times may exceed amounts covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC), up to \$250,000 per institution. As of June 30, 2025, the Foundation has a balance of \$524,267 in excess of FDIC limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk to cash.

8. 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 of the following:

Financial assets at year end:

Cash and cash equivalents	\$ 105,003
Short-term investments	2,440,824
Pledges receivable	<u>10,323</u>

Financial assets available to meet cash needs for
general expenditures over the next twelve months

\$ 2,556,150

As part of the Foundation's liquidity management plan, the Foundation has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due, as well as any unexpected needs.

9. Donated Services

The activities carried on by the Foundation are conducted by employees of the District using the physical resources of Crafton Hills College. Costs incurred by the District on behalf of the Foundation include wages and occupancy expenses. The estimated amount of donated services rendered to the Foundation for the year ended June 30, 2025 was \$424,419.

10. Related Party Transactions

The Foundation 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 Foundation. The value of this support has been calculated and is reflected in the financial statements.

CRAFTON HILLS COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2025

11. **Net Assets With Donor Restrictions**

The details of net assets with donor restrictions as of June 30, 2025 are as follows:

Endowment Net Assets Beginning of Year	\$ 5,995,705
Contributions and gains	481,753
Interest and dividends	137,080
Investment income	366,421
Other income	18,609
Grants	223,750
Transfer in	1,727
Appropriation of endowment assets	(511,766)
Total	<u><u>\$ 6,713,279</u></u>

Net assets with donor restrictions are restricted for the following:

Time and purpose restrictions	\$ 737,822
Perpetual restrictions	<u>5,975,457</u>
Total	<u><u>\$ 6,713,279</u></u>