



Financial Statements  
June 30, 2020

# Citrus College Foundation

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## Independent Auditor's Report

Board of Directors  
Citrus College Foundation  
Glendora, California

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Citrus College Foundation as of June 30, 2020, 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.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California  
March 30, 2021

Citrus College Foundation  
Statement of Financial Position  
June 30, 2020

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	<u>2020</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 544,232
Accounts receivable	15,163
Prepaid expenses	2,840
Total current assets	<u>562,235</u>
Noncurrent assets	
Investment in land - mineral rights	7,500
Investments	10,366,416
Total noncurrent assets	<u>10,373,916</u>
Total assets	<u><u>\$ 10,936,151</u></u>
Liabilities and Net Assets	
Current liabilities	
Due to Citrus Community College District	\$ 86,668
Net assets	
Without donor restrictions	1,361,395
With donor restrictions	9,488,088
Total net assets	<u>10,849,483</u>
Total liabilities and net assets	<u><u>\$ 10,936,151</u></u>

Citrus College Foundation  
Statement of Activities  
Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restriction	Total
<b>Revenues</b>			
Donations and grants	\$ 12,358	\$ 519,073	\$ 531,431
Golden Circle membership	-	12,075	12,075
Fundraising and special events	277	7,206	7,483
Donated services	334,569	-	334,569
Donated facility space	11,999	-	11,999
Other income	6,549	29,859	36,408
Management fee	61,246	(61,246)	-
Assets released from restrictions	278,614	(278,614)	-
	<u>705,612</u>	<u>228,353</u>	<u>933,965</u>
<b>Expenses</b>			
Program	516,094	-	516,094
Management and general	200,377	-	200,377
Fundraising	141,663	-	141,663
	<u>858,134</u>	<u>-</u>	<u>858,134</u>
<b>Other Income</b>			
Investment income and gains, net of investment expense	59,002	373,247	432,249
Royalty payments for mineral rights	-	10,614	10,614
	<u>59,002</u>	<u>383,861</u>	<u>442,863</u>
Change in Net Assets	(93,520)	612,214	518,694
Net Assets, Beginning of Year	<u>1,454,915</u>	<u>8,875,874</u>	<u>10,330,789</u>
Net Assets, End of Year	<u>\$ 1,361,395</u>	<u>\$ 9,488,088</u>	<u>\$ 10,849,483</u>

Citrus College Foundation  
Statement of Cash Flows  
Year Ended June 30, 2020

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	2020
Cash Flows from Operating Activities	
Change in net assets	\$ 518,694
Adjustments to reconcile change in net assets to net cash flows from operating activities	
Net unrealized gain on investments	(182,174)
Net realized gain on investments	(26,735)
Contributions restricted for long-term purposes	(141,461)
Changes in assets and liabilities	
Accounts receivable	(10,983)
Prepaid expenses	(2,840)
Due to Citrus Community College District	63,894
	218,395
Cash Flows from Investing Activities	
Purchase of investments	(681,047)
Sale of investments	278,702
	(402,345)
Cash Flows from Financing Activities	
Collections of contributions restricted for long-term purposes	141,461
	(42,489)
Cash and Cash Equivalents, Beginning of Year	586,721
Cash and Cash Equivalents, End of Year	\$ 544,232

Citrus College Foundation  
Statement of Functional Expenses  
Year Ended June 30, 2020

	Program	Management and General	Fundraising	Total
Donated salaries and benefits	\$ 100,371	\$ 100,371	\$ 133,827	\$ 334,569
Scholarships and grants	184,161	-	-	184,161
Salaries and benefits	-	48,039	-	48,039
Donated facilities	11,999	-	-	11,999
Professional services	2,571	19,590	-	22,161
Advertising and promotions	-	4,056	-	4,056
Community relations	7,970	-	-	7,970
Office expenses	-	8,669	-	8,669
Conferences, conventions, and meetings	32,703	12,687	-	45,390
Capital outlay - courtyard project	49,117	-	-	49,117
Equipment, repairs, and maintenance	14,931	-	-	14,931
Supplies and uniforms	36,022	-	-	36,022
Fundraising and hospitality	-	-	7,836	7,836
College support	70,224	-	-	70,224
Staff development	6,025	-	-	6,025
General operating expenses	-	6,965	-	6,965
	<u>\$ 516,094</u>	<u>\$ 200,377</u>	<u>\$ 141,663</u>	<u>\$ 858,134</u>
Total expenses	<u>\$ 516,094</u>	<u>\$ 200,377</u>	<u>\$ 141,663</u>	<u>\$ 858,134</u>

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

### **Organization and Nature of Activities**

The Citrus College Foundation (the Foundation), established in 1966 and revitalized in 1982, is a nonprofit organization dedicated to finding supplemental funding sources for Citrus College. The purpose of the Foundation is three-fold. First, to solicit and raise money to award scholarships to students enrolled at Citrus College. Second, to afford and encourage opportunities for the establishment of research and educational projects for the benefit of Citrus College. And third, to engage in cooperative efforts with the college to enhance the academic and vocational programs offered at Citrus College and the services offered to the students and members of the college community the Foundation serves.

### **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 expenses.

### **Net Asset Accounting**

To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset types established according to their nature and purpose. Separate accounts are maintained for each net asset type; however, in the accompanying financial statements, net asset types that have similar characteristics have been combined into groups as follows:

*Net Assets without Donor Restrictions* - Net assets available for general use and not subject to donor restrictions. The Board of Directors has designated, from net assets without donor restrictions, a board-designated endowment.

*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.

### **Revenue and Revenue Recognition**

Contributions, including unconditional promises to give are recognized as revenues in the period the contribution or unconditional promise is received. Contributions of assets other than cash are recorded at their estimated fair value at the time of the gift.

The gifts are reported as 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 released from restrictions. When a donor's restriction is met within the same year as the donation, the donation is reported as net assets without donor restrictions.

### **Cash and Cash Equivalents**

Cash and cash equivalents are defined as all checking, money market, and certificate of deposit accounts with an original maturity of 90 days or less.

### **Accounts Receivable**

Accounts receivable consist primarily of interest and donations receivable. Bad debts are accounted for by the direct write off method. Management has deemed all amounts as collectable; therefore, no allowance for doubtful accounts is considered necessary.

### **Investments**

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Investment income (interest and dividends) is included in the change in net assets from operations unless the gain or loss is restricted by donor or law.

**Functional Allocations of Expenses**

The costs of program and management and general 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, certain costs have been allocated among the programs and management and general activities benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The donated salaries and benefits expense is allocated on the basis of estimates of time and effort.

**Management Fee**

The Foundation serves the Citrus College departments and organizations in managing funds for scholarships and other purposes to promote education. In accordance with the fund management service policy, interest bearing funds are assessed an annual management fee equal to either one percent of the fund's average daily balance for designated or endowed funds or three percent of the average daily balance of scholarship funds to cover the stewardship and administrative costs. This fee is recognized as unrestricted income.

**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.

**In-Kind Donations**

The Foundation receives non-cash donations for items utilized by the college community for academic purposes or that would be sold during the course of the academic year. These donations have been reflected in the statement of activities as in-kind donations and expenses. The amount recorded represents the fair value, when available, of the donated item.

**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. For the year ended June 30, 2020, 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.

The Foundation's Federal informational tax returns for the years ended June 30, 2017, 2018, and 2019, are open to potential audit by the Federal authorities. California State informational returns for the years ended June 30, 2016, 2017, 2018, and 2019, are open to potential audit by State authorities.

### **Advertising Costs**

Costs associated with advertising are expensed as incurred. During the 2020 fiscal year, advertising costs totaled \$4,056.

### **Recent Accounting Pronouncements**

FASB Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, as amended, supersedes or replaces nearly all GAAP revenue recognition guidance. These standards establish a new contract and control-based revenue recognition model, change the basis for deciding when revenue is recognized over time or at a point in time, and expand disclosures about revenue.

Topic 606 is effective for the Foundation for the year ended June 30, 2021. Management is evaluating the impact of the adoption of this standard.

### **Change in Accounting Principle**

The Foundation has adopted the provisions of ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08) applicable to contributions received. ASU 2018-08 includes a second provision for entities that serve as a resource provider and are making contributions to other organizations. This portion of the standard has a later implementation date and is effective for entities with annual periods beginning after December 15, 2019, and will be implemented at that time. ASU 2018-08 clarifies and improves the scope and the accounting guidance for contributions received and contributions made. Management has adopted this standard because it assists the Foundation in evaluating whether transactions should be accounted for as contributions or exchange transactions and in determining whether a contribution is conditional. As of July 1, 2019, the Foundation implemented the provisions of ASU 2018-08 on a modified prospective basis to agreements that were not completed as of the date of adoption or were entered after the date of adoption. Management determined that the adoption of this standard did not have a significant impact on 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, 2020:

	2020
Cash and cash equivalents	\$ 544,232
Accounts receivable	15,163
Investments	878,328
	\$ 1,437,723

The Foundation uses these sources to meet ongoing obligations with respect to general expenditures, liabilities and other obligations as they become due. Cash in excess of daily requirements is invested in various short-term investments with maturities designed to meet obligations as they come due.

**Note 3 - Concentration of Credit Risk**

**Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the Foundation's deposits may not be returned to it. The Foundation occasionally has a need to maintain cash balances in excess of the amount insured by the Federal Deposit Insurance Corporation (FDIC). The Foundation maintains cash balances in financial institutions which are insured up to \$250,000. At June 30, 2020, the Foundation had no cash balances held in financial institutions in excess of the FDIC coverage.

**Note 4 - Investments**

Investments with brokers are insured by the Securities Investor Protection Corporation (SIPC) up to \$500,000 of which \$250,000 may be cash. SIPC insurance protects assets in the case of broker-dealer insolvency and not against declines in market valuation. As of June 30, 2020, the Foundation had investments in the amount of \$9,866,416, in excess of the SIPC insurance amount. The Foundation followed established policies in directing and monitoring the investment management of the Foundation's investment during the year.

Investments are presented at fair value in the financial statements and are composed of the following at June 30, 2020:

	Adjusted Cost	Fair Market Value	Unrealized Gain
Mutual fund - bonds	\$ 3,647,525	\$ 3,712,771	\$ 65,246
Mutual fund - equity securities	6,536,717	6,653,645	116,928
Investment in land - mineral rights	7,500	7,500	-
	\$ 10,191,742	\$ 10,373,916	\$ 182,174

The following schedule summarizes the net investment return for the year ended June 30, 2020:

Interest and dividends	\$ 243,431
Net unrealized gain on investments	182,174
Net realized gain on investments	26,735
Subtotal	452,340
Less: investment expense	(20,091)
Net investment income and gains	\$ 432,249

#### **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.

**Assets and Liabilities Recorded at Fair Value**

The following table presents the balances of the assets measured at fair value as of June 30, 2020. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2020.

	Level 1	Level 3	Total
Mutual fund - bonds	\$ 3,712,771	\$ -	\$ 3,712,771
Mutual fund - equity securities	6,653,645	-	6,653,645
Investment in land - mineral rights	-	7,500	7,500
Total	\$ 10,366,416	\$ 7,500	\$ 10,373,916

Most investments held by the Foundation are Level 1, with the exception of a donated investment in land. The land is located in Signal Hill, California and generates monthly royalty payments for mineral rights. The fair value of the investment in land, measured at Level 3, is the donated value. There were no changes in assets measured at fair value using Level 3 inputs on a non-recurring basis for the year ended June 30, 2020. The Foundation did not have any liabilities measured at fair value on a non-recurring basis as of June 30, 2020.

**Note 6 - Restrictions on Net Assets**

Donor-restricted net assets with time and/or purpose restrictions consist of the following at June 30, 2020:

Alumni funds	\$ 44,938
Athletic funds	131,843
College programs	273,791
Early childhood academic funds	129,545
Facilities improvement funds	127,955
Library funds	77,159
Scholarship and student support funds	4,863,469
Veteran funds	44,275
Total	\$ 5,692,975

Donor-restricted net assets with perpetual restrictions consist of the following at June 30, 2020:

Scholarships and programs for the College	\$ 3,795,113
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## **Note 7 - Title V, Endowment Grant**

### **Hispanic Serving Institutions**

The District provided the Foundation with an endowment grant which was awarded by the U.S. Department of Education in the fiscal year ended June 30, 2005. This grant is a Title V, Hispanic Serving Institution Grant (H.S.I.), the purpose of which is to: expand educational opportunities for Hispanic students; improve the academic attainment of Hispanic students; and to expand and enhance the academic offerings, program quality, and institutional stability of colleges educating Hispanic students.

The Foundation received \$400,000 through the Title V, H.S.I. Grant by certifying that matching funds of \$400,000 from acceptable resources were met. The corpus of the endowment is to be invested over a period of twenty years and the Foundation may not spend more than 50 percent of the aggregate income earned for allowable expenditures. At the end of twenty years, the Foundation may use the corpus for any educational purpose.

The cumulative earnings from inception of the grant are \$201,439. In accordance with the grant agreement, 50 percent of the cumulative earnings may be used for allowable expenditures. At June 30, 2020, total cumulative expenditures from inception of the grant were \$85,518. For the fiscal year ended June 30, 2020, the Foundation incurred no allowable expenditures.

At June 30, 2020, the fair value of the amounts invested related to the endowment grant were \$915,921.

### **Hispanic Serving Institutions – Bridges to Success**

The District provided the Foundation with an endowment grant which was awarded by the U.S. Department of Education in the fiscal year ended June 30, 2011. This grant is a Title V, Hispanic Serving Institution Grant (H.S.I.) Bridges to Success, and the purpose of the grant is to increase the success, persistence, degree of completion, and transfer rates of Hispanic and underrepresented students by providing a strengthened and articulated pathway from basic skills to associate degree, and the associate degree for transfer.

The Foundation received \$154,375 through the Title V, H.S.I. Bridges to Success Grant by certifying that matching funds of \$154,375 from acceptable resources were met. The corpus of the endowment is to be invested over a period of twenty years and the Foundation may not spend more than 50 percent of the aggregate income earned for allowable expenditures. At the end of twenty years, the Foundation may use the corpus for any educational purpose.

The cumulative earnings from inception of the grant are \$113,547. In accordance with the grant agreement, 50 percent of the cumulative earnings may be used for allowable expenditures. At June 30, 2020, total cumulative expenditures from inception of the grant were \$12,995. For the fiscal year ended June 30, 2020, the Foundation incurred no allowable expenditures.

At June 30, 2020, the fair value of the amounts invested related to the endowment grant were \$409,302.

**Note 8 - Endowment**

The Foundation's endowment consists of various endowments established for scholarships and educational program purposes. This includes both donor-restricted funds and funds designated by the Board of Directors. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

**Interpretation of Relevant Law**

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 classifies as permanently restricted net assets (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 endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the organization and the donor-restricted endowment fund
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 organization
7. The investment policies of the organization

**Return Objectives and Risk Parameters**

The Foundation has adopted an investment policy which actively safeguards the assets while maintaining some growth to ensure the donations will provide a benefit to the college and its student population. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board designated funds. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to balance safety of principal, growth of principal and generation of income.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Foundation invests the funds for long-term growth and income, while preserving principal with minimal risk.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Foundation has a spending policy which allows an annual spending limit of no more than five percent trailing twelve quarters' average of the account balances for permanently restricted accounts.

The endowment net asset composition by type of fund as of June 30, 2020 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Funds
Endowment funds	\$ 565,062	\$ 6,973,210	\$ 7,538,272

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

	Without Donor Restrictions	With Donor Restrictions	Total Endowment Funds
Endowment funds, beginning of year	\$ 595,422	\$ 6,800,354	\$ 7,395,776
Contributions	-	141,461	141,461
Investment income	21,755	123,079	144,834
Management fee	-	(61,246)	(61,246)
Expended for endowment purpose	(52,115)	(30,438)	(82,553)
Endowment fund, end of year	\$ 565,062	\$ 6,973,210	\$ 7,538,272

**Note 9 - Related Party Transactions**

The Foundation provides various levels of monetary support and service to the District. The transactions are recorded within the financial statements as distributions, student programs, and scholarship expense.

The Foundation was organized as an independent organization under California Business Code and has a signed master agreement with the District. The agreement allows the District to provide administrative services to assist the Foundation in carrying out its purpose. The District pays the salaries and benefits of the executive director and administrative assistant. The donated services for the fiscal year ended June 30, 2020, were valued at \$334,569, and were reflected in the financial statement as donated services. Working space for employees who perform administrative services for the Foundation is provided by the District at no charge. The donated facilities for the fiscal year ended June 30, 2020 amounted to \$11,999 and have been reflected in the financial statement as donated facility space.

**Note 10 - Amounts Held for Others**

The Foundation acts as a fiscal agent for departments, organizations, and groups of Citrus College. Accordingly, at June 30, 2020, \$387,543, of the Foundation's assets belong to other parties. The Foundation does not have legal access nor discretion over the amounts held on behalf of others. However, as a matter of practice, as the fiscal agent over these funds, the Foundation ensures that expenditure requests are in support of the educational mission of Citrus College and the Citrus College Foundation.

**Note 11 - Subsequent Events**

The Foundation's management has evaluated events or transactions from June 30, 2020, through March 30, 2021, which is the date the financial statements were available to be issued.

Subsequent to year-end, the Foundation has been negatively impacted by the effects of the world-wide coronavirus pandemic. The Foundation is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the Foundation's financial position is not known.