

**SAN BERNARDINO VALLEY  
COLLEGE FOUNDATION  
(A California Nonprofit Public Benefit Corporation)**

**Financial Statements  
with  
Independent Auditors' Report**

**For the Year Ended  
June 30, 2023**

## TABLE OF CONTENTS

	<b>Page</b>
Independent Auditors' Report	1
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7

## **Independent Auditors' Report**

To the Board of Directors  
San Bernardino Valley College Foundation

### **Opinion**

We have audited the accompanying financial statements of San Bernardino Valley 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 our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of San Bernardino Valley 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**

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

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about San Bernardino Valley 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.

### **Auditors' 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 auditors' 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 generally accepted auditing standards will always detect a material misstatement when it exists.

## **Auditors' Responsibilities for the Audit of the Financial Statements (Continued)**

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 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 generally accepted auditing standards, 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 San Bernardino Valley 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 San Bernardino Valley 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.



February 8, 2024

**SAN BERNARDINO VALLEY COLLEGE FOUNDATION**  
**(A California Nonprofit Public Benefit Corporation)**

**Statement of Financial Position**

**June 30, 2023**

**ASSETS**

**Current assets**

Unrestricted cash and cash equivalents	\$ 527,614
Restricted cash and cash equivalents	<u>493,140</u>
	<u>1,020,754</u>
Receivables	
Other	<u>15,241</u>
Total current assets	<u>1,035,995</u>

**Noncurrent assets**

Investments - restricted	4,666,690
Beneficial interest in assets held at the Foundation for CA Community Colleges	<u>328,086</u>
	<u>4,994,776</u>
Total assets	<u>\$ 6,030,771</u>

**LIABILITIES AND NET ASSETS**

<b>Liabilities</b>	<u>\$ 1,500</u>
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**Net assets**

Without donor restrictions	
Undesignated	454,733
Board designated - operating reserves	86,622
With donor restrictions	
Purpose restrictions	3,233,872
Perpetual in nature	<u>2,254,044</u>
Total net assets	<u>6,029,271</u>
Total liabilities and net assets	<u>\$ 6,030,771</u>

*The accompanying notes are an integral part of these financial statements.*

**SAN BERNARDINO VALLEY COLLEGE FOUNDATION**  
**(A California Nonprofit Public Benefit Corporation)**

**Statement of Activities**

**For the Year Ended June 30, 2023**

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
<b>Support and revenues</b>			
Contributions	\$ 174,883	\$ 320,646	\$ 495,529
Contributions - San Bernardino Valley College	278,686	-	278,686
Grant income	-	568,220	568,220
Investment income/loss, net	14,991	479,436	494,427
Net assets released from restrictions:			
Satisfaction of purpose restrictions	<u>670,643</u>	<u>(670,643)</u>	<u>-</u>
 Total support and revenues	 <u>1,139,203</u>	 <u>697,659</u>	 <u>1,836,862</u>
 <b>Expenses</b>			
Program services	732,388	-	732,388
Management and general	284,537	-	284,537
Fundraising	<u>12,049</u>	<u>-</u>	<u>12,049</u>
 Total expenses	 <u>1,028,974</u>	 <u>-</u>	 <u>1,028,974</u>
 Change in net assets	 110,229	 697,659	 807,888
 <b>Net assets</b>			
Balance, beginning of year	<u>431,126</u>	<u>4,790,257</u>	<u>5,221,383</u>
 Balance, end of year	 <u>\$ 541,355</u>	 <u>\$ 5,487,916</u>	 <u>\$ 6,029,271</u>

*The accompanying notes are an integral part of these financial statements.*

**SAN BERNARDINO VALLEY COLLEGE FOUNDATION**  
**(A California Nonprofit Public Benefit Corporation)**

**Statement of Functional Expenses**

**For the Year Ended June 30, 2023**

	Program Services	Management and General	Fundraising	Total
Scholarships	\$ 160,913	\$ -	\$ -	\$ 160,913
Valley Bound books and tuition	118,269	-	-	118,269
Program supplies and expenses	402,671	-	-	402,671
In-kind salaries and benefits	27,689	250,997	-	278,686
Supplies for community relations	22,846	-	-	22,846
Administrative supplies and expenses	-	33,540	-	33,540
Fundraising supplies and event expenses	-	-	12,049	12,049
 Total functional expenses	 \$ 732,388	 \$ 284,537	 \$ 12,049	 \$ 1,028,974

*The accompanying notes are an integral part of these financial statements.*

**SAN BERNARDINO VALLEY COLLEGE FOUNDATION**  
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**Statement of Cash Flows**

**For the Year Ended June 30, 2023**

<b>Cash flows from operating activities</b>	
Change in net assets	\$ 807,888
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Contributions restricted for long-term purposes	(55,909)
Interest and dividends restricted for reinvestment	(122,003)
Net realized/unrealized (gain) loss on investments	(405,838)
(Increase) decrease in:	
Receivables	(15,241)
Increase (decrease) in:	
Accounts payable	<u>1,500</u>
Net cash provided by (used in) operating activities	<u>210,397</u>
 <b>Cash flows from investing activities</b>	
Proceeds from sale of investments	3,467,067
Purchase of investments	<u>(3,140,625)</u>
Net cash provided by investing activities	<u>326,442</u>
 <b>Cash flows from financing activities</b>	
Collections of contributions restricted for long-term purposes	55,909
Other financing activities:	
Interest and dividends restricted for reinvestment	<u>122,003</u>
Net cash provided by financing activities	<u>177,912</u>
 Net decrease in cash and cash equivalents	714,751
 <b>Cash and cash equivalents</b>	
Balance, beginning of year	<u>306,003</u>
Balance, end of year	<u>\$ 1,020,754</u>

*The accompanying notes are an integral part of these financial statements.*



**SAN BERNARDINO VALLEY COLLEGE FOUNDATION**  
**(A California Nonprofit Public Benefit Corporation)**

**Notes to Financial Statements**

**1. Summary of Significant Accounting Policies**

**Organization**

San Bernardino Valley College Foundation (the Foundation), located in San Bernardino County, was formed as a California nonprofit public benefit corporation on March 6, 1973. The Foundation supports the San Bernardino Community College District (the District) by fundraising for and administering the payment of student scholarships and support for other educational programs of San Bernardino Valley College (the College). In addition, the Foundation oversees the Valley Bound Commitment program, which serves to remove economic barriers and improve achievement for low-income students from the San Bernardino Valley area. The Foundation is supported primarily through public donations, grants, and investment income.

The preparation of these financial statements requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amount of assets, liabilities, revenues, and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Management also determines the accounting principles to be used in the preparation of financial statements. A description of the significant accounting policies employed in the preparation of these financial statements is as follows:

**Basis of Accounting**

The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation**

The financial statements are 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 Foundation is required to report information regarding its financial position and activities in two classes of net assets:

- *Net assets without donor restrictions* are net assets not subject to donor-imposed restrictions or law.
- *Net assets with donor restrictions* are net assets subject to donor (or certain grantor) imposed 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-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Contributions restricted by donors whose restrictions are met in the same reporting periods are recorded as without donor restrictions. Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by the Foundation's actions are with donor restrictions perpetual in nature. Restrictions stipulate that resources must be maintained permanently but permit the Foundation to expend the income generated in accordance with the provisions of the agreements.

**SAN BERNARDINO VALLEY COLLEGE FOUNDATION**  
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**Notes to Financial Statements**

**1. Summary of Significant Accounting Policies (Continued)**

**Basis of Presentation (Continued)**

The 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 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.

**Cash and Cash Equivalents**

Cash and cash equivalents for the purposes of the statement of cash flows consist of cash held in checking and money market accounts and certificates of deposit with maturities of less than 90 days, when purchased and available for current operations.

The Foundation maintains cash balances in financial institutions which are insured up to \$250,000. At June 30, 2023, \$766,633 of the cash balances was in excess of the FDIC insurance limit.

**Support and Expenses**

Contributions are measured at their fair value at the date of contribution and are reported as an increase in net assets. The Foundation reports gifts of cash or other assets in the category designated by the donor. The Foundation reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulation about where the contributions are to be spent, the Foundation reports these contributions as unrestricted.

**Promises to Give**

Promises to give are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in the appropriate classification of net assets as contributions with donor restrictions. When a restriction expires through either the passage of time or use, the assets are reclassified as assets released from restrictions in the statement of activities.

**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. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are recorded in the appropriate classification of net assets. Investments are classified as short or long term based upon the Foundation's intent to use for current operations.

**SAN BERNARDINO VALLEY COLLEGE FOUNDATION**  
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**Notes to Financial Statements**

**1. Summary of Significant Accounting Policies (Continued)**

**Basis of Presentation (Continued)**

**Donated Services, Goods, and Facilities**

A substantial number of volunteers have donated their time and experience to the Foundation's program services and fundraising campaigns during the year. However, these donated services are not reflected in the financial statements since there is no readily determined method of valuing the services. The Foundation utilizes certain employees employed by the District and District office space. The cost of the employees is determined based upon the actual expenditure of the District, and a percentage of time spent on the Foundation activities. The cost of the facilities has not been determined and is not reflected in these financial statements.

**Income Taxes**

The Foundation is a non-profit public benefit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and classified by the Internal Revenue Service (IRS) as other than a private organization. Contributions received qualify as tax deductible gifts as provided in Section 170(b)(1)(A)(vi). The Foundation is also exempt from California State franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been reflected in these financial statements.

The Foundation's Federal Form 990, *Return of Organization Exempt From Income Tax*, and State Form 109, *California Exempt Organization Business Income Tax Return*, are subject to examination by the IRS for three years, and by the State Franchise Tax Board for four years, after they were filed. The Foundation is not aware of any such examinations at this time. 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.

**Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function and therefore, require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel expenses, supplies and other expenses. These expenses are either allocated on a basis of time efforts and purpose or square footage.

**SAN BERNARDINO VALLEY COLLEGE FOUNDATION**  
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**Notes to Financial Statements**

**1. Summary of Significant Accounting Policies (Continued)**

**Basis of Presentation (Continued)**

**Fair Value Measurements**

The Foundation has adopted standards for fair value measurements. These standards establish 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 as follows: Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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.

For purposes of financial reporting, the Foundation has determined that the fair values of its financial instruments, which include cash equivalents, accounts receivable and accounts payable, approximate the carrying values at June 30, 2023, based on their short maturities and/or the terms available to the Foundation in financial markets.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at June 30, 2023.

Foundation Investments

The investments are valued at quoted market prices, which represent the net asset value of shares held by the Foundation at yearend.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**SAN BERNARDINO VALLEY COLLEGE FOUNDATION**  
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**Notes to Financial Statements**

**2. Investments**

Investments are recorded at fair value on the statement of financial position. The following table summarizes the investment returns which are recorded in the statement of activities:

Realized gains on investments	\$ 37,851
Unrealized gains on investments	367,987
Interest and dividends	<u>138,525</u>
Total investment income	544,363
Investment expenses	<u>(49,936)</u>
 Total	 <u>\$ 494,427</u>

**Investment Policies**

**Return Objectives and Risk Parameters**

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding for programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. In order to meet its needs, the investment strategy of the Foundation is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested to meet or exceed the market index, or blended market index, selected and agreed upon by the Finance Committee that most closely corresponds to the style of investment management.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment return is achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

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

The Foundation may not exceed five percent of the average net assets over the past three years ending June 30 of the preceding fiscal year. In establishing this policy, the Foundation considered the long-term expected return on its endowment and the need to maintain some investment income in reserve to plan for the potential of scholarship awards exceeding investment income.

**SAN BERNARDINO VALLEY COLLEGE FOUNDATION**  
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**Notes to Financial Statements**

**3. Market Value of Financial Assets and Liabilities**

**Assets and Liabilities Recorded at Fair Value on a Recurring Basis**

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2023. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2023.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment Assets				
Common stock	\$ 3,320,003	\$ -	\$ -	\$ 3,320,003
Fixed Income bond funds	-	1,151,155	-	1,151,155
Tangible assets	-	145,532	-	145,532
Artwork	-	-	50,000	50,000
Funds held with the Foundation for CA Community Colleges	<u>-</u>	<u>-</u>	<u>328,086</u>	<u>328,086</u>
Total investments	<u>\$ 3,320,003</u>	<u>\$ 1,296,687</u>	<u>\$ 378,086</u>	<u>\$ 4,994,776</u>

**4. Beneficial Interest in Assets Held by the Foundation for California Community Colleges**

The Foundation participated in The Foundation for California Community Colleges (The FCCC) Osher Scholarship Challenge. This program challenged community colleges and their related foundations to raise additional contributions to be designated as part of a permanent endowment for The FCCC's Osher Scholarship Endowment. Foundations participating in this challenge campaign are guaranteed scholarship monies for qualifying students of their community college districts. The funds are held by The FCCC and are included as permanently restricted net assets of the Foundation.

The Foundation receives no additional interest or dividends on the balance held at The FCCC, and the Foundation does not participate in the investment management of the funds.

**SAN BERNARDINO VALLEY COLLEGE FOUNDATION**  
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**Notes to Financial Statements**

**5. Net Assets**

At June 30, 2023, net assets are categorized as follows:

Without donor restrictions:	
Board designated - operating reserves	\$ 86,622
Undesignated	<u>454,733</u>
	<u>541,355</u>
With donor restrictions:	
Purpose restrictions:	
Programs	296,502
Grants	340,371
Scholarships	525,930
Endowment earnings	<u>2,071,069</u>
	<u>3,233,872</u>
Perpetual in nature restrictions:	
Endowments for scholarships	1,925,958
Assets held at Foundation for CA Community Colleges	<u>328,086</u>
	<u>2,254,044</u>
Total net assets	<u><u>\$ 6,029,271</u></u>

Net Assets With Donor Restrictions – Perpetual in Nature

The Foundation’s net assets with donor restrictions perpetual in nature of individual funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Endowment Funds

*Interpretation of Relevant Law*

The Board of Directors of the Foundation has interpreted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions – perpetual in nature net assets (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual 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 as perpetual in nature net assets is classified as with donor purpose restrictions net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by SPMIFA.

**SAN BERNARDINO VALLEY COLLEGE FOUNDATION**  
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**Notes to Financial Statements**

**5. Net Assets (Continued)**

In accordance with SPMIFA, the Foundation 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 Foundation 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 Foundation and,
- (7) the investment policies of the Foundation.

The changes in endowment net assets for the year ended June 30, 2023 are as follows:

	With Donor Restrictions Purpose <u>Restriction</u>	Perpetual <u>Restriction</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 1,650,906	\$ 2,198,135	\$ 3,849,041
Contributions	-	55,909	55,909
Investment return:			
Realized gains (losses) on investments	33,336	-	33,336
Unrealized gains (losses) on investments	324,097	-	324,097
Interest and dividends	122,003	-	122,003
Appropriation of endowment assets for expenditure	<u>(59,273)</u>	<u>-</u>	<u>(59,273)</u>
Endowment net assets, end of year	<u>\$ 2,071,069</u>	<u>\$ 2,254,044</u>	<u>\$ 4,325,113</u>

The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by SPMIFA is \$2,254,044 as of June 30, 2023. The portion of perpetual endowment funds subject to a time restriction with a purpose under SPMIFA is \$2,071,069 as of June 30, 2023.

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor or SPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets, when applicable.

**6. Related Party Transactions**

As discussed in Note 1, the San Bernardino Community College District provides administrative services to the Foundation. These services consist of salaries and benefits for the Executive Director, administrative staff, and other services. For the year ended June 30, 2023, these services were valued at \$278,686.



**SAN BERNARDINO VALLEY COLLEGE FOUNDATION**  
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**Notes to Financial Statements**

**7. Liquid Resource Management**

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing program activities as well as the conduct of services undertaken to support those activities to be general expenditures.

As of June 30, 2023, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

Cash and cash equivalents	\$ 527,614
Receivables	<u>15,241</u>
Financial assets available for general expenditure over next 12-months	 <u>\$ 542,855</u>

To build upon its past achievements and ensure future sustainability, the Foundation has a long-standing policy that requires the governing board to maintain net assets without donor restrictions sufficient for one year's operating expenses. However, assets received with donor restrictions to be used in the next fiscal year for operating purposes are considered to be available for general expenditure spending as of June 30, 2023.

**8. Concentrations of Credit Risk**

Investment securities are exposed to various risks such as interest rate, market, and credit. The financial markets in recent years have shown heightened volatility. Due to the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in the various risk factors, in the near term could materially affect investment balances and the amounts reported in the financial statements.

These risks include devaluation of currencies, less reliable information about issuers, different securities transaction clearance and settlement practices, and possible adverse political and economic developments. Moreover, securities of many foreign companies and their markets may be less liquid and their prices more volatile than similar types of securities of comparable U.S. companies.

**9. Subsequent Events**

The Foundation's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements through February 8, 2024 which is the date the financial statements were available to be issued. Other than the matter noted below, management has determined that there were no other events that require additional disclosures.