

**CITRUS COLLEGE FOUNDATION**

**(A California Nonprofit Corporation)**

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**ANNUAL FINANCIAL REPORT  
WITH  
INDEPENDENT AUDITOR'S REPORT**

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**JUNE 30, 2018**

**CITRUS COLLEGE FOUNDATION  
(A California Nonprofit Corporation)**

**JUNE 30, 2018**

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**VAVRINEK, TRINE, DAY & CO., LLP**  
Certified Public Accountants

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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, 2018, 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, 2018, 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.

*Vaughn, Tuma, Day & Co, LLP*

Rancho Cucamonga, California  
November 28, 2018

**CITRUS COLLEGE FOUNDATION**  
**(A California Nonprofit Corporation)**

**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2018**

ASSETS

Current Assets

Cash and cash equivalents	\$ 766,133
Accounts receivable	74,092
Total Current Assets	<u>840,225</u>

Noncurrent Assets

Investment in land - mineral rights	7,500
Investments	<u>9,156,822</u>
Total Noncurrent Assets	<u>9,164,322</u>
Total Assets	<u><u>\$ 10,004,547</u></u>

NET ASSETS

Unrestricted	\$ 1,330,444
Temporarily restricted	4,897,799
Permanently restricted	<u>3,776,304</u>
Total Net Assets	<u><u>\$ 10,004,547</u></u>

See the accompanying notes to financial statements.

**CITRUS COLLEGE FOUNDATION**  
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**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES</b>				
Donations and grants	\$ 3,245	\$ 529,191	\$ 627,806	\$ 1,160,242
Golden circle membership	-	13,265	-	13,265
Fundraising and special events	-	9,633	-	9,633
Management fee	25,239	-	-	25,239
Donated services	278,121	-	-	278,121
Donated facility space	12,236	-	-	12,236
In-kind donations	32,033	-	-	32,033
Other income	528	11,929	-	12,457
Assets released from restrictions	364,872	(364,872)	-	-
Total Revenues	<u>716,274</u>	<u>199,146</u>	<u>627,806</u>	<u>1,543,226</u>
<b>EXPENSES</b>				
Operating expenses	165,996	-	-	165,996
Program expenses	459,930	-	-	459,930
Fundraising expenses	187,755	-	-	187,755
Total Expenses	<u>813,681</u>	<u>-</u>	<u>-</u>	<u>813,681</u>
<b>OTHER INCOME</b>				
Net unrealized gain on investments	201,426	197,392	-	398,818
Interest and dividends, net of investment expense	95,917	93,995	-	189,912
Royalty payments for mineral rights	-	5,652	-	5,652
Total Other Income	<u>297,343</u>	<u>297,039</u>	<u>-</u>	<u>594,382</u>
<b>TRANSFERS</b>	<u>(33,526)</u>	<u>33,526</u>	<u>-</u>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	166,410	529,711	627,806	1,323,927
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,164,034</u>	<u>4,368,088</u>	<u>3,148,498</u>	<u>8,680,620</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,330,444</u>	<u>\$ 4,897,799</u>	<u>\$ 3,776,304</u>	<u>\$ 10,004,547</u>

See the accompanying notes to financial statements.

**CITRUS COLLEGE FOUNDATION**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 1,323,927
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities	
Net unrealized gain on investments	(398,818)
Contributions restricted for long-term purposes	(1,179,895)
Changes in Assets and Liabilities	
Accounts receivable	<u>234,812</u>
Net Cash Flows From Operating Activities	<u>(19,974)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Net change in investments	<u>(754,773)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
Collections of contributions restricted for long-term purposes	<u>1,179,895</u>
 CHANGE IN UNRESTRICTED CASH AND CASH EQUIVALENTS	405,148
UNRESTRICTED CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>360,985</u>
UNRESTRICTED CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 766,133</u>

See the accompanying notes to financial statements.

**CITRUS COLLEGE FOUNDATION**  
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**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Operating</u>	<u>Program</u>	<u>Fundraising</u>	<u>Total</u>
Donated salaries and benefits	\$ 83,175	\$ 64,982	\$ 129,964	\$ 278,121
In-kind donation	-	1,369	-	1,369
Scholarships	-	108,070	36,267	144,337
Salaries and benefits	27,967	27,274	-	55,241
Donated facilities	-	12,236	-	12,236
Professional services	-	31,589	3,076	34,665
Advertising and promotions	8,972	-	-	8,972
Office expenses	5,511	24,624	-	30,135
Information technology	5,499	-	-	5,499
Conferences, conventions, and meetings	22,957	33,052	847	56,856
Insurance	-	1,360	-	1,360
Equipment, repairs, and maintenance	1,949	71,856	-	73,805
Fundraising and hospitality	-	-	14,668	14,668
College support	-	47,394	-	47,394
Management fee	-	25,239	-	25,239
General operating expenses	9,966	10,885	2,933	23,784
TOTAL EXPENSES	<u>\$ 165,996</u>	<u>\$ 459,930</u>	<u>\$ 187,755</u>	<u>\$ 813,681</u>

See the accompanying notes to financial statements.



**CITRUS COLLEGE FOUNDATION  
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**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

***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.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting.

Donations, other than cash, or the equivalent of cash (stocks, bonds, etc.), are recorded at estimated fair value at the time of the donation.

**Classification of Net Assets**

The Foundation reports information regarding its financial position and activities according to three classes of net assets:

**Unrestricted Net Assets**

Net assets that are not subject to donor-imposed stipulations.

**Temporarily Restricted Net Assets**

Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets are restricted for scholarships, endowment grants and other programmatic support.

**Permanently Restricted Net Assets**

Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes.

**Contributions**

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.

**CITRUS COLLEGE FOUNDATION  
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**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

The gifts are reported as either temporarily or permanently restricted support 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, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions. When a donor's restriction is met within the same year as the donation, the donation is reported as unrestricted.

**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 consists 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 income or loss is restricted by donor or law.

**Functional Allocations of Expenses**

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and operating services benefited.

**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.

**Estimates**

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

**CITRUS COLLEGE FOUNDATION  
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**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**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 represents the fair value, when available, of the donated item.

**Income Taxes**

The Foundation is a non-profit foundation exempt from Federal income and California franchise taxes under Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions.

The Foundation has evaluated its tax positions and the certainty as to whether those positions will be sustained in the event of any audit by taxing authorities at the Federal and State levels. The primary tax positions evaluated relate to the Foundation's continued qualification as a tax-exempt organization and whether there are unrelated business income activities that would be taxable. Management has determined that all income tax positions will more likely than not be sustained upon potential audit or examination; therefore, no disclosures of uncertain income tax positions are required.

The Foundation files informational returns in the U.S. Federal jurisdiction, and the State of California. With few exceptions, the Foundation is no longer subject to U.S. Federal and State examinations for generally three and four years, respectively.

**Advertising Costs**

Costs associated with advertising are expensed as incurred. During the 2018 fiscal year, total advertising costs were \$8,972.

**New Accounting Pronouncements**

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). ASU 2016-14 change presentation and disclosure requirements for not-for-profit entities to provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. These include qualitative and quantitative requirements in the following areas: (1) net asset classes; (2) investment return; (3) expenses; (4) liquidity and availability of resources; and (5) presentation of operating cash flows. ASU 2016-14 will be effective for annual financial statements issued for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Early application of the amendments is permitted. The Foundation has not yet completed its assessment of the impact of this guidance on its financial statements. Under this guidance, the Foundation will be required to present two classes of net assets (net assets with donor restrictions and net assets without donor restrictions) and changes in each of these two classes, on the face of the statement of financial position and statement of activities, respectively, rather than the current required three classes (unrestricted, temporarily restricted, and permanently restricted).

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**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 2 - 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, 2018, the Foundation had cash balances in the amount of \$5,813 held in financial institutions in excess of the FDIC coverage.

**NOTE 3 - ACCOUNTS RECEIVABLES**

Accounts receivable consisted of the following at June 30, 2018:

Pledges receivable	<u>\$ 74,092</u>
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**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. Insurance protects assets in the case of broker-dealer insolvency and not against declines in market valuation. As of June 30, 2018, the Foundation had investments in the amount of \$8,656,822 in excess of the SIPC insurance amount. The Foundation followed established policies in directing and monitoring the investment management of the Foundation's investments during the year. 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, 2018:

	Adjusted Cost	Fair Market Value	Unrealized Gain (Loss)
Bonds	\$ 2,301,087	\$ 2,267,583	\$ (33,504)
Equity securities	5,189,886	5,663,335	473,449
Mutual funds	1,267,031	1,225,904	(41,127)
Investment in land - mineral rights	7,500	7,500	-
	<u>\$ 8,765,504</u>	<u>\$ 9,164,322</u>	<u>\$ 398,818</u>

**CITRUS COLLEGE FOUNDATION  
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**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

The following schedule summarizes the investment return for the year ended June 30, 2018:

Interest and dividends, net of investment expense	\$ 189,912
Royalty payments for mineral rights	5,652
Net unrealized gain on investments	398,818
	\$ 594,382

**NOTE 5 - FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

The Foundation determines the fair market values of certain financial instruments based on the fair value hierarchy established in Statement of Financial Accounting Standards, *Fair Value Measurements*, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

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

Level 1 - Quoted prices in an active market for identical assets.

Level 2 - Quoted prices for similar assets and market-corroborated inputs.

Level 3 - The organization's own assumptions about market participation, including assumptions about risk, developed based on 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, 2018. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2018.

Assets	Level 1	Level 3	Total
Bonds	\$ 2,267,583	\$ -	\$ 2,267,583
Equity securities	5,663,335	-	5,663,335
Other assets	1,225,904	-	1,225,904
Investment in land - mineral rights	-	7,500	7,500
Total	\$ 9,156,822	\$ 7,500	\$ 9,164,322

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, 2018.

**CITRUS COLLEGE FOUNDATION  
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**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

**NOTE 6 - RESTRICTED NET ASSETS**

Temporarily restricted net assets consist of the following at June 30, 2018:

Alumni funds	\$ 84,341
Athletic funds	115,247
Child development academic funds	165,516
Student support funds	501,033
Fine arts funds	318
Language arts funds	1,148
Library funds	1,754
Facilities improvement funds	122,315
Early childhood academic funds	129,838
Scholarship funds	3,305,093
Science and mathematic funds	10,147
Veteran funds	35,491
Investment in land - mineral rights	7,500
Others	418,058
Total Temporarily Restricted Net Assets	\$ 4,897,799

Permanently restricted net assets consist of the following at June 30, 2018:

Scholarships and programs for the College	\$ 3,776,304
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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.), and the purpose of the grant is to expand educational opportunities for, and improve the academic attainment of Hispanic students; and expand and enhance the academic offerings, program quality, and institutional stability of colleges that are 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.

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The cumulative earnings from inception of the grant are \$167,215. In accordance with the grant agreement, 50 percent of the cumulative earnings may be used for allowable expenditures. At June 30, 2018, total cumulative expenditures from inception of the grant were \$67,219. For the fiscal year ended June 30, 2018, the Foundation incurred no allowable expenditures.

At June 30, 2018, the fair value of the amount invested related to the endowment grant was \$899,996.

**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 to 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 \$104,202. In accordance with the grant agreement, 50 percent of the cumulative earnings may be used for allowable expenditures. At June 30, 2018, total cumulative expenditures from inception of the grant were \$11,995. For the fiscal year ended June 30, 2018, the Foundation incurred no allowable expenditures.

At June 30, 2018, the fair value of the amount invested related to the endowment grant was \$400,957.

***NOTE 8 - ENDOWMENT***

The Foundation's endowment consists of various endowments established for scholarships and educational program purposes. Its endowment includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. 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.

**CITRUS COLLEGE FOUNDATION  
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**NOTES TO FINANCIAL STATEMENTS  
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**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 minimum 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.



**CITRUS COLLEGE FOUNDATION  
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**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

The endowment net asset composition by type of fund as of June 30, 2018 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Funds
Donor-restricted endowment funds	\$ 372,351	\$ 2,748,258	\$ 3,776,304	\$ 6,896,913

Changes in endowment net assets as of June 30, 2018 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Funds
Endowment net assets, beginning of year	\$ 334,432	\$ 2,460,317	\$ 3,148,498	\$ 5,943,247
Contributions	-	45,619	627,806	673,425
Investment income	37,919	242,322	-	280,241
Endowment net assets, end of year	\$ 372,351	\$ 2,748,258	\$ 3,776,304	\$ 6,896,913

***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 salaries and benefits of the executive director and administrative assistant. The donated services for the fiscal year ended June 30, 2018, were valued at \$278,121 and were reflected in the financial statements 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 2017-2018 year amounted to \$12,236 and have been reflected in the financial statements 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, 2018, \$449,563, of the Foundation's assets belongs to other parties. The Foundation does not have legal access nor any discretion over the amounts held on behalf of others.

***NOTE 11 - TRANSFERS BETWEEN FUNDS***

During the year ended June 30, 2018, unrestricted funds in the amount of \$33,526 were transferred to the temporarily restricted funds based on management analysis and donor authorizations.

**CITRUS COLLEGE FOUNDATION  
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**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

***NOTE 12 - SUBSEQUENT EVENTS***

The Foundation's management has evaluated events or transactions from June 30, 2018 through November 28, 2018, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that require additional disclosure in the Foundation's financial statements.