

**FRIENDS OF CHABOT COLLEGE**

**FINANCIAL STATEMENTS**

June 30, 2024 and 2023

FRIENDS OF CHABOT COLLEGE

FINANCIAL STATEMENTS  
June 30, 2024 and 2023

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Friends of Chabot College  
Hayward, California

***Opinion***

We have audited the financial statements of Friends of Chabot College (the "Foundation"), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Friends of Chabot College as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year from the date the financial statements are available to be issued.


## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

  
Crowe LLP

Sacramento, California  
August 7, 2025

FRIENDS OF CHABOT COLLEGE  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2024 and 2023

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	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 350,106	\$ 261,050
Investments (Note 3)	1,202,013	1,076,792
Receivables	136,333	89,670
Due from related party	21,689	82,417
Prepays	<u>4,618</u>	<u>6,185</u>
 Total assets	 <u><u>\$ 1,714,759</u></u>	 <u><u>\$ 1,516,114</u></u>
 <b>LIABILITIES</b>		
Scholarships payable and accrued expenses	\$ 49,212	\$ 81,008
Funds held on behalf of others	<u>151,032</u>	<u>180,800</u>
Total liabilities	200,244	261,808
 <b>NET ASSETS</b> (Notes 4 and 5)		
Without donor restrictions	51,276	72,522
With donor restrictions	<u>1,463,239</u>	<u>1,181,784</u>
 Total net assets	 <u><u>1,514,515</u></u>	 <u><u>1,254,306</u></u>
 Total liabilities and net assets	 <u><u>\$ 1,714,759</u></u>	 <u><u>\$ 1,516,114</u></u>

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See accompanying notes to financial statement.

FRIENDS OF CHABOT COLLEGE  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
Year Ended June 30, 2024

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Support:			
Contributions and grants	\$ 45,530	550,453	595,983
Fundraising events, net of costs (Note 8)	64,105	-	64,105
In-kind contributions (Note 7)	319,931	-	319,931
Revenue:			
Other revenues	25,696	-	25,696
Investment gain, net	2,095	77,775	79,870
Transfer of matching funds (Note 4)	(32,263)	32,263	-
Net assets released from restrictions (Note 4)	379,036	(379,036)	-
Total revenues and support	804,130	281,455	1,085,585
Expenses:			
Program services	588,934	-	588,934
Management and general	121,474	-	121,474
Fundraising	114,968	-	114,968
Total expenses	825,376	-	825,376
<b>Change in net assets</b>	(21,246)	281,455	260,209
Net assets, beginning of year	72,522	1,181,784	1,254,306
<b>Net assets, end of year</b>	<u>\$ 51,276</u>	<u>\$ 1,463,239</u>	<u>1,514,515</u>

See accompanying notes to financial statement.

FRIENDS OF CHABOT COLLEGE  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
Year Ended June 30, 2023

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	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Support:			
Contributions and grants	\$ 1,375	\$ 509,323	\$ 510,698
Fundraising events, net of costs (Note 8)	59,433	-	59,433
In-kind contributions (Note 7)	246,218	-	246,218
Revenue:			
Other revenues	15,464	-	15,464
Investment gain, net	7,185	26,758	33,943
Net assets released from restrictions (Note 4)	408,909	(408,909)	-
Total revenues and support	<u>738,584</u>	<u>127,172</u>	<u>865,756</u>
Expenses:			
Program services	513,358	-	513,358
Management and general	92,690	-	92,690
Fundraising	90,650	-	90,650
Total expenses	<u>696,698</u>	<u>-</u>	<u>696,698</u>
<b>Change in net assets</b>	41,886	127,172	169,058
Net assets, beginning of year	<u>30,636</u>	<u>1,054,612</u>	<u>1,085,248</u>
<b>Net assets, end of year</b>	<u><u>\$ 72,522</u></u>	<u><u>\$ 1,181,784</u></u>	<u><u>\$ 1,254,306</u></u>

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See accompanying notes to financial statement.

FRIENDS OF CHABOT COLLEGE  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended June 30, 2024

	2024			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel expenses:				
Salaries and wages	\$ 88,844	\$ 35,538	\$ 53,306	\$ 177,688
Payroll taxes and benefits	62,465	24,986	37,479	124,930
Independent contractors and professional fees	200	49,910	-	50,110
Total personnel expenses	151,509	110,434	90,785	352,728
Other expenses:				
Grants and scholarships	410,024	951	-	410,975
Advertising and marketing	8,775	10	15	8,800
Office expense	2,879	1,800	2,898	7,577
Occupancy	4,536	1,814	2,722	9,072
Information technology	3,794	2,581	-	6,375
Conferences and meetings	7,349	3,747	18,066	29,162
Dues and fees	68	137	482	687
Total expenses	<u>\$ 588,934</u>	<u>\$ 121,474</u>	<u>\$ 114,968</u>	<u>\$ 825,376</u>

See accompanying notes to financial statement.



FRIENDS OF CHABOT COLLEGE  
STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended June 30, 2023

	2023			
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel expenses:				
Salaries and wages	\$ 75,111	\$ 30,044	\$ 45,067	\$ 150,222
Payroll taxes and benefits	38,701	15,435	23,258	77,394
Independent contractors and professional fees	<u>-</u>	<u>39,623</u>	<u>200</u>	<u>39,823</u>
Total personnel expenses	113,812	85,102	68,525	267,439
Other expenses:				
Grants and scholarships	375,741	-	1,267	377,008
Advertising and marketing	5,612	-	-	5,612
Office expense	4,426	1,139	2,063	7,628
Occupancy	4,536	1,814	2,722	9,072
Information technology	2,665	1,803	-	4,468
Conferences and meetings	6,308	2,076	15,824	24,208
Dues and fees	<u>258</u>	<u>756</u>	<u>249</u>	<u>1,263</u>
Total expenses	<u>\$ 513,358</u>	<u>\$ 92,690</u>	<u>\$ 90,650</u>	<u>\$ 696,698</u>

See accompanying notes to financial statement.

FRIENDS OF CHABOT COLLEGE  
STATEMENTS OF CASH FLOWS  
For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ 260,209	\$ 169,058
Reconciliation of change in net assets to net cash provided by operating activities:		
Unrealized gain on investments	(45,848)	(23,911)
Contributions restricted for long-term investment	(80,963)	(30,000)
Changes in assets and liabilities:		
Increase in receivables	(46,663)	(14,006)
Increase (decrease) in due from related party	60,728	(21,732)
Increase (decrease) in prepaids	1,567	(3,782)
Decrease in funds held on behalf of others	(29,768)	(14,797)
Decrease in scholarships payable and accrued expenses	(31,796)	(7,351)
Net cash from operating activities	<u>87,466</u>	<u>53,479</u>
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	307,163	32,167
Purchases of investments	(386,536)	(380,031)
Net cash from investing activities	<u>(79,373)</u>	<u>(347,864)</u>
<b>Cash flows from financing activities:</b>		
Contributions restricted for long-term investment	<u>80,963</u>	<u>30,000</u>
Increase (decrease) in cash and cash equivalents	89,056	(264,385)
Cash and cash equivalents – beginning of year	<u>261,050</u>	<u>525,435</u>
<b>Cash and cash equivalents – end of year</b>	<u><u>\$ 350,106</u></u>	<u><u>\$ 261,050</u></u>

See accompanying notes to financial statement.

FRIENDS OF CHABOT COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2024 and 2023

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**NOTE 1 – ORGANIZATION**

Organization: Friends of Chabot College (the “Foundation”) is a not-for-profit public benefit corporation organized to provide support and for the benefit of various programs and functions of Chabot College, by providing funding and services to help students achieve their educational, vocational and personal goals. Further, the Foundation provides a link between the District and the community. Chabot College is a part of the Chabot-Las Positas College District (the “District”) and provides higher education instruction in the surrounding area.

**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation: The Foundation presents its financial statements on the basis of without donor restrictions and with donor restrictions. The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

Net Assets: The financial statements focus on the Foundation as a whole and present balances and transactions classified based upon the existence or absence of donor-imposed restrictions. Net assets, revenue, expenses, gains, and losses have been classified into two net assets classes based on these donor-imposed restrictions. A description of each net asset class follows:

*Without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions. Items that affect this category of net assets include contributions and grants, fundraising activities, other income and operating expenses without donor-imposed restrictions. Certain funds, generally set aside by Board action, function as endowments and are included in net assets without donor restrictions.

*With Donor Restrictions* – Net assets subject to donor-imposed restrictions that will be met either by actions of the Foundation or the passage of time. Items in this net asset category are contributions and investment income whose use is limited to specific purposes by the donor. These amounts are reclassified when such restrictions are met or when time restrictions have expired. Amounts that are received with donor restriction and for which the restriction is satisfied during the same reporting period are reported as revenues with donor restriction along with a corresponding release from restriction. The Foundation has not elected the simultaneous release option.

Net assets that are subject to donor-imposed restrictions which require them to be maintained permanently by the Foundation are also considered net assets with donor restrictions. Items in this net asset category include gifts wherein donors stipulate that the corpus be held in perpetuity and only the income be made available for purposes without donor restrictions or with donor restrictions (primarily gifts for endowments that will fund perpetual endowments).

Cash Equivalents: The Foundation considers cash and cash equivalents to include cash in commercial checking accounts and demand deposits in money market funds that are used for operational purposes with original maturity dates of three month or less.

Investments: Investments are carried at fair value. Net change in the fair value of investments, which consists of realized gains or losses and the unrealized appreciation (depreciation) of those investments, is reported in the statement of activities. Investment income is accrued as earned.

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(Continued)

FRIENDS OF CHABOT COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2024 and 2023

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Contributions: Contributions are recognized as revenues in the period received. Unconditional promises to give (pledges) are recognized as revenue when the commitment is communicated to the Foundation. Conditional gifts, with a barrier and right of return, are not recognized until the conditions on which they depend are substantially met or explicitly waived by the donor. Contributions are considered available for unrestricted use unless specifically restricted by the donor. Event revenues received in advance are deferred and recognized in the period as the events occur.

As of June 30, 2024 and 2023, the Foundation has not received documented conditional pledges.

Concentration of Credit Risk: The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. Management believes the Foundation is not exposed to any significant credit risk related to cash.

At June 30, 2024 and 2023, the carrying amount of the Foundation's cash on hand and in banks and cash equivalents was \$350,106 and \$261,050, respectively, and the unreconciled bank balance was \$390,953 and \$292,020, respectively. The Federal Deposit Insurance Corporation insures up to \$250,000 per depositor per insured bank. At June 30, 2024, and 2023, \$140,953 and \$42,020 were uninsured, respectively. At June 30, 2024 and 2023, \$151,032 and \$180,800 of the cash balance is held on behalf of others for certain activities.

Scholarship Obligations: The Foundation awards scholarships to students at Chabot College that meet certain eligibility requirements. Scholarship awards generally vary from \$250-\$3,000 per student. To qualify for scholarship disbursements, students must be enrolled at the college, be in good academic standing and meet certain eligibility requirements as determined by the scholarship donor. Awards are recorded in the financial statements at the time of award announcement in May/June of each fiscal year and funds are disbursed in September/October of each fall semester after continuing enrollment at Chabot or a transfer institution is verified. Unearned scholarship awards may be revoked if the recipient does not meet continued eligibility requirements. If this occurs, the scholarship funds revert back to that fund and are awarded to another scholarship recipient during the following award cycle.

Reclassifications: Certain reclassifications have been made to conform to the current year presentation. The reclassifications have no effect on the previously reported net assets or change in net assets.

Tax Status: The Foundation has been granted tax-exempt status by the Internal Revenue Service pursuant to code section 501(c)(3) and also by the California revenue and tax code section 23701e.

The Foundation has accounted for uncertainty in income taxes as required by the *Accounting for Uncertainty in Income Taxes* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification. The Foundation uses a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The effect of applying this model and the resulting identification of uncertain tax positions, if any, were not considered significant for financial reporting purposes. Management does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

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(Continued)

FRIENDS OF CHABOT COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2024 and 2023

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**NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Foundation would recognize interest and penalties related to unrecognized tax benefits in tax expense. During the years ended June 30, 2024 and 2023, the Foundation did not recognize any interest or penalties. The Foundation files exempt organization returns in the U.S. federal and California jurisdictions. Tax returns remain subject to examination by the U.S. Federal jurisdiction for three years after the return is filed and for four years by the California jurisdiction. There are currently no tax years under examination.

Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

Functional Allocation of Expenses: The costs of providing the various activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited based upon employee service hours and program utilization.

**NOTE 3 – INVESTMENTS**

Investments consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Cash and short-term investments	\$ 22,595	\$ 11,628
Mutual funds - equities	1,023,540	629,749
Mutual funds - fixed income	117,024	399,257
Investment in Foundation for California Community Colleges Scholarship Endowment (FCCC/Osher)	<u>38,854</u>	<u>36,158</u>
Total investments	<u>\$ 1,202,013</u>	<u>\$ 1,076,792</u>

Investment return for the years ended June 30, consisted of the following:

	<u>2024</u>	<u>2023</u>
Return on investments:		
Interest and dividends	\$ 25,682	\$ 17,539
Net realized gain (loss) on investments	8,340	(7,507)
Net unrealized gain on investments	<u>45,848</u>	<u>23,911</u>
Net return on investments	<u>\$ 79,870</u>	<u>\$ 33,943</u>

The Foundation invests in a pooled scholarship endowment fund, FCCC/Osher, managed by the Foundation for California Community Colleges (FCCC). The objective of the Foundation's investment in FCCC/Osher is to grow the Foundation's investments through the Bernard Osher Foundation pledge to match funds contributed to FCCC/Osher. Funds invested in the endowment fund by the Foundation cannot be removed at any time. The investment managers engaged by FCCC are required to follow specific guidelines set forth by FCCC with respect to the various types of allowable investments purchased and held by the pool. Accordingly, the estimated fair value of these investments is based on information provided by external investment managers engaged by FCCC.

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(Continued)

FRIENDS OF CHABOT COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**NOTE 3 – INVESTMENTS (Continued)**

*Fair Value Measurements*

The following presents information about the Foundation's assets and liabilities measured at fair value on a recurring basis, and indicates the fair value hierarchy of the valuation techniques utilized by the Foundation to determine such fair value based on the hierarchy:

*Level 1* – Quoted market prices or identical instruments traded in active exchange markets. Level 1 investments include mutual funds, exchange-traded funds, exchange-traded closed-end funds, interval funds, and cash accounts.

*Level 2* – Significant other observable inputs such as quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.

*Level 3* – Significant unobservable inputs that reflect a reporting entity's own assumptions about the methods that market participants would use in pricing an asset or liability. Level 3 investments include the investment in FCCC/Osher.

Assets and liabilities measured at fair value at June 30, 2024 and 2023, on a recurring basis are summarized below:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>NAV</u>	<u>Total</u>
June 30, 2024					
Cash and short-term investments	\$ 22,595	\$ -	\$ -	\$ -	\$ 22,595
Mutual funds - equities	1,023,540	-	-	-	1,023,540
Mutual funds - fixed income	117,024	-	-	-	117,024
Investment with FCCC	-	-	38,854	-	38,854
	<u>\$ 1,163,159</u>	<u>\$ -</u>	<u>\$ 38,854</u>	<u>\$ -</u>	<u>\$ 1,202,013</u>
June 30, 2023					
Cash and short-term investments	\$ 11,628	\$ -	\$ -	\$ -	\$ 11,628
Mutual funds - equities	629,749	-	-	-	629,749
Mutual funds - fixed income	399,257	-	-	-	399,257
Investment with FCCC	-	-	36,158	-	36,158
	<u>\$ 1,040,634</u>	<u>\$ -</u>	<u>\$ 36,158</u>	<u>\$ -</u>	<u>\$ 1,076,792</u>

\* *Investment in FCCC/Osher* – The fair value of the investments held by FCCC are based upon that organization's own assumptions about market participation, including assumptions about risk, developed based on the best information available in the circumstances (Level 3), of the assets at June 30, 2024 and 2023. The fair value of the funds held by FCCC is based upon the Foundation's proportionate share of the FCCC/Osher pooled investment portfolio.

(Continued)

FRIENDS OF CHABOT COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2024 and 2023

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**NOTE 4 – NET ASSETS**

Net assets with donor restrictions were as follows for the year ended June 30:

	<u>2024</u>	<u>2023</u>
Scholarships and awards	\$ 716,849	\$ 566,191
Endowment:		
Restricted in perpetuity	566,616	485,753
Accumulated unspent earnings for scholarships and awards	<u>179,774</u>	<u>129,840</u>
Total endowment	746,390	615,593
	<u>\$ 1,463,239</u>	<u>\$ 1,181,784</u>

For the years ended June 30, 2024 and 2023, \$379,036 and \$408,909, respectively, were released from restriction due to the satisfaction of donor restrictions.

Matching Funds: The Foundation Board approved the transfer of funds to be used to match donations for new and existing scholarships/awards and any direct general contributions. During the year ended June 30, 2024, \$32,263 was transferred into net assets with donor restriction related to this match. There was no transfer of matching funds for the year ended June 30, 2023.

**NOTE 5 – ENDOWMENT FUNDS**

The Foundation's endowment consists of individual funds established for a variety of purposes. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence of absence of donor-imposed restrictions.

The Board of Directors of the Foundation treats all donor-restricted endowment funds as net assets with donor restrictions. These endowment funds are invested in pool with all other investments of the Foundation. The returns on the endowment funds invested have been included in net assets with donor restriction interest and investment income on the statement of activities and changes in net assets. The Foundation operations under a version of UPMIFA enacted by the State of California. The Board of Directors has interpreted 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 net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, (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, and (d) the remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard prudence prescribed by UPMIFA.

The Foundation follows adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specific period(s) as well as board-designated funds.

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(Continued)

FRIENDS OF CHABOT COLLEGE  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2024 and 2023

**NOTE 5 – ENDOWMENT FUNDS** (Continued)

The objective of the Foundation's investment in FCCC/Osher is to grow the Foundation's investments through the Bernard Osher Foundation pledge to match funds contributed to FCCC/Osher. Funds invested in the endowment fund by the Foundation cannot be removed at any time. The investment managers engaged by FCCC are required to follow specific guidelines set forth by FCCC with respect to the various types of allowable investments purchased and held by the pool.

The following schedule summarizes the balance and activity in the Endowment Funds by net asset class for the year ended June 30:

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Balance, June 30, 2022	\$ -	\$ 565,602	\$ 565,602
Change in fair value of investments and investment income	-	26,758	26,758
Contributions	-	30,000	30,000
Expenditure for scholarships	-	(6,767)	(6,767)
Balance, June 30, 2023	-	615,593	615,593
Change in fair value of investments and investment income	-	53,534	53,534
Contributions	-	80,963	80,963
Expenditure for scholarships	-	(3,700)	(3,700)
Balance, June 30, 2024	<u>\$ -</u>	<u>\$ 746,390</u>	<u>\$ 746,390</u>

Funds with Deficiencies: From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Foundation interprets UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no such deficiencies as of June 30, 2024 and 2023.

Return Objectives and Risk Parameters: The Foundation has invested its endowment assets with Fremont Bank and LPL Financial. The funds are invested in a manner that attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets.

Specifically, performance in achieving benchmarks are based on policy indices such as the MSCI ACWI Index, 90-Day T-Bill and Barclays Capital U.S. Aggregate. LPL Financials' goal, over each five-year period, is to earn a rate of return that exceeds the benchmark return after investment management fees have been deducted.

(Continued)



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**NOTE 5 – ENDOWMENT FUNDS (Continued)**

Spending Policies of the Endowments: The Foundation allocates the investment income generated by the endowment each year based on the purpose of the endowment fund as specified by the donor. If the donor does not specify a purpose for their endowment, the income is used for general support.

**NOTE 6 - LIQUIDITY AND AVAILABILITY**

The Organization's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2024</u>	<u>2023</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 350,106	\$ 261,050
Investments	1,202,013	1,076,792
Receivables	136,333	89,670
Due from related party	21,689	82,417
Total financial assets	<u>1,710,141</u>	<u>1,509,929</u>
Less amounts not available to be used for general expenditures:		
Funds held on behalf of others	151,032	180,800
Investment in Foundation for California Community Colleges Scholarship Endowment (FCCC/Osher)	38,854	36,158
Net assets with donor restrictions	1,462,039	1,181,784
Spending of donor restricted amounts within one year available for general expenditures	<u>(300,000)</u>	<u>(300,000)</u>
Total amounts not available to be used for general expenditures	<u>1,351,925</u>	<u>1,098,742</u>
Total financial assets available to meet cash needs for general expenditures	<u>\$ 358,216</u>	<u>\$ 411,187</u>

As part of the Foundation's liquidity management, the Foundation invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Foundation has donor restricted net assets of \$300,000 for each year ended June 30, 2024 and 2023, limited to specified purposes that management asserts will qualify as general expenditures within one year in the normal course of operations. Therefore, these purpose restricted assets are considered available. The Foundation's endowed assets held in perpetuity are considered not available for general expenditures over the next year except for appropriated amounts released for scholarships.

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**NOTE 7 – RELATED ORGANIZATIONS**

The Foundation is considered an auxiliary organization with a specific relationship to Chabot College and the Chabot-Las Positas College District. This relationship is reflected in a master agreement between the entities. The Foundation's Statements of Activities and Change in Net Assets include in-kind contributions by Chabot College totaling \$319,931 and \$246,218 recorded as contributions and grants revenue for the years ended June 30, 2024 and June 30, 2023, respectively. This consisted of a portion of the salaries, benefits and payroll taxes for the Foundation employees as well as occupancy costs and other operating costs.

A breakdown of the amounts is as follows:

	<u>2024</u>	<u>2023</u>
Salaries, wages, payroll taxes and benefits	\$ 302,617	\$ 227,399
Occupancy	9,072	9,072
Office expense	44	964
Fundraising	<u>8,198</u>	<u>8,783</u>
	<u>\$ 319,931</u>	<u>\$ 246,218</u>

Related party receivables due from Chabot College are \$21,689 and \$82,417 for the years ended June 30, 2024 and 2023, respectively.

**NOTE 8 – FUNDRAISING EVENTS**

In fiscal years 2024 and 2023, the Foundation held one fundraising event, a Fall gala and a naming opportunity fundraiser. Results of the fundraising events generated revenues of \$66,334 and \$59,433, and total fundraising costs of \$17,130 and \$15,322, for the years ended June 30, 2024 and 2023, respectively.

**NOTE 9 – SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events through the date the accompanying financial statements were available to be issued, which was August 7, 2025. In September 2024, the Foundation entered into a gift agreement with a donor for a total commitment of \$5,000,000. Under the terms of the agreement, the initial \$1,000,000 became receivable upon execution of the agreement. The remaining \$4,000,000 is conditional upon Chabot College naming a building as directed by the donor. Once the naming occurs, the remaining amount will become receivable beginning in October 2025, to be paid in four annual installments of \$1,000,000 each.

No other subsequent events have been identified that are required to be accounted for or disclosed.