



Agenda Item Details

Meeting Feb 09, 2021 - Board of Trustees Meeting

Category 9. Action: Business and Administrative Services

Subject 9.02 Action to Approve Acceptance of the Annual Audited Reports for Fiscal Year Ending June 30, 2020 for the Moorpark, Oxnard, and Ventura College Foundations

Type Action

Recommended Action The Chancellor recommends approval.

Presenter
David El Fattal

Background/Analysis
Education Code 84040.3 requires college foundations to file a copy of its audited financial statements for the previous fiscal year to the Board of Trustees of the District on or before April 1 of each year.

Moorpark, Oxnard and Ventura College Foundation audit reports, with unmodified opinions from their respective independent auditors, have been accepted by their respective foundation boards. An unmodified opinion is the best opinion possible.

Copies of audit reports and related audit communications from the foundation’s respective independent auditors are available for review in the office of the Vice Chancellor, Business and Administrative Services.

Officers and ex-officio members of the college foundations will be present to comment and respond to questions concerning the annual audit.

Summary of Auditor’s Results

<u>Criteria</u>	<u>Moorpark College Foundation</u>	<u>Oxnard College Foundation</u>	<u>Ventura College Foundation</u>
Financial Statements			
Type of auditor’s report issued	Unmodified	Unmodified	Unmodified
Internal Control over financial reporting			
Material weaknesses identified?	No	Yes – segregation of duties*	No
Significant deficiencies identified?	None reported	Yes – staffing**	None reported

*A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Foundation’s financial statements will not be prevented, or detected and corrected on a timely basis. Oxnard College Foundation’s independent auditors noted a material weakness – segregation of duties. The size of the Foundation’s accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the director be involved with the financial affairs of the Foundation in order to provide oversight and independent review functions.

**A significant deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. Oxnard College Foundation’s independent auditors noted a significant deficiency – staffing. Due to the small size of the entity’s office staff, the persons responsible for the accounting reporting function do not possess some of the skills and knowledge necessary to prepare a full set of financial statements, including required note disclosures, in accordance with generally accepted accounting principles applicable to not for profit entities. In a separate communication, the engagement partner indicated that this significant deficiency is made for much of the firm’s small not for profit clients as it would not be cost effective for the

Foundation to employ an accountant with the knowledge and training to be able to complete financial statements including all required footnote disclosures. The costs would outweigh the benefits.

Impact of Approval

The District's reporting obligations to stakeholders like the California Community Colleges Chancellor's Office can be met in a timely manner.

Impact of Non-Approval

The District's reporting obligations to stakeholders like the California Community Colleges Chancellor's Office may be delayed or may be negatively impacted.

Fiscal Impact

None

Further Information

David El Fattal

[2019-20 MCF Audit Report.pdf \(236 KB\)](#)

[2019-20 OCF Audit Report.pdf \(586 KB\)](#)

[2019-20 VCF Audit Report.pdf \(1,315 KB\)](#)

Motion & Voting

The Chancellor recommends approval.

Motion by Trustee Dianne McKay, second by Trustee Bernardo Perez.

Final Resolution: Motion was approved.

Yes: Trustee Joshua Chancer, Trustee Gabriela Torres, Trustee Stan Mantooh, Trustee Dianne McKay, Trustee Bernardo Perez

**MOORPARK COLLEGE
FOUNDATION**

**FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

**MOORPARK COLLEGE FOUNDATION
(A California Non-Profit Corporation)**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Moorpark College Foundation:

We have audited the accompanying financial statements of Moorpark College Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and cash flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 entity'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 entity'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 Moorpark College Foundation as of June 30, 2020 and 2019, 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.



Oxnard, CA

November 5, 2020

MOORPARK COLLEGE FOUNDATION
(A California Non-Profit Corporation)
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents (see Note 5)	\$ 1,282,381	\$ 1,167,477
Investments	1,761,912	1,611,891
Other assets	<u>2,287</u>	<u>5,546</u>
TOTAL ASSETS	<u>\$ 3,046,580</u>	<u>\$ 2,784,914</u>
LIABILITIES - deferred revenue	<u>\$ -</u>	<u>\$ 5,275</u>
NET ASSETS		
Without donor restrictions	454,865	463,309
With donor restrictions	<u>2,591,715</u>	<u>2,316,330</u>
Total Net Assets	<u>3,046,580</u>	<u>2,779,639</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 3,046,580</u>	<u>\$ 2,784,914</u>

See accompanying notes to financial statements.

MOORPARK COLLEGE FOUNDATION
(A California Non-Profit Corporation)
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	2020		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions	\$ 9,330	\$ 260,410	\$ 269,740
Investment income	-	49,726	49,726
In-Kind contributions	66,024		66,024
Special events, net	29,939		29,939
Realized & unrealized gain (loss) on investments	(16,692)	(4,026)	(20,718)
Restrictions released	30,725	(30,725)	-
Total Revenue and Support	119,326	275,385	394,711
EXPENSES			
Program Expenses			
Grants and scholarships	30,725	-	30,725
Administrative Expenses			
In-Kind expenses	66,024	-	66,024
Salaries & wages	737	-	737
Consulting	9,000	-	9,000
Other expenses	21,284	-	21,284
Total Expenses	127,770	-	127,770
CHANGE IN NET ASSETS	(8,444)	275,385	266,941
NET ASSETS- Beginning of the year	463,309	2,316,330	2,779,639
NET ASSETS- End of the year	\$ 454,865	\$ 2,591,715	\$ 3,046,580

	2019		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
REVENUE AND SUPPORT			
Contributions	\$ 13,485	\$ 188,214	\$ 201,699
Investment income	37,644	-	37,644
In-Kind contributions	70,797	-	70,797
Special events, net	47,281	-	47,281
Realized & unrealized gain (loss) on investments	55,495		55,495
Restrictions released	201,360	(201,360)	-
Total Revenue and Support	426,062	(13,146)	412,916
EXPENSES			
Program Expenses			
Grants and scholarships	202,879	-	202,879
Administrative Expenses			
In-Kind expenses	70,797	-	70,797
Salaries & wages	28,469	-	28,469
Consulting	13,785	-	13,785
Other expenses	23,907	-	23,907
Total Expenses	339,837	-	339,837
CHANGE IN NET ASSETS	86,225	(13,146)	73,079
NET ASSETS- Beginning of the year	377,084	2,329,476	2,706,560
NET ASSETS- End of the year	\$ 463,309	\$ 2,316,330	\$ 2,779,639

See accompanying notes to financial statements.

MOORPARK COLLEGE FOUNDATION
(A California Non-Profit Corporation)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 266,941	\$ 73,079
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Unrealized (gain) / loss on investments	55,520	(11,493)
Change in:		
Other assets	3,259	(1,292)
Deferred revenue	(5,275)	4,125
Total adjustments	<u>53,504</u>	<u>(8,660)</u>
Net Cash Provided by Operating Activities	<u>320,445</u>	<u>64,419</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	<u>(205,541)</u>	<u>(80,638)</u>
Net Cash Used by Investing Activities	<u>(205,541)</u>	<u>(80,638)</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	114,904	(16,219)
Cash and Cash Equivalents At Beginning of Year	<u>1,167,477</u>	<u>1,183,696</u>
Cash and Cash Equivalents At End of Year	<u>\$ 1,282,381</u>	<u>\$ 1,167,477</u>

See accompanying notes to financial statements.

**MOORPARK COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

1. ORGANIZATION

Moorpark College Foundation (“Foundation”), a California non-profit corporation, is a community volunteer organization that assists Moorpark College (“College”) with various activities, including accumulating and managing endowment and student scholarship funds, administering various educational-related activities and special programs, and in general, raises funds to support College programs, services, and facility development to supplement federal, state, county, and city tax revenues.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. In 2019, the Foundation adopted ASU No. 2016-14 – Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. ASU 2016-14 provides for additional disclosure requirements and modifies net asset reporting. The standard requires the Foundation to reclassify its net assets (i.e., unrestricted, temporarily restricted, and permanently restricted) into two categories: net assets without restrictions donor restrictions and net assets with donor restrictions, among other requirements. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets of the Foundation and changes therein, are classified and reported as follows:

Net Assets Without Restrictions - Net assets that are not subject to donor-imposed stipulations. This category also includes net assets the Board of Directors of the Foundation have designated to function as endowments (“quasi-endowments”).

Net Assets With Restrictions - Net assets that are subject to temporary or permanent donor-imposed stipulations. Net assets with restrictions that are temporary include donor-imposed restrictions that their donations be used for providing scholarships to College students and that those students meet certain eligibility criteria or for support for certain College programs. Net assets that are subject to permanent donor-imposed stipulations generally permit the Foundation to use all or part of the income earned on any related investment for general or specific purposes.

ASU 2016-14 also requires information concerning liquidity and availability of resources and expenses must be presented both by functional and natural classification.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments - Financial instruments include items reported as assets or liabilities in the Statements of Financial Position. The fair values of investments are disclosed in Footnote 3. The fair values of other assets and deferred revenue are equal to the amounts reported on the Statements of Financial Position.

Cash and Cash Equivalents - Cash and cash equivalents are composed of cash on hand and in commercial checking accounts, savings accounts, time certificates of deposits with original maturities of three months or less, and money market accounts. These investments are carried at cost which approximates market value. The Foundation maintains its cash in bank deposit accounts, which may at times, exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash equivalents.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments - Investments are reflected on the Statements of Financial Position at fair value with changes in unrealized gains and losses resulting from changes in fair value as well as investment fees and costs included in the Statements of Financial Activities as “realized & unrealized gain (loss) on investments.”

Revenue Recognition - Revenue from contributions and grants is recognized when received and classified as a part of either net assets without restrictions or net assets with restrictions based on donor specifications. Fees received in advance for future special events is reported as deferred revenue and recognized as revenue once the event is completed.

Donated Services - Donated services are recognized in the financial statements as revenue and expense in equal amounts using estimated fair values at the date of receipt. Donated services are primarily comprised of the value of services provided by College employees to the Foundation to carry out the Foundation’s day-to-day operations. Donated services are shown on the Statements of Activities as In-Kind contributions and In-Kind expenses.

Concentration of Revenue & Support - Although the Foundation receives its revenue and support from many different individuals and companies, contributions made by these individuals and companies to the Foundation are subject to decline with declines in the overall economy.

Income Taxes - The Foundation is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and from franchise taxes under Section 23710d of the California Revenue Taxation Code. The Foundation believes that it is no longer subject to examination from taxing authorities for years prior to 2012.

Subsequent Events - The Foundation’s management has evaluated subsequent events through November 5, 2020, the date the financial statements were available to be issued.

3. FAIR VALUE OF INVESTMENTS

Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures*, provides the 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 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1	Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
Level 2	Inputs to the valuation methodology include <ul style="list-style-type: none"> • 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.

**MOORPARK COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

3. FAIR VALUE OF INVESTMENTS (Continued)

The asset 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. Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2020 and 2019.

Mutual Funds: valued at the net asset value (NAV) of shares held by the plan at year end.

Pooled Separate Account: valued at the cumulative NAV of investments in the account. This account was created as part of the California Community College's Scholarship Endowment Fund ("CCCSE") which solicited and matched funds from California community colleges. Annual distribution of scholarships is based on the greater of 50% of investment earnings, or 5% of the total corpus. The CCCSE has guaranteed that a minimum 5% of the Endowment will be provided for scholarship purposes and has explicitly approved the expenditure of Endowment principle in order to guarantee the minimum 5% distribution.

The following table sets forth by level, within the fair value hierarchy, the Foundation's investments at fair value as of June 30, 2019 and 2018:

Assets at Fair Value as of June 30, 2020

	Level 1	Level 2	Level 3	Total
Assets in the fair value hierarchy:				
Pooled separate account	\$ -	\$ -	\$ 88,564	\$ 88,564
Investments measured at net asset value				1,673,348
Investments at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,564</u>	<u>\$ 1,761,912</u>

Assets at Fair Value as of June 30, 2019

	Level 1	Level 2	Level 3	Total
Assets in the fair value hierarchy:				
Pooled separate account	\$ -	\$ -	\$ 92,590	\$ 92,590
Investments measured at net asset value				1,519,301
Investments at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,590</u>	<u>\$ 1,611,891</u>

The following table sets forth a summary of changes in the fair value of the Foundation's level 3 pooled separate account:

	2020	2019
Balance, beginning of year	\$ 92,590	\$ 91,933
Contributions	-	-
Realized and unrealized gains (loss)	774	5,057
Disbursements for scholarships	(4,800)	(4,400)
Balance, end of year	<u>\$ 88,564</u>	<u>\$ 92,590</u>

3. FAIR VALUE OF INVESTMENTS (Continued)

There were no direct investment expenses for the fiscal years ended June 30, 2020 and 2019. Indirect investment costs including load and commission charges are netted with the gains and losses reported to the Foundation. Direct and indirect costs are included in realized & unrealized gain (loss) on investments in the Statements of Activities.

4. ENDOWMENTS

The Foundation's endowment ("Endowment") includes both donor-restricted endowment funds and funds designated by the Board to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Board has interpreted the California-enacted version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gifts to the Endowment 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 to the extent specified by the applicable donor gift instrument. 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 Board in a manner consistent with the standard of prudence prescribed by UPMIFA.

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 to programs while seeking to maintain the original contribution value of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for donor-specified periods as well as board-designated funds. Under this policy, as approved by the Board, the endowment assets are invested in a manner that is intended to produce results that exceed benchmarks applicable to various asset classes.

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 returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation has established targets to assure a diversified asset allocation. Diversification of endowment assets is specified in the bylaws and includes diversification by asset type, characteristic, and number of investments. While the Foundation does not expect to change its basic investment policy as a result of recent market conditions, increased emphasis is being placed on the ongoing evaluation of each investment's concentration within the overall portfolio (measured across all funds and managers), barriers to exit, and overall fund leverage.

Spending Policy and How the Investment Objectives Relate to Spending Policy

Distributions from the Endowment are determined by the Board, which considers, among other factors, anticipated budget needs, available funds, recent endowment performance, and overall economic conditions. The practice of the Board has been to adopt a distribution rate of the Endowment's assets equal to investment earnings on the Endowment corpus, such that the original principal of the original investment is adequately maintained. The Foundation's bylaws seek to achieve a 5% return on its investments. The distribution amount is approved by the Board and is subject to Board review and change.

**MOORPARK COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

4. ENDOWMENTS (Continued)

Changes in Endowment Net Assets

The changes in endowment net assets for the years ended June 30, 2020 and 2019 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2018	\$ 17,763	\$ 883,751	\$ 901,514
Investment return:			
Investment income	648	23,869	24,517
Net depreciation (realized and unrealized)	970	28,476	29,446
Total investment return	1,618	52,345	53,963
Contributions	-	1,847	1,847
Transfers from other categories	-	-	-
Appropriation of endowment assets for expenditure	-	(36,808)	(36,808)
Endowment net assets, June 30, 2019	19,381	901,135	920,516
Investment return:			
Investment income	858	26,501	27,359
Net appreciation (realized and unrealized)	(352)	(10,858)	(11,210)
Total investment return	506	15,643	16,149
Contributions	-	130,000	130,000
Transfers from other categories	-	-	-
Appropriation of endowment assets for expenditure	-	(37,025)	(37,025)
Endowment net assets, June 30, 2020	\$ 19,887	\$ 1,009,753	\$ 1,029,640

Donor-restricted endowment funds were \$1,009,753 and 901,135 as of June 30, 2020 and 2019, respectively. Board-designated endowment funds were \$19,887 and \$19,381 as of June 30, 2020 and 2019, respectively.

5. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As of June 30, 2020, and June 30, 2019, the Foundation had approximately \$455,000 and \$463,000, respectively, of cash in bank accounts, that could be made available within one year to meet cash needs for general expenditures. Cash and cash equivalents exceed the total of net assets without donor restrictions by \$827,517 as of June 30, 2020 and \$704,168 as of June 30, 2019 and are considered restricted amounts that can generally be used only to pay scholarships to College students or in support of specific College programs. Additional assets unavailable for use within one year include investment account assets, to which donor-imposed restrictions are attached. The Foundation strives to keep as much liquid cash available as possible to meet operational needs.

**MOORPARK COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

6. FUNCTIONAL EXPENSE ALLOCATIONS

For the years ended June 30, 2020 and 2019, the Foundation defines its programs to include the awarding of scholarships to Moorpark College students and College support activities, including supporting payments of the on-campus Exotic Animal Training and Management (EATM) program and related teaching zoo. The Foundation owns no real property and primarily utilizes staff of the College to carry out their activities, which is treated as in-kind expenses. For the years ended June 30, 2020 and 2019, the Foundation expenses are functionally allocated as follows:

June 30, 2020 Expense	Program Scholarships	Program Campus Support	Support Activities	Total
Grants and scholarships	\$25,725	\$5,000	-	\$30,725
In-kind expenses	-	-	\$66,024	66,024
Salaries & Wages	737	-	-	737
Consulting	9,000	-	-	9,000
Other expenses	-	-	21,284	21,284
Total expenses	\$35,462	\$5,000	\$87,308	\$127,770
June 30, 2019 Expense	Program Scholarships	Program Campus Support	Support Activities	Total
Grants and scholarships	\$149,340	\$ 53,539	-	\$202,879
In-kind expenses	-	-	\$70,797	70,797
Salaries & wages	28,469	-	-	28,469
Consulting	13,785	-	-	13,785
Other expenses	-	-	23,907	23,907
Total expenses	\$191,594	\$53,539	\$ 73,644	\$339,837

The scholarship program includes the actual amount of awards for the year to College students and the cost of workers time directly involved with special events and other revenue-generating activities.

The campus support program includes the actual amount of awards for the year to College support activities including the EATM program.

Support activities include the in-kind value of College employees time spent in support activities such as financial services and coordination with the Foundation's Board of Directors. It also includes amounts paid to outside professionals for their services.

7. FUNDRAISING EXPENSES

The Foundation performed four fundraising events in the fiscal year ended June 30, 2020 which raised gross proceeds of \$57,903 and had costs of \$27,964 and nine fundraising events in the fiscal year ended June 30, 2019 which raised gross proceeds of \$90,905 and had costs of \$43,624. These amounts are shown as "special events, net" in the Statements of Activities

OXNARD COLLEGE FOUNDATION

FINANCIAL STATEMENTS

June 30, 2020 and 2019

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SOARES, SANDALL, BERNACCHI & PETROVICH, LLP CERTIFIED PUBLIC ACCOUNTANTS

FRANK J. SOARES (1908-1991)
GEORGE E. SANDALL (1917-2019)
THOMAS W. PETROVICH (1937-2013)
DEBRA N. DETTENMAYER (1955-2014)

PARTNERS

BILLIE JO RODRIGUEZ, C.P.A. RICK C. HELDWEIN, C.P.A.
JUAN M. SOTO, C.P.A. SHARON I. ROBERTS, C.P.A.
PRAJESH (RAJ) ACHARYA, C.P.A. TATSIANA D. SHAPIRO, C.P.A.

CONSULTANTS

BERNARD D. BERNACCHI, C.P.A. KENNETH R. MERIDETH, C.P.A.
RICK B. SMITH, C.P.A.

Board of Directors
Oxnard College Foundation
Oxnard, California

Independent Auditors' Report

We have audited the accompanying financial statements of Oxnard College Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets and cash flows for the years then ended, and 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.

Auditors' 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 auditors' 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 entity'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 entity'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.

OXNARD COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Oxnard College Foundation as of June 30, 2020 and 2019, 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.

Soares, Sandall, Bernacchi + Petrovich, LLP

SOARES, SANDALL, BERNACCHI & PETROVICH LLP
Certified Public Accountants

October 26, 2020

OXNARD COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2020 and 2019

	2020	2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 718,661	\$ 1,079,225
Accounts receivable, net	270	74,475
Acabado receivable	-	100,000
Other current assets	6,489	7,610
TOTAL CURRENT ASSETS	725,420	1,261,310
LONG-TERM INVESTMENTS	7,293,833	7,166,293
FCCC ENDOWMENT	266,283	277,579
BENEFICIAL INTEREST IN FCCC ENDOWMENT	171,111	171,111
TOTAL ASSETS	\$ 8,456,647	\$ 8,876,293
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 23,830	\$ 28,549
Scholarships payable	192,650	235,600
Deferred revenue	-	51,040
TOTAL CURRENT LIABILITIES	216,480	315,189
OTHER LIABILITIES		
Scholarships payable - long-term	139,852	145,109
Biolab/Campus Improvements	-	264,753
TOTAL OTHER LIABILITIES	139,852	409,862
TOTAL LIABILITIES	356,332	725,051
NET ASSETS		
Net assets without donor restrictions	4,429,134	4,629,936
Net assets with donor restrictions	3,671,181	3,521,306
TOTAL NET ASSETS	8,100,315	8,151,242
TOTAL LIABILITIES AND NET ASSETS	\$ 8,456,647	\$ 8,876,293

See accompanying notes to financial statements and independent auditors' report.

OXNARD COLLEGE FOUNDATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
 Years Ended June 30, 2020 and 2019

Page One

	2020		
	Net Assets		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Gifts, grants, and bequests	\$ 282,316	\$ 248,722	\$ 531,038
Title III programs	-	100,000	100,000
Decrease in beneficial interest in FCCC endowment	-	(11,295)	(11,295)
Investment income, net	17,146	10,346	27,492
Community market income	570,724	-	570,724
Unclaimed scholarship income	56,035	-	56,035
Special events, net	(853)	-	(853)
TOTAL REVENUE	925,368	347,773	1,273,141
NET ASSETS RELEASED FROM RESTRICTIONS	197,898	(197,898)	-
TOTAL REVENUE AND OTHER SUPPORT	1,123,266	149,875	1,273,141
EXPENSES			
Program:			
Scholarships	332,629	-	332,629
College contract	179,855	-	179,855
Oxnard College programs	501,383	-	501,383
Community Outreach Fund	37,852	-	37,852
TOTAL PROGRAM EXPENSES	1,051,719	-	1,051,719
Community market	156,203	-	156,203
Administrative:			
Professional fees	22,760	-	22,760
Payroll and related expenses	67,444	-	67,444
Office expense	3,536	-	3,536
Miscellaneous	11,634	-	11,634
Conferences and meetings	6,392	-	6,392
Insurance	4,380	-	4,380
TOTAL ADMINISTRATIVE EXPENSES	116,146	-	116,146
TOTAL EXPENSES	1,324,068	-	1,324,068
CHANGE IN NET ASSETS	(200,802)	149,875	(50,927)
NET ASSETS AT BEGINNING OF YEAR	4,629,936	3,521,306	8,151,242
NET ASSETS AT END OF YEAR	\$ 4,429,134	\$ 3,671,181	\$ 8,100,315

See accompanying notes to financial statements and independent auditors' report.

OXNARD COLLEGE FOUNDATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
 Years Ended June 30, 2020 and 2019

Page Two

	2019		
	Net Assets		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Gifts, grants, and bequests	\$ -	\$ 410,959	\$ 410,959
Increase in beneficial interest in FCCC endowment	-	3,289	3,289
Investment income, net	390,718	174,117	564,835
Community market income	659,860	-	659,860
Unclaimed scholarship income	72,252	-	72,252
Special events, net	(46,337)	-	(46,337)
TOTAL REVENUE	1,076,493	588,365	1,664,858
NET ASSETS RELEASED FROM RESTRICTIONS	190,591	(190,591)	-
TOTAL REVENUE AND OTHER SUPPORT	1,267,084	397,774	1,664,858
EXPENSES			
Program:			
Scholarships	451,623	-	451,623
College contract	149,679	-	149,679
Oxnard College programs	1,685	-	1,685
Community Outreach Fund	10,251	-	10,251
TOTAL PROGRAM EXPENSES	613,238	-	613,238
Community market	189,394	-	189,394
Administrative:			
Professional fees	18,000	-	18,000
Payroll and related expenses	50,375	-	50,375
Office expense	4,450	-	4,450
Miscellaneous	17,870	-	17,870
Conferences and meetings	6,588	-	6,588
Insurance	4,117	-	4,117
TOTAL ADMINISTRATIVE EXPENSES	101,400	-	101,400
TOTAL EXPENSES	904,032	-	904,032
CHANGE IN NET ASSETS	363,052	397,774	760,826
NET ASSETS AT BEGINNING OF YEAR	4,266,884	3,123,532	7,390,416
NET ASSETS AT END OF YEAR	\$ 4,629,936	\$ 3,521,306	\$ 8,151,242

See accompanying notes to financial statements and independent auditors' report.

OXNARD COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (50,927)	\$ 760,826
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Beneficial interest in FCCC Endowment	-	1,334
Oxnard College - Biolab liability	-	(292,383)
Biolab/Campus Improvements	(264,753)	264,753
Net realized and unrealized (gains) and losses on investments	63,873	(460,289)
(Increase)/decrease in:		
Accounts receivable	74,205	(67,043)
Project Acabado grant receivable	100,000	-
FCCC Endowment	11,296	(1,958)
Other current assets	1,121	2,475
Increase/(decrease) in:		
Accounts payable	(4,719)	5,663
Scholarships payable	(48,207)	9,784
Deferred revenue	(51,040)	(7,215)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(169,151)	215,947
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	1,351,707	1,093,883
Purchase of investments	(1,543,120)	(1,398,429)
NET CASH USED BY INVESTING ACTIVITIES	(191,413)	(304,546)
CASH FLOWS FROM FINANCING ACTIVITIES		
Collections of contributions for long-term purposes	-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	-
NET DECREASE IN CASH AND CASH EQUIVALENTS	(360,564)	(88,599)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,079,225	1,167,824
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 718,661	\$ 1,079,225
SUPPLEMENTAL DISCLOSURES TO CASH FLOW INFORMATION		
Cash used to pay interest	\$ -	\$ -
Cash used to pay taxes	\$ -	\$ -

See accompanying notes to financial statements and independent auditors' report.

OXNARD COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization. The Oxnard College Foundation (Foundation) is a charitable non-profit organization incorporated in 1983 under the laws of the State of California. The Foundation is under the control of a Board of Directors comprised of ten to twenty members and is administered by a President. The Foundation was formed to promote the general welfare of Oxnard College. The Foundation is exempt from income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code. The Foundation is classified as a nonprofit organization, not a private foundation, as defined in Section 509(a)(3) of the Internal Revenue Code.

Basis of Accounting. The financial statements of the Foundation have been prepared on the accrual basis of accounting.

Financial Statement Presentation. The Foundation’s financial statements are presented in accordance with *Statement on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services committee of the AICPA, and the provisions of the American Institute of Certified Public Accountants (AICPA) “Audit and Accounting Guide for Not-for-Profit Organizations” (the “Guide”). (ASC) 958-205 was effective January 1, 2018.

Under the provisions of the Guide, net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. The Foundation’s board may designate assets without restrictions for specific operational purposes from time to time.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Non-Profit Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Recognition of Donor and Grant Restrictions. All contributions are considered to be available for the use of resources without donor-imposed restrictions unless specifically restricted by the donor. All donor restricted support is recorded as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Cash and Cash Equivalents. For the purposes of the statement of cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash, certificates of deposits and money market deposits in the investment portfolio are considered long term investments.

Concentration of Credit Risk. The Foundation maintains cash balance at various financial institutions. Accounts at each institution are insured by the Federal Insurance Corporation. From time to time the balances of these accounts exceed the federally insured limits.

OXNARD COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Scholarship Payable and Long-Term Scholarships. The Foundation records scholarships at the time they are awarded. Scholarships awarded, but not due until the next fiscal year are recorded as long-term scholarships payable.

The Foundation's scholarship committee meets each year to select students who will receive scholarship awards. For the years ended June 30, 2020 and 2019, students who will receive a scholarship were selected in April 2020 and April 2019, respectively.

Endowment Funds / Investment Policy. Laws and regulations allow the governing board to appropriate so much of an endowment fund as is prudent considering the following relevant factors: the duration and preservation of the endowment fund, the purpose of the Foundation and the endowment fund, general and economic conditions, the possible effect of inflation or deflation, the expected total return from income and the appreciation of investments, the Foundation's other resources, and investment policy. The Foundation's investment goal is to ensure that capital is preserved, and simultaneously ensure that the Foundation's mission of helping students and the college is fulfilled. Thus, the Foundation maintains investments in a mixture of money market account and equity stock so the Foundation can access the funds as they are needed for scholarship disbursements. In this way, the Foundation can maximize returns with these types of investments, without rendering necessary funding illiquid. The Foundation's spending policy dictates that the income, gains, and principle of the investments can be used as the Board of Directors sees fit.

When reviewing its donor-restricted endowment funds, the Foundation considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift or grant amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Foundation has interpreted the applicable law to permit spending from underwater funds in accordance with the prudent measures required. The Foundation does not have any underwater endowment funds at June 30, 2020 or 2019.

In-kind Transactions. In accordance with generally accepted accounting principles, the Foundation records in-kind goods and services at their fair value in the period received. The Foundation records donated services if they meet one of two criteria: First, the Foundation records donated services if they create or enhance non-financial assets; second, the Foundation records donated services if they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Foundation did not record any donated services for the years ended June 30, 2020 and 2019.

Community Market. The Foundation operates a swap meet called the Community Market to raise funds to promote the general welfare of the College. The parking lot space used for this activity is donated by the College to the Foundation. Every weekend these spaces are rented to vendors who pay rent to the Foundation. The space rental generates a substantial amount for the Foundation each year. Should the Community Market cease to take place, there would be significant financial effect on the Foundation.

Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities at the reporting date and revenues and expenses during the reporting period.

OXNARD COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Actual results could differ from those estimates. Significant estimates used in preparing these financial statements include the discount factor applied to calculate the FCCC beneficial interest asset for the years ended June 30, 2020 and 2019 and the allocation of certain expenses by functional category.

Comparative Information. Certain amounts in June 30, 2019, financial statements have been reclassified for comparison purposes to conform to the June 30, 2020, presentation.

Income Taxes. The Foundation is exempt from taxes under Internal Revenue Code Section 501(c)(3) and State of California Revenue and Taxation Code Section 23701d. The Foundation is subject to tax on any unrelated business income.

Accounting for Uncertain Tax Positions. Income tax benefits or expenses are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by tax authorities. The Foundation has analyzed tax positions taken for filing with the Internal Revenue Service and State of California. The Foundation believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Foundation's financial condition, results of operations or cash flows. Accordingly, the Foundation has not recorded any reserves, or related accruals for interest and penalties for uncertain tax positions at June 30, 2020 and 2019.

The Foundation's policy is to classify income tax related interest and penalties as interest expense on the financial statements. The Foundation recognized no income tax related penalties for the year ended June 30, 2020 and 2019, respectively.

The Foundation's prior three years tax returns remain subject to examination by the Internal Revenue Service and the California Franchise Tax Board.

Advertising. The Foundation expenses advertising costs as incurred.

Subsequent Events. Subsequent events have been evaluated through October 26, 2020 which is the date the financial statements were available to be issued. The Foundation did not experience material subsequent events requiring financial statement disclosure, except for the subsequent event discussed on note 11.

Reclassification. Certain amounts in the prior year financial statements have been reclassified for comparison purposes to conform to the current year presentation.

Recently Issued Accounting Standards: In May 2014, the Financial Accounting Standards Board ("FASB") issued a new standard on revenue recognition. This new standard redefines revenue recognition around the instance of transfer of control, rather than the transfer of risks and rewards, and provides recognition guidance in instances of variable consideration, licenses, and contract costs. This new standard is effective beginning after December 31, 2018, for nonpublic entities (July 1, 2019, for the Foundation), but has been extended one year for nonpublic companies that have not yet issued their financial statements as of May 20, 2020. Management has elected to delay the transition date.

OXNARD COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

This amendment can be applied either retrospectively to each prior reporting period presented (i.e., full retrospective adoption) or with the cumulative effect of initially applying the update recognized at the date of the initial application (i.e., modified retrospective adoption) along with additional disclosures. The Foundation has analyzed the provisions of FASB’s ASC Topic 606, *Revenue from Contract with Customers*, and have concluded that no changes are necessary to conform with the new standard. Their contracts contain a single delivery element and revenue is recognized at the single point in time when ownership, risks, and rewards transfer.

In June 2018, the FASB issued ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). This standard was issued to clarify and improved the scope and the accounting guidance for contributions received and contributions made. The amendments in this ASU are intended to assist entities in evaluating whether transactions should be accounted for as nonreciprocal contribution with the scope of Topic 958, *Not-for-Profit Entities*, or as reciprocal exchange transaction subject to other guidance.

This ASU also provides a framework for determining whether a contribution is conditional or unconditional which will impact the timing of revenue recognition. The ASU is effective for years beginning after December 15, 2018 (January 1, 2019 for the Foundation). The change in accounting principle was adopted on a modified prospective basis in 2019. As a result, there was no cumulative-effect adjustment to opening net assets without donor restrictions or opening net assets with donor restrictions as of June 30, 2020.

In September 2020, the Financial Accounting Standards Board (“FASB”) issued ASU No. 2020-07 (Topic 958) on not-for-profits that received contributed nonfinancial assets. This new standard addresses presentation and disclosure of contributed nonfinancial assets. The term nonfinancial asset includes fixed assets (such as land, building, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. This new standard is effective beginning after June 15, 2021, for nonpublic entities (July 1, 2021, for the Foundation), with early adoption permitted subject to certain limitations. The Foundation is evaluating the impact that the adoption of this standard may have on its financial position and result from activities.

This ASU requires not-for-profits to 1) Present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. 2) Disclose a disaggregation of the amount of contributed nonfinancial assets. 3) Provide qualitative information about whether the contributed nonfinancial assets were monetized or utilized during the reporting period. 4) Provide the not-for-profit policy about monetizing rather than utilizing the contributed nonfinancial assets. 5) A description of any donor-imposed restrictions associated with the contributed nonfinancial assets. 6) A description of the valuation techniques and inputs used to arrive at fair value measure, in accordance with the requirements of Topic 820. 7) The principal market (or most advantageous market) used to arrive at a fair value measure.

NOTE 2 – FAIR VALUE MEASUREMENTS

FASB ASC 820-10 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 consists of unadjusted quoted prices in active markets for identical assets and has the highest priority, and Level 3 inputs have the lowest priority.

OXNARD COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
 June 30, 2020 and 2019

NOTE 2 – FAIR VALUE MEASUREMENTS - Continued

The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

Level 1 Fair Value Measurements, the fair value of corporate stock, US Government securities, corporate bonds, and Mutual Funds are based on quoted net asset values of the shares held by the Foundation at the year end.

Level 3 Fair Value Measurements, the beneficial interest in FCCC endowment and scholarship liabilities are not actively traded and significant other observable inputs are not available. The fair value of beneficial interest in FCCC endowment is equal to the present value of payments received using a discount factor of 5% which is the spending policy of the FCCC Oscher scholarships. The fair value of the scholarship liability equals the total scholarships awarded.

The following provides further details of fair value measurement:

	Fair Value	2020 Quoted Prices in Active Markets for identical Assets (Level One)	2020 Significant Unobservable inputs (Level Three)
Money market accounts	\$ 1,648,761	\$ 1,648,761	\$ -
Stocks	5,645,072	5,645,072	-
FCCC Endowment	266,283	266,283	-
Beneficial Interest in FCCC Endowment	171,111	-	171,111
Scholarship payable	(332,502)	-	(332,502)
	\$ 7,398,725	\$ 7,560,116	\$ (161,391)
		2019 Quoted Prices in Active Markets for identical Assets (Level One)	2019 Significant Unobservable inputs (Level Three)
Money market accounts	\$ 1,310,519	\$ 1,310,519	\$ -
Stocks	5,855,774	\$ 5,855,774	-
FCCC Endowment	277,579	277,579	-
Beneficial Interest in FCCC Endowment	171,111	-	171,111
Scholarship payable	(380,709)	-	(380,709)
	\$ 7,234,274	\$ 7,443,872	\$ (209,598)

OXNARD COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
 June 30, 2020 and 2019

NOTE 2 – FAIR VALUE MEASUREMENTS – Continued

Fair Value Measurement Using Significant Unobservable Input (Level 3)

	Asset : Beneficial Interest in FCCC Endowment	Liability - Scholarships payable
<u>June 30, 2020</u>		
Beginning balance	\$ 171,111	\$ (380,709)
Decrease in beneficial interest	-	
Decrease in scholarship liability		48,207
Ending Balance	<u>\$ 171,111</u>	<u>\$ (332,502)</u>
<u>June 30, 2019</u>		
Beginning balance	\$ 172,445	\$ (370,925)
Increase in beneficial interest	(1,334)	
Increase in scholarship liability		(9,784)
Ending Balance	<u>\$ 171,111</u>	<u>\$ (380,709)</u>

The carrying amounts of financial instruments, including cash, accounts receivable, accounts payable and other liabilities approximated fair value as of June 30, 2020 and 2019.

NOTE 3 – INVESTMENTS

Long-term investments are stated at fair market value and consist of money market funds and publicly traded equities. Long-term investments are held in Fidelity Investments under the management of Bernzott Capital Advisors. Fair market values and unrealized appreciation (depreciation) at June 30, 2020 and 2019, are summarized as follows:

	2020		
	Cost	Fair Market Value	Unrealized Appreciation
Money market accounts	\$ 1,648,761	\$ 1,648,761	\$ -
Publicly traded stocks	4,087,994	5,645,072	1,557,078
TOTAL INVESTMENTS	<u>\$ 5,736,755</u>	<u>\$ 7,293,833</u>	<u>\$ 1,557,078</u>
	2019		
	Cost	Fair Market Value	Unrealized Appreciation
Money market accounts	\$ 1,310,519	\$ 1,310,519	\$ -
Publicly traded stocks	4,271,839	5,855,774	1,583,935
TOTAL INVESTMENTS	<u>\$ 5,582,358</u>	<u>\$ 7,166,293</u>	<u>\$ 1,583,935</u>

OXNARD COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
 June 30, 2020 and 2019

NOTE 3 – INVESTMENTS - Continued

Long-term investments are held in two investment pools. Pool without donor restrictions is for amounts designated by the Board of Directors for long-term investments, general expenditures, and the net appreciation of those endowments. Pool with donor restrictions is for donor restricted endowments and the unappropriated net appreciation of those endowments.

The following schedule summarizes the investment return, net, and its classification in the statement of activities for the years ended June 30, 2020 and 2019:

	2020		
	Without	With	Total
	Donor Restrictions	Donor Restrictions	
Interest and dividends	\$ 79,437	\$ 36,668	\$ 116,105
Realized and unrealized losses	(45,114)	(18,759)	(63,873)
Investment Fees	(17,177)	(7,563)	(24,740)
TOTAL	\$ 17,146	\$ 10,346	\$ 27,492
	2019		
	Without	With	Total
	Donor Restrictions	Donor Restrictions	
Interest and dividends	\$ 89,378	\$ 40,093	\$ 129,471
Realized and unrealized gains	318,822	141,467	460,289
Investment Fees	(17,482)	(7,443)	(24,925)
TOTAL	\$ 390,718	\$ 174,117	\$ 564,835

Funds invested in long term investments are comprised of the following at June 30, 2020:

Title V Scholarship Funds - El Buen Hijo	\$ 564,947
Title V Scholarship Funds - Other	3,461,295
Title III - Acabado Project	909,619
OCF Reserve Funds	2,357,972
	\$ 7,293,833

NOTE 4 – NET ASSETS WITHOUT DONOR RESTRICTIONS

The Board of Directors has a policy of matching all donations, up to \$25,000 per year, per scholarship, out of funds from the Community Market and at times designated funds for matching endowments. The Foundation’s scholarship matching policy allows donors to receive matching funds for one-time OC Student Scholarship Fund and Annual Scholarship Naming Fund with a \$25,000 limit as long as funds continue to be available from the Foundation.

OXNARD COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
 June 30, 2020 and 2019

NOTE 4 – NET ASSETS WITHOUT DONOR RESTRICTIONS - Continued

Donations to the Endowment Scholarships are eligible for a matching contribution, up to \$5,000 maximum, unless voted on by the Board of Directors. The net asset without donor restrictions balance is allocated as follows:

	2020	2019
Other assets without donor restrictions	\$ 1,744,782	\$ 2,044,634
Board designated		
FCCC Endowment	226,283	237,579
Title V Contribution	2,003,261	1,995,821
Title III Contribution	454,808	351,902
Total Board designated	2,684,352	2,585,302
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	\$ 4,429,134	\$ 4,629,936

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are given a purpose restriction by the donor and are available for the following:

	2020	2019
Scholarships - Title V	\$ 1,992,483	\$ 1,984,987
Scholarships - Title III	454,852	351,902
Scholarships - Other	1,717,041	1,175,343
Programs	(493,195)	9,074
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	\$ 3,671,181	\$ 3,521,306

NOTE 6 – COMPOSITION OF ENDOWMENT NET ASSETS

Endowment Net Asset Composition by Type of Fund as of June 30, 2020 and 2019:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$ 3,671,181	\$ 3,671,181
Board-designated endowment funds	2,684,352	-	2,684,352
TOTAL FUNDS	\$ 2,684,352	\$ 3,671,181	\$ 6,355,533

OXNARD COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 6 – COMPOSITION OF ENDOWMENT NET ASSETS - Continued

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	\$ -	\$3,521,306	\$ 3,521,306
Board-designated endowment funds	2,585,302	-	2,585,302
TOTAL FUNDS	\$ 2,585,302	\$ 3,521,306	\$ 6,106,608

Changes in Endowment Net Assets as of June 30, 2020 and 2019:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year	\$ 2,585,302	\$3,521,306	\$ 6,106,608
Investment income	10,345	10,346	20,691
Project Acabado contribution and matching grant	100,000	100,000	200,000
Contributions	-	248,722	248,722
Decrease in net assets with and without donor restrictions	(11,295)	(210,827)	(222,122)
TOTAL	\$ 2,684,352	\$ 3,671,181	\$ 6,353,899

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year	\$ 2,309,227	\$3,123,532	\$ 5,432,759
Investment income	174,117	174,117	348,234
Project Acabado contribution and matching grant	100,000	100,000	200,000
Contributions	-	310,959	310,959
Decrease in net assets with and without donor restrictions	1,958	(187,302)	(185,344)
TOTAL	\$ 2,585,302	\$3,521,306	\$6,106,608

OXNARD COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 7 – CONTRACT OBLIGATION

The Foundation entered into an annual contract agreement with Oxnard College. This contract includes office space, utilities, supplies, public liability and property insurance and employee salaries and benefits. The annual payments for this agreement are approximately \$100,000. This contract is automatically renewable on an annual basis.

NOTE 8 – TITLE III AND V ENDOWMENTS

TITLE III – Project Acabado Endowment -The Oxnard College is currently participating in a cooperative project with California State University Channel Islands for the Title III Grant, funded through the U.S. Department of Education and Oxnard College Foundation equally over a five year period to total the Endowment Fund Corpus of \$1,100,000.

During the years ended June 30, 2020 and 2019, the Foundation contributed \$100,000 and \$100,000 to the Project Acabado Endowment and recorded a receivable for \$100,000 and \$100,000 in matching funds respectively.

TITLE V and El Buen Hijo/TITLE V – Oxnard College Foundation was awarded a five year award worth \$500,000 fully funded to \$496,964 in 2005. The Federal endowment has a twenty year temporary time restriction on the Endowment Corpus and 50% of the interest earnings.

TITLE V – HIS – Oxnard College Foundation was awarded a five year award worth \$1,000,000 fully funded in 2011. The Federal endowment has a twenty year time restriction on the Endowment Corpus and 50% of the interest earning.

During the years ended June 30, 2020 and 2019, the total Title V endowment funds held by the Foundation are \$4,026,241 and \$4,011,362 respectively.

NOTE 9 – FCCC SCHOLARSHIP ENDOWMENT

The Foundation for California Community Colleges (FCCC) has created a permanent endowment fund intended to provide scholarship support to California Community College students in perpetuity. The fund began in May 2008 with a \$25 million lead gift from The Bernard Osher Foundation. Through June 2011, The Bernard Osher Foundation provided an additional 50 percent match of contributions up to \$25 million. In order to take advantage of this opportunity for community colleges, the Foundation has contributed \$237,177, in order to receive a 50 percent match. As of June 30, 2020 and 2019, the Foundation has FCCC endowments totaling \$266,283 and \$277,579 and a beneficial interest in the Osher matching funds of \$171,111 and \$171,111 respectively.

Scholarships are distributed annually from the FCCC to individual colleges from both components of the Endowment. Scholarships from the initial \$25 million fund are distributed to every California Community College based on proportional enrollment, calculated by full-time equivalent students, and adjusted annually. A minimum floor of five percent of the invested Endowment principal is used in determining scholarship payouts for colleges.

OXNARD COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
 June 30, 2020 and 2019

NOTE 10 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

	2020	2019
Cash and cash equivalents	\$ 718,661	\$ 1,079,225
Accounts receivable, net	270	74,475
Acabado receivable	-	100,000
Other current assets	6,489	7,610
	\$ 725,420	\$ 1,261,310

NOTE 10 – LIQUIDITY AND AVAILABILITY OF RESOURCES - Continued

The Oxnard College Foundation endowment funds consists of donor-restricted endowments and board-designated endowments or funds designated by the board to be available for general expenditures. Income from donor-restricted endowments is restricted for specific purposes and, therefore, is not available for general expenditures. As part of the Oxnard College Foundation’s liquidity management, the Foundation has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition to the financial assets available to meet general expenditures over the next twelve months, the Foundation anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted endowments.

NOTE 11 – RISK AND UNCERTANTIES

Covid-19. In March of 2020, the COVID-19 outbreak in the United States has caused considerable business disruption through mandated and voluntary closings of many businesses. The outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Foundation’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Company’s customers, employees and vendors all of which are uncertain and cannot be predicted at this time.

The Community marketplace closed in March 2020 due to the outbreak. The loss of marketplace income will have a material impact on the Foundation’s financial condition and results of operations. At June 30, 2020, the Foundation had net assets without donor restrictions of \$4,429,134 which should provide sufficient resources to maintain operations during the closure of the marketplace.