

Peralta Colleges Foundation
(a not-for-profit corporation)

Financial Statements
and
Independent Auditors' Report

For the Year Ended
June 30, 2023



**Peralta Colleges Foundation
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June 30, 2023

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Independent Auditors' Report

To the Board of Directors and Management
Peralta Colleges Foundation
San Francisco, CA

Opinion

We have audited the financial statements of Peralta Colleges Foundation, which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 Peralta Colleges Foundation as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 Peralta Colleges 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 Peralta Colleges 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.

A stylized, handwritten signature of "BryMar" in black ink.

Watsonville, CA
August 12, 2024

**Peralta Colleges Foundation
Statement of Financial Position**

June 30, 2023

ASSETS

Current assets	
Cash and cash equivalents	\$ 1,559,181
Accounts receivable	280,369
Investments	310,665
Prepays and other current assets	1,604
	<hr/>
Total current assets	2,151,819
Endowment investments	931,260
	<hr/>
Total assets	<u><u>\$ 3,083,079</u></u>

LIABILITIES AND NET ASSETS

Current liabilities	
Accounts payable and accrued expenses	\$ 172,557
Managed funds	894,429
Refundable advance	147,450
	<hr/>
Total current liabilities	1,214,436
	<hr/>
Total liabilities	1,214,436
Net assets	
Without donor restrictions	107,562
With donor restrictions	1,761,081
	<hr/>
Total net assets	1,868,643
	<hr/>
Total liabilities and net assets	<u><u>\$ 3,083,079</u></u>

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

Peralta Colleges Foundation
Statement of Activities and Changes in Net Assets

For the Year Ended June 30, 2023

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
REVENUE, SUPPORT, AND GAINS			
Individual contributions	\$ 23,683	\$ 211,268	\$ 234,951
Foundation and corporation grants	4,493	948,018	952,511
Fundraising event, net	148,751	-	148,751
Contributions of nonfinancial assets	29,245	-	29,245
Administrative fees	42,786	-	42,786
Investment income (loss), net	31,014	32,534	63,548
	<u>279,972</u>	<u>1,191,820</u>	<u>1,471,792</u>
Total revenue and support			
Net asset released from restrictions	<u>1,090,450</u>	<u>(1,090,450)</u>	<u>-</u>
Total revenues and support with net asset released from restrictions	1,370,422	101,370	1,471,792
EXPENSES			
Program services	1,232,934	-	1,232,934
Fundraising expenses	68,708	-	68,708
General and administrative expenses	173,219	-	173,219
	<u>1,474,861</u>	<u>-</u>	<u>1,474,861</u>
Total expenses			
Total change in net assets	(104,439)	101,370	(3,069)
Net assets, beginning of year	<u>212,001</u>	<u>1,659,711</u>	<u>1,871,712</u>
Net assets, end of year	<u>\$ 107,562</u>	<u>\$ 1,761,081</u>	<u>\$ 1,868,643</u>

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

**Peralta Colleges Foundation
Statement of Functional Expenses**

For the Year Ended June 30, 2023

	<u>Scholarships</u>	<u>Community</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Fundraising</u>	<u>General and administrative</u>	<u>Total</u>
Wages and salaries	\$ 37,595	\$ 37,595	\$ 37,595	\$ 112,785	\$ 49,275	\$ 50,999	\$ 213,059
Payroll taxes	3,015	3,015	3,015	9,045	3,997	4,387	17,429
Employee benefits	2,933	2,933	2,933	8,799	1,802	3,324	13,925
Scholarships	478,943	16,407	23,150	518,500	-	-	518,500
Grants	95,178	427,896	8,995	532,069	-	-	532,069
Grant fees	6,822	22,458	2,547	31,827	-	-	31,827
Fundraising events expense	-	4,400	-	4,400	71,604	-	76,004
Information technology	2,184	2,184	2,184	6,552	2,847	2,978	12,377
Dues, subscriptions and fees	-	-	-	-	6,129	4,402	10,531
Insurance	-	-	-	-	-	2,786	2,786
Miscellaneous	-	-	-	-	-	2,329	2,329
Nonfinancial expenses	3,573	3,573	3,573	10,719	4,658	4,873	20,250
Office expense	879	879	880	2,638	-	2,638	5,276
Professional fees	-	-	-	-	-	94,503	94,503
Total gross expense	<u>631,122</u>	<u>521,340</u>	<u>84,872</u>	<u>1,237,334</u>	<u>140,312</u>	<u>173,219</u>	<u>1,550,865</u>
Less: fundraising events expense		<u>(4,400)</u>		<u>(4,400)</u>	<u>(71,604)</u>	<u>-</u>	<u>(76,004)</u>
Total expenses	<u>\$ 631,122</u>	<u>\$ 516,940</u>	<u>\$ 84,872</u>	<u>\$ 1,232,934</u>	<u>\$ 68,708</u>	<u>\$ 173,219</u>	<u>\$ 1,474,861</u>

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

Peralta Colleges Foundation
Statement of Cash Flows

For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (3,069)
Adjustments to reconcile change in net assets cash provided by (used in) operating activities	
Unrealized (gain) loss on investments	(37,430)
Investment interest and dividends, reinvested	(41,660)
(Increase) decrease in operating assets:	
Accounts receivable	(230,962)
Prepays and other current assets	2,278
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	73,141
Managed funds	(104,548)
Refundable advance	(126,750)
	<hr/>
Net cash provided by (used in) operating activities	(469,000)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of investments	531,776
Acquisition of investments	(66,500)
	<hr/>
Net cash provided by (used in) investing activities	465,276
	<hr/>
Net increase (decrease) in cash and cash equivalents	(3,724)
Cash and cash equivalents, beginning of year	1,562,905
	<hr/>
Cash and cash equivalents, end of year	\$ 1,559,181
	<hr/> <hr/>

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

Peralta Colleges Foundation

Notes to Financial Statements

June 30, 2023

NOTE 1 - NATURE OF OPERATIONS

Peralta Colleges Foundation (the Foundation) was incorporated in the State of California in January 7, 1971, for the purpose of establishing financial assistance to students and to enhance the intellectual, cultural, and educational needs of the students, faculty and staff and the communities in which they work.

The Foundation supports academic excellence and success throughout the Peralta Community College District (the District) by building partnerships in the region to raise scholarship funds for committed students and financial support for the four colleges that comprise the District: Berkeley City College, College of Alameda, Laney College and Merritt College. The Foundation also provides faculty grants for classroom enrichment, provides funds for the purchase of books at the libraries of each campus, and runs a district-wide alumni engagement program. Charitable gifts to the four colleges of the District and its auxiliaries are accepted and administered by the Foundation. In addition, the Foundation stewards restricted contributions for scholarships and programs in accordance with donor instructions.

The Peralta Colleges Foundation is an independent, 501(c) (3) non-profit auxiliary to the District.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared on the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Under the accrual basis of accounting, revenue and support are recorded when earned and expenses when incurred and accordingly reflect all significant receivables, payables and other liabilities.

Basis of presentation

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

Net assets without donor restrictions consist of net assets that are for use in general operations and are not subject to donor (or certain grantor) restrictions. The governing board has not designated any amounts from net assets without donor restrictions.

Net assets with donor restrictions represent contributions whose use has imposed restrictions. The donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents consist of cash and money market funds. For purposes of reporting cash flows, the Foundation considers all unrestricted highly liquid investments with an initial maturity of 90 days or less at the date of purchase to be cash equivalents.

Peralta Colleges Foundation

Notes to Financial Statements

June 30, 2023

Accounts receivable

Accounts receivable consists of funds granted, contributions, and funds to be managed that will be received within one year. The Foundation periodically assesses its methodologies for estimating credit losses in consideration of actual experience, trends, and changes in the overall economic environment. The allowance for credit losses as of June 30, 2023 was \$0. Management believes all accounts receivable as of June 30, 2023 are collectible.

Accounts receivable as of July 1, 2022 was \$49,407.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return/(loss) is reported in the statements of activities and changes in net assets and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Fair value of financial instruments

Financial instruments in the Foundation's statements of financial position for the year-ended June 30, 2022 include cash and cash equivalents, accounts payable, and accrued expenses, for which the carrying amounts represent a reasonable estimate of the corresponding fair values.

Prepays and other current assets

Prepaid expenses and other current assets consist of expenses and insurance that are paid in advance of when due and are expected to be realized within one year.

Endowment investments

Endowment investments consist of investments purchased with donor-restricted permanent endowments, which are contributions restricted by donors to investment in perpetuity with only investment income and appreciation being used to support the Foundation's activities

Endowment investments also include investments purchased with unspent investment income and net gains on those resources.

Endowment investments are reported at fair value. The fair value for investments in equity securities traded on national securities exchanges is determined by the closing price on the last business day of the fiscal year; securities traded on the over-the-counter market are valued at the last reported bid price. The fair value of shares in exchange-traded funds is determined by the closing price on the last business day of the fiscal year. The fair value of open-end mutual fund units is determined by the published net asset value per unit at the end of the last trading day of the fiscal year.

The investment and spending policies for the endowment funds are discussed in Note 4.

Accounts payable and accrued expenses

Accounts payable and accrued expenses consist of amounts due for expenses incurred but not paid until the subsequent year as well as the accrual for compensated absences.

Peralta Colleges Foundation

Notes to Financial Statements

June 30, 2023

Managed funds

Managed funds represent funds held on behalf of others at the various colleges within the District. The Foundation records additions to the funds as liabilities and distributions as reductions in the liability balance.

Refundable Advance

When a donor transfers assets to the Foundation subject to a condition, a refundable advance is accounted for until the condition is substantially met.

Revenue recognition

Exchange revenue - The Foundation recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Foundation receives contracts from foundations to provide services. The performance obligation is providing the service to the grantee. The Foundation establishes the transaction price, based on quoted prices in active markets. Revenue is recognized when the corresponding service has been provided according to the agreement, subject to the contract limit, if any.

Contribution revenue - The Foundation records contributions, including unconditional promises to give as revenue at their fair value in the period the contribution or pledge is received. All contributed support is recognized as revenue without donor restrictions when received or un-conditionally promised. The Foundation reports gifts of cash and other assets as restricted support if such gifts are received with donor stipulations that limit the use of the donated assets. When such restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported as net assets released from restrictions.

Fundraising events revenue - The Foundation conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event - the exchange component, and a portion represents a contribution to the Foundation. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Foundation. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The performance obligation is delivery of the event. The event fee is set by the Foundation. FASB ASU 2014-09 requires allocation of the transaction price to the performance obligation(s). Accordingly, the Foundation separately presents in its notes to financial statements, the exchange and contribution components of the gross proceeds from special events. For special event fees received before year-end for an event to occur after year-end, the Foundation follows the American Institute of Certified Public Accountants (AICPA) guidance where the inherent contribution is conditioned on the event taking place and is therefore treated as a refundable advance along with the exchange component. Special event fees collected by the Foundation in advance of its delivery are initially recognized as deferred revenue and recognized as special event revenue after delivery of the event.

Nonfinancial contributions

The Foundation records nonfinancial support including contributed assets and professional services. Contributed professional services are recognized if the services received (a) create or enhance a non-financial asset or (b) require specialized skills, provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized as nonfinancial asset donations at their fair market value. The amounts reflected in the accompanying financial statements as nonfinancial contributions are offset by like amounts included in expense.

Peralta Colleges Foundation

Notes to Financial Statements

June 30, 2023

Fair value of financial instruments

Financial instruments included in the Foundation's Statements of Financial Position as of June 30, 2023 include cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, for which the carrying amounts represent a reasonable estimate of the corresponding fair values.

Functional expense allocations

The costs of providing the various program and supporting services have been summarized on a functional basis in the Statement of Activities and Changes in Net Assets and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses applicable to more than one program are allocated based on usage and management's estimates.

Accounting for uncertainty for income taxes

The Foundation evaluates its uncertain tax positions and will recognize a loss contingency when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position.

The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. June 30, 2023 management did not identify any uncertain tax positions.

The Foundation is subject to potential examination by taxing authorities for income tax returns filed in the U.S. federal jurisdiction and the State of California.

Recent accounting standards

Leases - In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842) (ASU 2016-02). ASU 2016-02 requires entities to recognize right-of-use assets and lease liabilities on the statement of financial position for the rights and obligations created by all leases, including operating leases, with terms of more than 12 months. The new standard also requires additional disclosures on the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative information. The effective date was January 1, 2021, however, in June 2020, FASB issued ASU 2020-05 which pushed out the effective date out by one year. The new standard was effective for the Foundation on July 1, 2022. The Foundation has implemented this standard and has reflected this on its financial statements and related disclosures using a retrospective approach. The net assets and changes in net assets are unchanged due to implementation.

Credit losses - In June 2016, the FASB issued Accounting Standards Codification (ASC) 326 which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the organization that are subject to the guidance in FASB ASC 326 were accounts receivable. The Foundation is in the process of evaluating the impact of the adoption this standard will have on its financial statements and related disclosures.

Peralta Colleges Foundation
Notes to Financial Statements

June 30, 2023

NOTE 3 - INVESTMENTS

The Organization reports investments at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs.

The basis for the carrying value of investments is from information provided by broker managed accounts. Fair value measurements of investment instruments are based on open actively traded securities markets as reported by investment account broker statements.

The three levels of inputs that may be used to measure fair value:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs that are supported by little to no market activity and that are significant to the fair value of the assets or liabilities.

When available, the Organization measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. In certain cases, where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

The Foundation invests in equity securities and exchange traded funds with financial institutions. The investments are recognized at fair value as of June 30, 2023:

	2023	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other unobservable inputs (Level 3)
Corporate stocks	5,324	5,324	-	-
Mutual funds	10,300	10,300	-	-
Exchange traded funds	295,041	295,041	-	-
Total	\$ 310,665	\$ 310,665	\$ -	\$ -

Peralta Colleges Foundation
Notes to Financial Statements

June 30, 2023

The Foundation invests in equity securities, bonds, and exchange traded funds with financial institutions. The endowment investments are recognized at fair value as of June 30, 2023:

	2023	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant other observable inputs (Level 3)
Cash and cash equivalents	\$ 456,310	\$ 456,310	\$ -	\$ -
Corporate stocks	12,628	12,628	-	-
Mutual funds	323,121	323,121	-	-
Exchange traded funds	87,855	87,855	-	-
Bond funds	51,346	51,346	-	-
Total	\$ 931,260	\$ 931,260	\$ -	\$ -

NOTE 4 - ENDOWMENT

The Foundation's endowment consists of funds established for scholarships. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restriction (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The portion of the donor-restricted endowment that is not classified as a perpetual endowment 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 of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of Foundation, and (7) Foundation investment policies.

The endowment fund 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 of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Peralta Colleges Foundation
Notes to Financial Statements

June 30, 2023

Investment Return Objectives, Risk Parameters and Strategies. Endowment funds are invested in accordance with the investment policy approved by the Board of Directors. The funds are invested to ensure current income and long-term-growth of the fund, and to safeguard its principal. The investments attempt to provide a predictable stream of funding to programs supported by the endowment assets. The funds are invested in a balanced portfolio comprised of cash, fixed income securities, and equities.

Spending Policy. It is Foundation policy to only use the income and capital appreciation from its endowment funds for distribution.

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 has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no net assets without donor restrictions transferred to replenish fund deficiencies as of June 30, 2022.

Endowment activity for the year ended June 30, 2023 was as follows:

	<u>2023</u>
Endowment investments, June 30, 2022	\$ 869,353
Investment Return	22,660
Deposits for new endowments	66,500
Interest, dividends, and capital gains	32,110
Investment fees	(9,565)
Appropriation of endowment assets	<u>(49,798)</u>
Endowment investments, June 30, 2023	<u>\$ 931,260</u>

**Peralta Colleges Foundation
Notes to Financial Statements**

June 30, 2023

Endowments were broken into the following funds at June 30, 2023:

<u>Fund</u>	<u>Endowment Fund Earnings</u>	<u>Endowment Fund Corpus</u>	<u>Total</u>
Susan Almon Duncan Memorial Book Scholarship	\$ 354	\$ 10,462	\$ 10,816
Adeline Giuntini Memorial Scholarship	1,820	15,930	17,750
Alameda Business Women Scholarship	1,128	3,500	4,628
Anna & John Los Scholarship	6,688	20,000	26,688
Doddie Gifford Labor Studies Scholarship	9,580	25,000	34,580
Elmore Holeman Memorial Scholarship	1,320	4,145	5,465
Ken Harvey Athletic Scholarship	16,527	43,347	59,874
Kenneth L Rogers Memorial Scholarship	1,442	3,741	5,183
Lawrence L Chin Memorial Scholarship	178	5,000	5,178
Torri Minton Scholarship	1,326	12,650	13,976
Vanessa Barrett Welding Scholarship	1,892	47,500	49,392
Allied Health Scholarship	8,448	26,537	34,985
Antoinette Lenahan Child Development Scholarship	618	2,500	3,118
Carter Gilmore Scholarship	1,247	-	1,247
Kaiser Excellence Scholarship	12,129	10,000	22,129
Marion Petrecca Tadlock Memorial Scholarship	6,929	11,097	18,026
Oakland A's Sports Management Scholarship	8,213	100,000	108,213
Alameda Promise Grant	15,539	275,000	290,539
Cornelia Lasley Field Memorial Scholarship	1,651	5,000	6,651
Elizabeth & Alfred Nwala Scholarship	3,535	10,429	13,964
Margaret (Peggy) Withrow Memorial Scholarship	1,519	4,771	6,290
Ruth Bittman Scholarship	21,794	100,000	121,794
Georgia Runge-Smith Memorial Scholarship	47	5,000	5,047
Ormond #1 - CEOY Scholarship	3,524	10,000	13,524
Dr. George Herring Higher Education Scholarship	117	10,000	10,117
Joseph Murphy Concetta Branson Scholarship	1,336	21,750	23,086
Donald Hongisto Leadership Scholarship	-	19,000	19,000
Endowments, end of year	<u>\$ 128,901</u>	<u>\$ 802,359</u>	<u>\$ 931,260</u>

NOTE 5 - REFUNDABLE ADVANCES

Refundable advances are a transfer of assets that is a conditional contribution until the conditions of the contribution has been substantially met or explicitly waived by the donor. The following table provides information about significant changes in refundable advances for the year ended June 30, 2023:

Refundable advances, beginning of period	\$ 274,200
Increases in refundable advance due to cash received during the period	250,000
Decreases in refundable advance due to expenditures during the period	<u>(376,750)</u>
Refundable advances, end of period	<u>\$ 147,450</u>

Peralta Colleges Foundation
Notes to Financial Statements

June 30, 2023

NOTE 6 - CONTRIBUTIONS OF NONFINANCIAL ASSETS

Nonfinancial contributions include a donated vehicle and rent and utilities. In addition to nonfinancial contributions, volunteers contribute significant amounts of time to program services, administration and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. During the year ended June 30, 2023 the Organization recognized within the statement of activities in-kind assets including the following:

Rent and utilities	\$	20,250
Vehicle		8,995
		8,995
	\$	29,245

Rent

Office space was provided by the Peralta Community College District on behalf of the Foundation. The office space valuation is based on the square footage of the office space at the market price and the utilities services are valued by estimated usage based on invoiced amounts.

Vehicle

The contributed vehicle was valued based on fair market value of similar products.

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions during the year ended June 30, 2023 consisted of the following:

	2022	Additions	Releases	2023
Retiree and survivor reimbursement program	\$ 16,803	\$ -	\$ -	\$ 16,803
Unspent endowment fund earnings	123,495	42,704	(37,298)	128,901
Endowment fund corpus	745,859	69,000	(12,500)	802,359
Scholarship fund	647,585	552,818	(568,723)	631,680
Community programs	125,969	527,298	(471,929)	181,338
	\$ 1,659,711	\$ 1,191,820	\$ (1,090,450)	\$ 1,761,081

**Peralta Colleges Foundation
Notes to Financial Statements**

June 30, 2023

NOTE 8 - LIQUIDITY AND AVAILABILITY

The Foundation strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures.

The Foundation considers investment income without donor restrictions, appropriated earnings from donor-restricted and contributions without donor restrictions to be available to meet cash needs for general expenditures. General expenditures include administrative and general expenses, program expenses, and fundraising expenses to be paid in the subsequent year.

The Foundation manages its cash available to meet general expenditures following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets, and
- Maintaining sufficient reserves to provide reasonable assurance that mission fulfillment will continue to be met, ensuring the sustainability of the Foundation.

The following table reflects the Foundation's financial assets as of June 30, 2023, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions. Amounts not available to meet general expenditures within one year also include net assets with donor restrictions greater than one year.

Cash and cash equivalents	\$ 1,559,181
Accounts receivable	280,369
Investments	310,665
Less: donor restricted cash	-
	<u>\$ 2,150,215</u>

NOTE 9 - FUNCTIONAL EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The Foundation allocates all expenses based on a time allocation of the employees per month and this is done for all expense other than grant expense. Grant expense is directly allocated to grant making.

NOTE 10 - CONCENTRATION OF RISK

Financial instruments that potentially subject the Foundation to credit risk consist primarily of cash, and receivables. The Foundation maintains cash with commercial banks and other major financial institutions. At times, cash balances may be in excess of the Federal Deposit Insurance (FDIC) limits of \$250,000.

The credit risk associated with receivables is mitigated by the fact that the receivables are due from Foundation members, local donors and governments.

For the year ended June 30, 2023, there were two contributors, that provided more than 10% of support and revenue, excluding in-kind contributions. There were no receivables from these two contributors as of June 30, 2023.

Peralta Colleges Foundation
Notes to Financial Statements

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NOTE 11 - COMMITMENTS AND CONTINGENCIES

The spread of COVID-19, a novel strain of coronavirus, is altering the behavior of society across the world. The continued spread of COVID-19 may adversely impact the local, regional, national and world economies. The extent to which Covid-19 may impact the Foundation's activities may depend on future developments which are highly uncertain and cannot be predicted. Although to date, Covid-19 has not had a material impact on the Foundation's activities, management cannot presently estimate the overall long-term operational and financial impact to the Foundation.

NOTE 12 - SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the statement of financial position date but before the date the financial statements were available to be issued. The Foundation recognizes in the financial statements, the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position but arose after the statement of financial position date and before financial statements are available to be issued.

Subsequent events have been evaluated through the date of the independent auditors' report, which is the date the financial statements were approved by the Foundation and available to be issued.

No subsequent events require disclosure or recognition.