Board of Directors Strategic Retreat Agenda

Thursday, November 30, 2023 - 5:00pm-8:00pm
Oxnard College Library Learning Resource Center

I. Call to Order

Board Members Roll Call

- ☐ Mike Barber, Board President
- ☐ Brenda Heredia, Secretary
- ☐ Oscar Cobian, Interim OC President
- ☐ Joe Black
- ☐ Mari Estrada
- ☐ Jim Gilmer
- ☐ Michael Inda
- ☐ Rachel Jones
- ☐ Jonathan Light
- ☐ Jeff McKenzie
- ☐ Alex Nguyen
- ☐ Kaye Placio
- ☐ Antonio Rodriguez
- ☐ Gabriela Rodriguez
- ☐ Vincent Stewart
- ☐ Ramon Tejada
- ☐ Maria Thayer
- ☐ Austin Yang

II. Public Comments

III. Action Items

A. Approve the 2022/2023 Fiscal Year Audit.

IV. Retreat Agenda Items

A. Introduction of George Boodrookas, Facilitator
B. Group activity and discussion of strategic directions.

V. Other Business

VI. Adjournment

Meeting Materials
III.A – 2022/2023 Audited Financial Statements

Agenda and materials are available at: https://oxnardcollegefoundation.org/board-meetings/

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November 21, 2023

Board of Directors
Oxnard College Foundation
Oxnard, California

We have audited the financial statements of Oxnard College Foundation for the years ended June 30, 2023 and 2022, and we will issue our report thereon dated November 21, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, Government Auditing Standards and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated August 9, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Oxnard College Foundation are described in Note 1 to the financial statements. During the year ended June 30, 2023, the Foundation adopted accounting policy ASU 2016-02, accounting for leases. The application of existing policies was not changed during the year ending June 30, 2023. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

> Management's estimate of the beneficial interest in FCCC endowment is equal to the present value of a rolling average of payment received over past three years using the discount factor of 5% which is the spending policy of the FCCC Osher scholarships. We evaluated the key factors and assumptions used to develop an estimate of the beneficial interest in FCCC endowment and in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

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The disclosure of Title V Endowment and FCCC Scholarship Endowment in Notes 9 and 10 to the financial statement due to the sensitive nature of these disclosures to the future operation of the organization.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit
We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements
Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatement detected as a result of audit procedures and corrected by management were material, either individually or in aggregate, to the financial statements taken as a whole.

Disagreements with Management
For purposes of this letter, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter dated November 14, 2023.

Management Consultation with Other Independent Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Foundation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Finding or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of Board of Directors of The Oxnard College Foundation and is not intended to be, and should not be, used by anyone other than these specified parties.

SOARES, SANDALL, BERNACCHI & PETROVICH, LLP
Certified Public Accountants
Oxnard, CA

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Board of Directors
Oxnard College Foundation
Oxnard, California

Communication of Significant Deficiencies and Material Weaknesses

In planning and performing our audit of the financial statements of the Oxnard College Foundation as of and for the year ended June 30, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered Oxnard College Foundation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

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 a 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a 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. We consider the following deficiencies in the Foundation's internal control to be significant deficiencies:

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.

* * * * *

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

SOARES, SANDALL, BERNACCHI & PETROVICH, LLP
Certified Public Accountants
Oxnard, CA

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November 14, 2023

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OXNARD COLLEGE FOUNDATION

FINANCIAL STATEMENTS

June 30, 2023 and 2022

Draft

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Board of Directors
Oxnard College Foundation
Oxnard, California

Independent Auditors' Report

Opinion

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, 2023 and 2022, 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.

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, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

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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 generally accepted auditing standards 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Oxnard College Foundation's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Oxnard College Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

SOARES, SANDALL, BERNACCHI & PETROVICH LLP
Certified Public Accountants

November 21, 2023

OXNARD COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

Draft

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 315,475	$ 486,999
Accounts receivable, net	101,727	1,367
Proyect Exito receivable	100,000	100,000
Other current assets	10,340	6,147
TOTAL CURRENT ASSETS	527,542	594,513
LONG-TERM INVESTMENTS	9,467,982	8,242,282
FCCC ENDOWMENT	279,846	268,288
BENEFICIAL INTEREST IN FCCC ENDOWMENT	189,556	181,333
TOTAL ASSETS	$ 10,464,926	$ 9,286,416
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	$ 8,633	$ 30,828
Scholarships payable	232,650	259,282
Deferred revenue	48,338	2,325
TOTAL CURRENT LIABILITIES	289,621	292,435
NET ASSETS		
Net assets without donor restrictions	6,070,182	5,356,708
Net assets with donor restrictions	4,105,123	3,637,273
TOTAL NET ASSETS	10,175,305	8,993,981
TOTAL LIABILITIES AND NET ASSETS	$ 10,464,926	$ 9,286,416

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, 2023 and 2022

Draft

	2023		
	Net Assets		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Gifts, grants, and bequests of cash and other financial assets	$ 48,588	$ 222,028	$ 270,616
Contributions of non-financial assets	510,557	-	510,557
Increase in beneficial interest in FCCC endowment	-	19,781	19,781
Investment gain, net	786,604	439,097	1,225,701
Community market income	510,557	-	510,557
Unclaimed scholarship income	35,154	-	35,154
Special events, net	(39,236)	-	(39,236)
TOTAL REVENUE	1,852,224	680,906	2,533,130
NET ASSETS RELEASED FROM RESTRICTIONS	213,056	(213,056)	-
TOTAL REVENUE AND OTHER SUPPORT	2,065,280	467,850	2,533,130
EXPENSES			
Program:			
Scholarships	398,850	-	398,850
Oxnard College programs	22,489	-	22,489
Community Outreach Fund	5,373	-	5,373
TOTAL PROGRAM EXPENSES	426,712	-	426,712
Community market	143,399	-	143,399
Community market - in-kind expenses	510,557	-	510,557
Administrative:			
Professional fees	35,874	-	35,874
Payroll and related expenses	169,930	-	169,930
Office expense	2,755	-	2,755
Miscellaneous	34,938	-	34,938
Conferences and meetings	4,951	-	4,951
Insurance	22,690	-	22,690
TOTAL ADMINISTRATIVE EXPENSES	271,138	-	271,138
TOTAL EXPENSES	1,351,806	-	1,351,806
CHANGE IN NET ASSETS	713,474	467,850	1,181,324
NET ASSETS AT BEGINNING OF YEAR	5,356,708	3,637,273	8,993,981
NET ASSETS AT END OF YEAR	$ 6,070,182	$ 4,105,123	$ 10,175,305

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

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	2022		
	Net Assets		
	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Gifts, grants, and bequests of cash and other financial assets	$ 13,810	$ 241,209	$ 255,019
Contributions of non-financial assets	485,469	-	485,469
Decrease in beneficial interest in FCCC endowment	-	(49,537)	(49,537)
Investment loss, net	(1,044,934)	(600,900)	(1,645,834)
Community market income	485,469	-	485,469
Unclaimed scholarship income	78,659	-	78,659
Special events, net	33,111	-	33,111
TOTAL REVENUE	51,584	(409,228)	(357,644)
NET ASSETS RELEASED FROM RESTRICTIONS	70,238	(70,238)	-
TOTAL REVENUE AND OTHER SUPPORT	121,822	(479,466)	(357,644)
EXPENSES			
Program:			
Scholarships	279,867	-	279,867
College contract	116,623	-	116,623
Oxnard College programs	11,592	-	11,592
Community Outreach Fund	2,880	-	2,880
TOTAL PROGRAM EXPENSES	410,962	-	410,962
Community market	140,738	-	140,738
Community market - in-kind expenses	485,469	-	485,469
Administrative:			
Professional fees	43,644	-	43,644
Payroll and related expenses	143,186	-	143,186
Office expense	1,745	-	1,745
Miscellaneous	38,862	-	38,862
Conferences and meetings	10,720	-	10,720
Insurance	18,575	-	18,575
TOTAL ADMINISTRATIVE EXPENSES	256,732	-	256,732
TOTAL EXPENSES	1,293,901	-	1,293,901
CHANGE IN NET ASSETS	(1,172,079)	(479,466)	(1,651,545)
NET ASSETS AT BEGINNING OF YEAR	6,528,787	4,116,739	10,645,526
NET ASSETS AT END OF YEAR	$ 5,356,708	$ 3,637,273	$ 8,993,981

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

OXNARD COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2023 and 2022

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	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,181,324	$ (1,651,545)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Beneficial interest in FCCC Endowment	(8,223)	(5,333)
Net realized and unrealized (gains) and losses on investments	(1,157,853)	1,815,014
(Increase)/decrease in:		
Accounts receivable	(100,360)	33,131
Proyecto Exito grant receivable	-	(100,000)
FCCC Endowment	(11,558)	54,871
Other current assets	(4,193)	(5,970)
Increase/(decrease) in:		
Accounts payable	(22,195)	5,341
Scholarships payable	(26,632)	(42,907)
Deferred revenue	46,013	(20,480)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(103,677)	82,122
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	1,929,818	2,220,007
Purchase of investments	(1,997,665)	(2,689,187)
NET CASH USED BY INVESTING ACTIVITIES	(67,847)	(469,180)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(171,524)	(387,058)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	486,999	874,057
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 315,475	$ 486,999
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.

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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.

Revenue and Revenue Recognition. The Foundation recognizes contributions and donations when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

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.

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 scholarships payable.

The Foundation's scholarship committee meets each year to select students who will receive scholarship awards. For the years ended June 30, 2023 and 2022, students who will receive a scholarship were selected in April 2023 and April 2022, respectively.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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, 2023 or 2022.

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 recorded $510,557 donation of non-financial assets and community market – in-kind expenses for the years ended June 30, 2023.

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 a 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.

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, 2023 and 2022 and the allocation of certain expenses by functional category.

Comparative Information. Certain amounts in June 30, 2022, financial statements have been reclassified for comparison purposes to conform to the June 30, 2023 presentation.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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, 2023 and 2022.

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, 2023 and 2022, 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 November 21, 2023, which is the date the financial statements were available to be issued. The Foundation did not experience material subsequent events requiring financial statement disclosure.

Contributed nonfinancial assets. 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 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 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. For the years ended June 30, 2023 and 2022, the Foundation recognized contributed nonfinancial assets within revenue and other support.

Oxnard College donates the use of parking space to the Foundation; the use of this parking lot space is limited to use as a site for the weekly Community Market operated by the Foundation. The Foundation monetizes this donation by renting the space to vendors selling merchandise at the weekly Community Market.

The amount of Marketplace rental income collected by the Foundation for the years ended June 30, 2023 and 2022 has been recorded as the fair value amount of the contribution of the use of nonfinancial assets for the year.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Leases. The Foundation categorizes leases with contractual terms longer than twelve months as either operating or finance. Finance leases are generally those leases that allow the Foundation to substantially utilize or pay for the entire asset over its estimated life. Assets acquired under finance leases are recorded in "Finance lease right-of-use assets, net." All other leases are categorized as operating leases.

Lease liabilities are recognized at the present value of the fixed lease payments, reduced by landlord incentives using a risk-free rate. Lease assets are recognized based on the initial present value of the fixed lease payments, reduced by landlord incentives, plus any direct costs from executing the lease or lease prepayments reclassified from "Prepaid expenses and deposits" upon lease commencement.

Leasehold improvements are capitalized at cost and amortized over the lesser of their expected useful life or the lease term.

When the Foundation has the option to extend the lease term, terminate the lease before the contractual expiration date, or purchase leased assets, and it is reasonably certain that the Foundation will exercise the option, the Foundation considers the option in determining the classification and measurement of the lease. The Foundation's leases may include variable payments based on measures that include changes in price indices, or market interest rates, which are expensed as incurred.

Costs associated with operating lease assets are recognized on a straight-line basis within operating expenses over the term of the lease. Finance lease assets are amortized within operating expenses on a straight-line basis over the shorter of the estimated useful lives of the assets or, in the instance where title does not transfer at the end of the lease term, the lease term. The interest component of a finance lease is included in interest expense and recognized using the effective interest method over the lease term.

The Foundation establishes assets and liabilities for the present value of estimated future costs to retire long-lived assets at the termination or expiration of a lease. Such assets are amortized over the lease period into operating expense, and the recorded liabilities are accrued to the future value of the estimated retirement costs.

On February 25, 2016, the FASB issued ASU 2016-02, *"Leases (Topic 842)."* ASC Topic 842 supersedes existing lease guidance, including ASC 840 – *Leases.* Among other things, ASU 2016-02 requires recognition of a Right-of-use asset and liability for future lease payments for contracts that meet the definition of a lease and requires disclosure of certain information about leasing arrangements. On July 30, 2018, the FASB issued ASU 2018-11, *"Leases (Topic 842): Targeted Improvements,"* which, among other things, allows companies to elect an optional transition method to apply the new lease standard through a cumulative effect adjustment in the period of adoption. The new guidance requires both classifications of leases, operating and finance, to be recognized on the balance sheet. The new guidance also results in a change in the naming convention for leases historically classified as capital leases. Under new guidance, these leases are now referred to as finance leases. Consistent with prior GAAP, the recognition, measurement and presentation of expense and cash flows arising from a lease will depend on its classification.

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The Foundation adopted the guidance effective July 1, 2022, by recognizing and measuring leases at the adoption date with a cumulative effect of initially applying the guidance recognized at the date of initial application and as a result did not restate the prior period presented in the Financial Statements. The Foundation elected certain practical expedients permitted under the transitional guidance, including retaining historical lease classification, evaluating whether any expired contracts are or contain leases, and not applying hindsight in determining the lease term. The Foundation elected the practical expedient to not separate lease and non-lease components within the lessee lease transaction for all classes of assets. Lastly, the Foundation elected the short-term lease exception for all classes of assets, and therefore does not apply the recognition requirements for leases of 12 months or less.

There were no leases over 12 months and therefore no operating lease right-of-use asset and operating lease liability.

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.

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, scholarship liabilities, and contributions of non-financial assets 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 Osher scholarships. The fair value of the scholarship liability equals the total scholarships awarded. The fair value of the contributions of non-financial assets equals the amount of Marketplace rental income.

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.

Common stocks, corporate bonds, and U.S. government securities*:* Valued at the closing price reported on the active market on which the individual securities are traded.

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NOTE 2 – FAIR VALUE MEASUREMENTS – Continued

Mutual funds: Valued at the quoted net asset value of shares held by the Foundation at year-end. Mutual funds held by the Plan are open-end mutual funds that are registered with the Security and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Foundation are deemed to be actively traded.

Interest-bearing cash: Includes investment in a money market account and is valued at carrying value which approximates fair value due to the short maturity of this instrument.

There have been no changes in the methodologies used on June 30, 2023 and 2022.

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

The following table sets forth by level within the fair value hierarchy, the Foundation's assets at fair value as of June 30, 2023 and 2022.

		2023	2023
	Fair Value	Quoted Prices in Active Markets for identical Assets (Level One)	Significant Unobservable inputs (Level Three)
Money market accounts	$ 480,283	$ 480,283	$ -
Stocks	8,987,699	8,987,699	-
FCCC Endowment	279,846	279,846	-
Beneficial Interest in FCCC Endowment	189,556	-	189,556
Scholarship payable	(232,650)	-	(232,650)
	$ 9,704,734	$ 9,747,828	$ (43,094)

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NOTE 2 – FAIR VALUE MEASUREMENTS – Continued

	Fair Value	2022 Quoted Prices in Active Markets for identical Assets (Level One)	2022 Significant Unobservable inputs (Level Three)
Money market accounts	$ 582,148	$ 582,148	$ -
Stocks	7,660,134	7,660,134	-
FCCC Endowment	268,288	268,288	-
Beneficial Interest in FCCC Endowment	181,333	-	181,333
Scholarship payable	(259,282)	-	(259,282)
	$ 8,432,621	$ 8,510,570	$ (77,949)

Fair Value Measurement Using Significant Unobservable Input (Level 3)

	Asset : Beneficial Interest in FCCC Endowment	Liability - Scholarships payable
June 30, 2023		
Beginning balance	$ 181,333	$ (259,282)
Increase in beneficial interest	8,223	-
Decrease in scholarship liability	-	26,632
Ending Balance	$ 189,556	$ (232,650)
June 30, 2022		
Beginning balance	$ 176,000	$ (302,189)
Increase in beneficial interest	5,333	-
Increase in scholarship liability	-	42,907
Ending Balance	$ 181,333	$ (259,282)

The carrying amounts of financial instruments, including cash, accounts receivable, accounts payable and other liabilities approximated fair value as of June 30, 2023 and 2022.

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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, 2023 and 2022, are summarized as follows:

	2023		
	Cost	Fair Market Value	Unrealized Appreciation
Money market accounts	$ 480,284	$ 480,284	$ -
Publicly traded stocks	7,456,304	8,987,698	1,531,394
TOTAL INVESTMENTS	$ 7,936,588	$ 9,467,982	$ 1,531,394

	2022		
	Cost	Fair Market Value	Unrealized Appreciation
Money market accounts	$ 582,148	$ 582,148	$ -
Publicly traded stocks	7,739,534	7,660,134	(79,400)
TOTAL INVESTMENTS	$ 8,321,682	$ 8,242,282	$ (79,400)

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, 2023 and 2022:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	$ 65,831	$ 36,982	$ 102,813
Realized and unrealized losses	746,039	411,814	1,157,853
Investment Fees	(22,332)	(12,633)	(34,965)
TOTAL	$ 789,538	$ 436,163	$ 1,225,701

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NOTE 3 – INVESTMENTS – Continued

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	$ 112,878	$ 84,989	$ 197,867
Realized and unrealized gains	(1,139,446)	(675,568)	(1,815,014)
Investment Fees	(18,366)	(10,321)	(28,687)
TOTAL	$ (1,044,934)	$ (600,900)	$ (1,645,834)

Funds invested in long term investments are comprised of the following at June 30, 2023:

	2023
Title V Scholarship Funds - El Buen Hijo	$ 709,679
Title V-Progresso Investment AC	420,024
Title V Scholarship Funds - Other	4,338,775
Title V - Proyecto Exito	105,039
Title III - Acabado Project	1,270,979
OCF Reserve Funds	2,623,486
	$ 9,467,982

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.

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:

	2023	2022
Other assets without donor restrictions	$ 2,217,276	$ 1,942,899
Board designated		
FCCC Endowment	279,846	228,288
Title V Contribution	3,573,060	3,185,521
Total Board designated	3,852,906	3,413,809
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	$ 6,070,182	$ 5,356,708

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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:

	2023	2022
Scholarships - Title V	$ 2,836,758	$ 2,482,286
Scholarships - Title III	635,490	604,067
Scholarships - Other	419,597	546,954
Programs	213,278	3,966
TOTAL NET ASSETS WITH DONOR RESTRICTIONS	$ 4,105,123	$ 3,637,273

NOTE 6 – COMPOSITION OF ENDOWMENT NET ASSETS

Endowment Net Asset Composition by Type of Fund as of June 30, 2023 and 2022:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 4,105,123	$ 4,105,123
Board-designated endowment funds	$3,852,906	-	3,852,906
TOTAL FUNDS	$ 3,852,906	$ 4,105,123	$ 7,958,029

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$3,637,273	$ 3,637,273
Board-designated endowment funds	3,413,809	-	3,413,809
TOTAL FUNDS	$ 3,413,809	$ 3,637,273	$ 7,051,082

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NOTE 6 – COMPOSITION OF ENDOWMENT NET ASSETS – Continued

Changes in Endowment Net Assets as of June 30, 2023 and 2022:

	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year	$3,413,809	$3,637,273	$ 7,051,082
Investment income	439,097	439,097	878,194
Change in beneficial interest in FCCC endownment	-	19,781	19,781
Contributions	-	222,028	222,028
Decrease in net assets with and without donor restrictions	-	(213,056)	(213,056)
TOTAL	$3,852,906	$ 4,105,123	$ 7,958,029

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Net assets, beginning of year	$ 3,814,709	$ 4,116,739	$ 7,931,448
Investment income	(600,900)	(600,900)	(1,201,800)
Project Acabado contribution and matching grant	-	100,000	100,000
Change in beneficial interest in FCCC endownment		(49,537)	(49,537)
Contributions	-	241,209	241,209
Decrease in net assets with and without donor restrictions	-	(70,238)	(70,238)
Transfers to create board-designated endowment funds	200,000	(100,000)	100,000
TOTAL	$ 3,413,809	$ 3,637,273	$ 7,051,082

NOTE 7 – CONTRACT OBLIGATION

The Foundation enters 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.

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NOTE 8 – TITLE III AND V ENDOWMENTS

TITLE III – Project Acabado Endowment -The Oxnard College participated 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, 2023 and 2022, the Foundation contributed $0 and $100,000 to the Project Acabado Endowment, respectively.

TITLE V – Proyecto Exito – Oxnard College was awarded a five-year grant funded through the U.S. Department of Education's Title V program and Oxnard College Foundation equally over a five year period to total the Endowment Fund Corpus of $3,100,000. The grant began May 23, 2022 and currently has no end date. During the year ended June 30, 2022, the Foundation contributed $100,000 to the Proyecto Exito Endowment and recorded a receivable for $100,000 in matching funds. There will be no future contributions or matches to this fund.

TITLE V – Project Acceso Y Progresso – The Oxnard College was awarded a five-year grant funded through the U.S. Department of Education's Title V program and Oxnard College Foundation equally over a five year period to total the Endowment Fund Corpus of $2,999,996. The grant began October 1, 2019 and continues through September 30, 2024.

During the year ended June 30, 2022, the Foundation contributed $100,000 to the Project Acceso Y Progresso Endowment and recorded $100,000 in matching funds. There will be no future contributions or matches to this fund.

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 – HSI – 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, 2023 and 2022, the total Title V endowment funds held by the Foundation are $5,573,517 and $4,864,575 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, 2023 and 2022, the Foundation has FCCC endowments totaling $279,846 and $268,288 and a beneficial interest in the Osher matching funds of $189,556 and $181,333 respectively.

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NOTE 9 – FCCC SCHOLARSHIP ENDOWMENT – Continued

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.

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:

	2023	2022
Cash and cash equivalents	$ 315,475	$ 486,999
Proyect Exito receivable	-	100,000
Accounts receivable, net	201,727	1,367
Other current assets	10,340	6,147
	$ 527,542	$ 594,513

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.