



Foundation Regular Board of Directors Meeting

Wednesday, November 1, 2023

3:00pm to 4:30pm

or "Emergency" or "Just Cause"

ZOOM: [https://collegeofthedesert-edu.zoom.us/j/5066201567?](https://collegeofthedesert-edu.zoom.us/j/5066201567?pwd=7etZPtufSKd2h81vKyF3m0upVemYk.1)
[pwd=7etZPtufSKd2h81vKyF3m0upVemYk.1](https://collegeofthedesert-edu.zoom.us/j/5066201567?pwd=7etZPtufSKd2h81vKyF3m0upVemYk.1)

Password: 1567

Dial: +1 669 900 6833 (US Toll) – Meeting ID: 506 620 1567

Multi Purpose Room-Cravens Center
College of the Desert

43500 Monterey Ave, Palm Desert

Public Participation and Public Comment:

In person and remote public participation is allowed and will be accepted in person, by email to codfoundation@collegeofthedesert.edu and submitted for the record during public comment or by using the raise your hand function by joining the Zoom link: <https://collegeofthedesert-edu.zoom.us/j/5066201567?pwd=ZW5DRzY3TTk1ekRudGRpZy9iNnFzUT09>. There is a time limit of three (3) minutes per person. All comments must be submitted or brought forward prior to the end of the public comments section.

Accommodations for Persons with Disabilities:

Persons with disabilities may make a written request for a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the Board meeting. All requests should be directed to the Office of the President in advance via email to codfoundation@collegeofthedesert.edu.



Agenda



**Wednesday, November 1, 2023
Foundation Board of Directors Regular Meeting**

3:00PM-4:30PM

Location: COD Palm Desert Campus Cravens Multi-Purpose Room

[https://collegeofthedesert-edu.zoom.us/j/5066201567?](https://collegeofthedesert-edu.zoom.us/j/5066201567?pwd=ZW5DRzY3TTk1ekRudGRpZy9iNnFzUT09)

pwd=ZW5DRzY3TTk1ekRudGRpZy9iNnFzUT09. (Public Comment Only)

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COLLEGE OF THE DESERT FOUNDATION MISSION: College of the Desert Foundation acts as advocates for the College and secures financial support enhancing educational opportunities for all students.

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COLLEGE OF THE DESERT MISSION: College of the Desert provides excellent educational programs in basic skills, career and technical education, certificate, transfer preparation, associate degrees, noncredit and distance education, which are continuously evaluated and improved. Our programs and services contribute to the success, learning and achievement of our diverse students and the vitality of the Desert Community College District, surrounding areas and beyond.

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Persons with disabilities may make a written request for a disability-related modification or accommodation, including for auxiliary aids or services, in order to participate in the Board meeting. Requests should be directed to the Office of the College of the Desert Foundation ("Foundation") as soon in advance of the Board meeting as possible.

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The Foundation minutes of the meeting are the official record of the actions of the Board. The Foundation meetings are governed by the Ralph M. Brown Act (California Code 54950 through 54962). The Foundation operates in accordance with the Non-Profit Benefit Corporations Law.

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1. CALL TO ORDER/ROLL CALL

1.01 Call to order

1.02 Roll Call

2. AGENDA

2.01 Pursuant to Government Code Section 54954.2(b)(2), the Board may take action on items of business not appearing on the posted agenda, upon a determination by a two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted as specified in subdivision (a)

2.02 Confirmation of Agenda: Approval of agenda for the Foundation Regular Board of Directors Meeting of November 1st, 2023 with any additions, corrections, or deletions.

3. MINUTES

3.01 Approval of the September 27th, 2023 Foundation Board of Directors Annual Meeting Minutes

4. PUBLIC COMMENTS

4.01 Public Participation and Public Comment: In person and remote public participation is allowed and will be accepted in person, by email to codfoundation@collegeofthedesert.edu and submitted for the record during public comment or by using the raise your hand function by joining the Zoom link: <https://collegeofthedesert-edu.zoom.us/j/5066201567?pwd=ZW5DRzY3TTk1ekRudGRpZy9iNnFzUT09>. There is a time limit of three (3) minutes per person. All comments must be submitted or brought forward prior to the end of the public comments section. Accommodations for Persons with Disabilities: Persons with disabilities may make a written request for a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the Board meeting. All requests should be directed to the Foundation Office in advance via email to codfoundation@collegeofthedesert.edu.

5. MISSION MOMENT

5.01 Great Alumni Hunt Students Q&A Session

6. REPORT ITEMS

6.01 Board of Trustee Liaison Report

6.02 Superintendent's/President's Report

6.03 Board Chair's Report

6.04 Executive Director's Report

6.05 Directors' Reports (Reports may be submitted by emailing the Foundation at emoiseeva@collegeofthedesert.edu)

7. ACTION ITEMS

7.01 Review of March-June 2023 Financial Statements

7.02 Review of July-August 2023 Financial Statements

7.03 Approval of 2022-2023 College of the Desert Foundation Annual Audit

8. DISCUSSION ITEMS

8.01 CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL (Government Code Section 54956.9): ANTICIPATED LITIGATION (Significant exposure to litigation pursuant to Government Code section 54956.9, subd. (d)(2) and (e) (1)) One (1) potential case

8.02 Carol Bell Dean's Resignation from the Board of Directors

8.03 Informational/ Miscellaneous

9. ADJOURNMENT

9.01 Next Meeting: Wednesday, January 24, 2023, at 3:00 PM-4:30 PM, at Cravens Multi-Purpose Room

9.02 Adjournment



Minutes for Approval

Foundation Board of Directors Regular Meeting (Wednesday, September 27, 2023)

Generated by Juli Maxwell on Friday, October 13, 2023

1. CALL TO ORDER/ROLL CALL

Procedural: 1.01 Call to order

Diane Rubin called the meeting to order at 3:03pm

1.02 Roll Call

Board members present: Barbara Foster Monachino, Bill Chunowitz, Carol Fragen, Diane Rubin, Jake Wuest, Jane Saltonstall, Jenell VanDenBos, Marge Dodge, Norma Castaneda, Rob Moon, Tom Minder

Board members absent: Chris Anderson, Charles Vinci, Dale Landon, Donna MacMillan, Jim Greene, Jim Williams, Marlene O'Sullivan, Paul Hinkes, Shari Stewart, Connie Lurie

Board members on Zoom but not counted in quorum: Joan Lamb, Carol Bell Dean

Non-Voting Members Present: Rod Garcia, Corbyn Wild, Laura Hope

Guests: Catherine Abbott, Gailya Brown, Elena Moiseeva, Kirstien Renna, Mike Hofacre

RECORDER: Juli Maxwell

2. AGENDA

Procedural: 2.01 Pursuant to Government Code Section 54954.2(b)(2), the Board may take action on items of business not appearing on the posted agenda, upon a determination by a two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted as specified in subdivision (a)

Procedural: 2.02 Confirmation of Agenda: Approval of agenda for the Foundation Regular Board of Directors Meeting of September 27, 2023 with any additions, corrections, or deletions.
Diane Rubin asked to pull items 6.01 and 6.02 from the agenda.

Agenda was approved as amended.

3. MINUTES

3.01 Approval of the May 24, 2023 Foundation Board of Directors Annual Meeting Minutes
May 24, 2023 minutes were approved.

4. PUBLIC COMMENTS

Information: 4.01 Public Participation and Public Comment: In person and remote public participation is allowed and will be accepted in person, by email to codfoundation@collegeofthedesert.edu and submitted for the record during public comment or by using the raise your hand function by joining the Zoom link: <https://collegeofthedesert-edu.zoom.us/j/5066201567?pwd=ZW5DRzY3TTk1ekRudGRpZy9iNnFzUT09>. There is a time limit of three (3) minutes per person. All comments must be submitted or brought forward prior to the end of the public comments section. Accommodations for Persons with Disabilities: Persons with disabilities may make a written request for a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in the Board meeting. All requests should be directed to the Foundation Office in advance via email to codfoundation@collegeofthedesert.edu.
No public comments.

5. REPORT ITEMS

Reports: 5.01 Board of Trustee Liaison - Ruben Perez

Ruben Perez was not present.

Reports: 5.02 Superintendent/President - Laura Hope

Laura Hope was introduced to the board and welcomed. Laura gave an introduction and an update on what she is working on currently. She is finishing her 3rd month as college President/Superintendent. She reported that the school now has a PIO, Nicholas Robles. Laura reported that she has been going to listening sessions throughout the community as part of the Educational Master Plan process. Laura also talked about the student's transportation challenge and working with Sunline. The board welcomed Laura and are looking forward to working with her.

Reports: 5.03 Board Chair - Diane Rubin

Diane welcomed back all of the staff as well as the board. Diane encouraged everyone to have clear set goals and to pursue them this coming year.

Reports: 5.04 Executive Director - Catherine Abbott

Cathy welcomed everyone back and gave an update on the following Staff activities:

- Time spent on the annual Audit
- Great Alumni Hunt
- Purchased new software "iWave", to dig deeper into potential donors
- New Director of Development, Eddie Hernandez
- New Resource Development Specialist, Elena Moiseeva
- New marketing materials working with HR Advantage
- Social media platform numbers have skyrocketed
- Appeal to donors for the Student Emergency Fund after the tropical storm damage in the valley
- Working with a fundraising consultant to do a feasibility study for a large scale campaign

Reports: 5.05 Directors' Reports (Reports may be submitted by emailing the Foundation at codfoundation@collegeofthedesert.edu)

Norma Castaneda shared an update on Stepping Out for COD. The entertainer has been secured and it is Leann Rimes. The event will be at The Show at Agua Caliente, to bring in more sponsorships and more money for our students. There will be 21-- seats available, compared to 1100 at the McCallum. There are also 6 suites to sell at the new location. Ticketmaster will be handling the tickets with a fee of \$8.50 per ticket. Agua Caliente will do the marketing and the event will be included on the Agua Caliente Marquis, as well as email blasts they send out. Meet and greet is being discussed, as well as other logistical items. The date for the event is April 4, 2024. Ushers and security will be included in the fee.

Rob Moon reported that there was a President's Circle Ad Hoc committee meeting on September 6 with Cathy Abbott, Eddie Hernandez, Rob Moon and Elena Moiseeva to discuss duties and responsibilities of the Chair of this committee. Membership, budget and events were discussed. Rob shared that currently there are 123 members in President's Circle. There is an event planned for November 9 at BG Bird Gardens in Palm Desert, CA. The theme will be a Jimmy Buffet oriented, Margaritaville/Cheeseburger in Paradise. Willie Rhine of EIGHT4NINE will do the catering. The committee is planning another February event but does not have a date as of yet. The committee will work on ways to attract more members.

Marge Dodge informed the committee that the Academic Angels Welcome Back Member Tea will take place on October 9 at Cuistot. Marge encouraged all board members to attend. Academic Angels also has a student, Derick Talay, enrolled in Learning to Lead.

Discussion: 5.06 Brown Act Refresher - Catherine Abbott/Diane Rubin

Diane Rubin and Cathy Abbott informed the committee that the Brown Act rules are more strict than previously communicated. Diane mentioned some highlights; board members must be within the district boundaries in order to participate via Zoom for any meeting, and must also have the address of their location, open to the public and printed on the agenda for the meeting. Board members can only participate via Zoom if they have "Just Cause" or an "Emergency" situation, but all of the previously mentioned rules will apply. If a board member does not attend in person, they will not be included in quorum no matter what the circumstance.

6. ACTION ITEMS

6.01 Review of June 2023 Financials/Approval of 2022-2023 College of the Desert Foundation Annual Audit - Barbara Foster Monachino/Kirstien Renna

Kirstien Renna reviewed the financials for the board. There was a significant gift of \$3.5m from the estate of Peggy Cravens, which will be used for maintenance and upkeep of the Cravens Center on campus. Cathy shared the .84 cents of every dollar raised by the Foundation goes to students. There were no questions or comments.

6.02 Board Designated Funding Recommendation / Approval

This was pulled from the agenda

7. DISCUSSION ITEMS

Discussion: 7.01 Executive Committee Strategic Goals - Catherine Abbott

Cathy presented the goals to the committee.

- Streamline Board and Committee Meetings - decrease by 20%
- Focus on Important Committee
- Board Member Goals for committees

Discussion: 7.02 Great Alumni Hunt - Catherine Abbott

Cathy presented the Great Alumni Hunt video to the board.

There is currently a commercial on KESQ and other local television stations, 4 billboards around the Valley and our social media is blowing up on every platform except Tik Tok! I have had so many people say they have seen and shared the posts created by Theresa and her team about the Hunt! This is the most social activity I have seen for the Foundation since I have been with COD. Visibility on our platforms, in particular LinkedIn has increased 500%.

The Great Alumni Hunt is a joint effort between the Foundation and the Alumni Association. I am pleased to report Eisenhower and Jordan Schnitzer and the Harold and Arlene CARE Foundation have signed on at the title sponsor level at \$25,000 each with Amazon and Renova signing on at the \$10,000 level. We have a new sponsor with Toyota of the Desert, Palm Springs Nissan, Valley Sanitary District, First Bank and Visit Greater Palm Springs.

We have confirmed Acrisure Arena as the host for the culminating event during a Firebirds home opener! The one-month "Amazing Race" style event will be led by student interns. They along with their team members consisting of a faculty or staff member and a community member will seek out and find 1000 College of the Desert Alumni during the month of October! During intermission of the hockey game, the foundation will announce our scholarship winners, recognize and thank our sponsors and our Alumni! The definition of alumni means they have taken at least one (1) class at COD. Tickets to the hockey game will be donated by our presenting sponsors. We hope you will join us to put an exclamation point at the end of this brand-new event!

A few of our board members have joined the Hunt as team mentors to students. Shari Stewart, Chris Anderson, Jake Wuest, Marge Dodge and Norma Castaneda! There are likely 100 people between students, community members and faculty and staff participating in the Hunt to help students win scholarships! Faculty have mentioned this is the most excitement they have seen on campus in a long time! Some fierce competition has already bubbled up as a result of the Hunt!

Discussion: 7.03 Fall Calendar and Committee Meeting Schedule

Board requested a copy of the updated directory of the staff, board and board of trustees, as well as an updated org chart.

8. ADJOURNMENT

Procedural: 8.01 Next Meeting: Wednesday, November 1, 2023, at 3:00 PM-4:30 PM, at Cravens Multi-Purpose Room



Review of March-June 2023 Financial Statements



COLLEGE
of the DESERT
FOUNDATION

FINANCIAL REPORT

FOR THE PERIOD ENDED JUNE 30, 2023

Foundation Mission Statement

Our Mission

The mission of the College of the Desert Foundation is to act as advocates for the College and to secure financial support enhancing the educational opportunities for all students

Our Vision

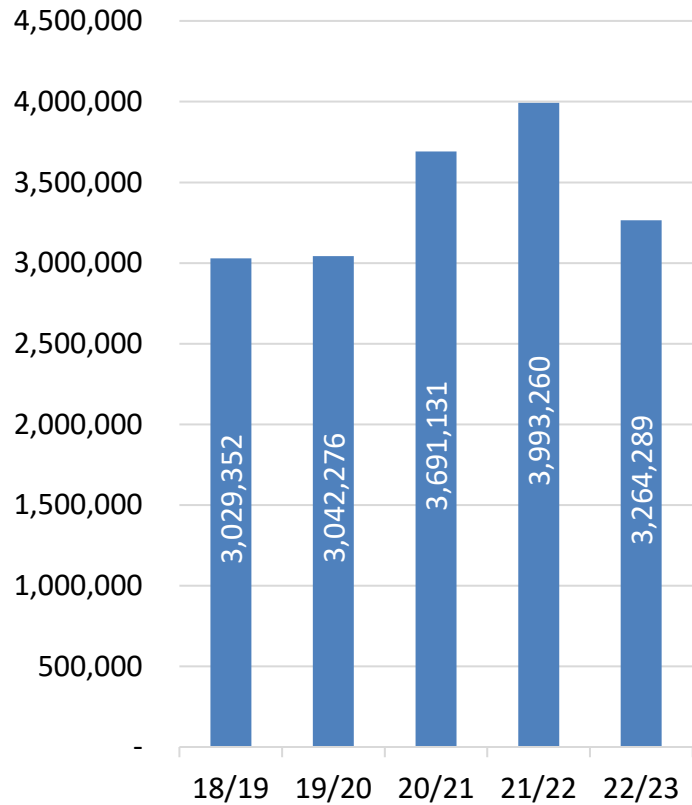
To positively impact the lives of students who are striving to achieve a purposeful education and to enhance the communities of the Coachella Valley and the region.

Core Values

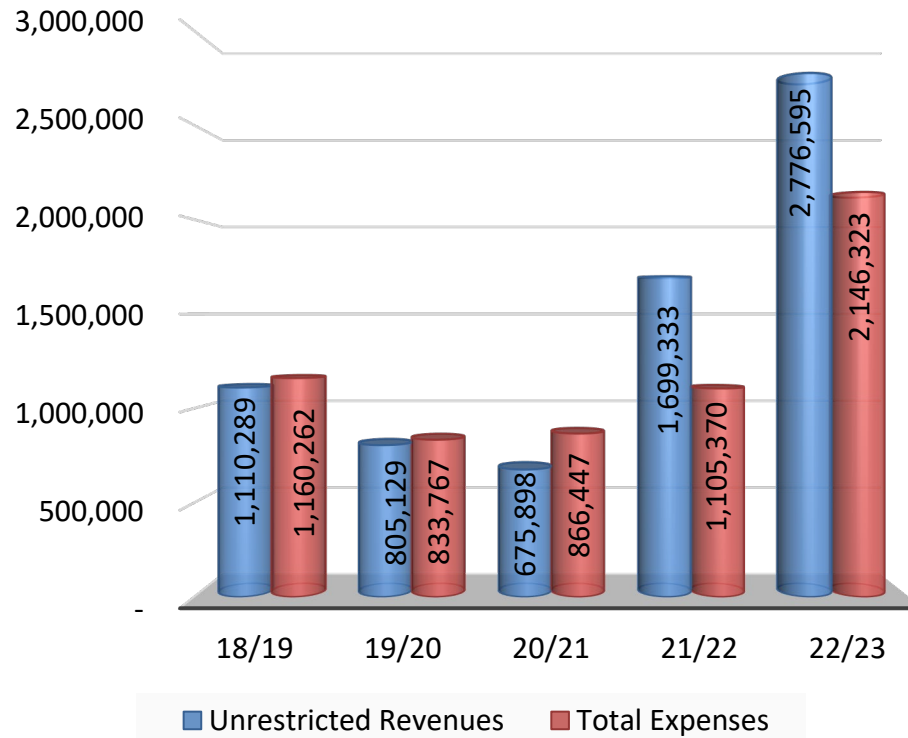
- ✓ Accountability
- ✓ Integrity
- ✓ Service Excellence
- ✓ Trust

KEY PERFORMANCE INDICATORS

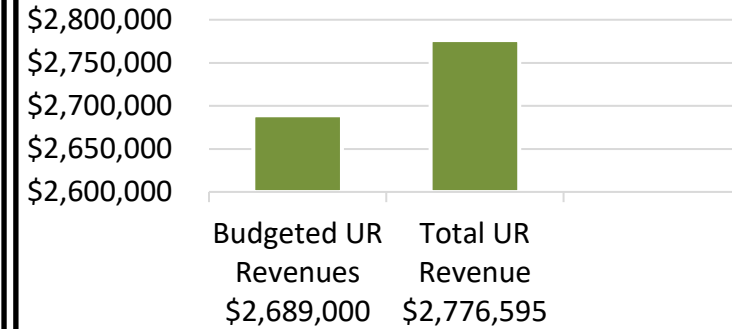
**Unrestricted Assets
(Net of Quasi-Endowments)
at June 30th YOY**



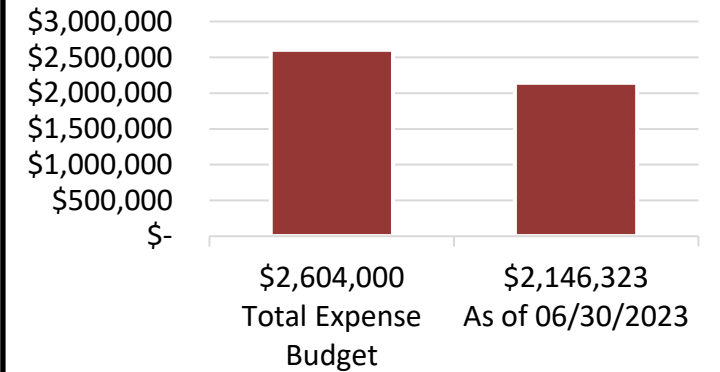
**YOY Unrestricted Revenue vs. Expenses
Comparison @ June 30th
(Not Incl. Outlier \$18.6M QE Gifts in FY
20/21)**



**22/23 Unrestricted Revenue
Budget to Actual @ 06/30**



**22/23 Unrestricted Budget to
Actual Expenses @ 06/30**



KEY PERFORMANCE INDICATORS

5 YEAR YOY TOTAL REVENUE COMPARISON

	2022/23 Thru 06/30/2023	2021/22	2020/21	2019/20	2018/19
Annual Giving	55,926	48,531	52,410	41,085	51,850
Leadership Giving	423,564	318,408	461,042	235,904	319,077
Business Engagement Giving	27,220	20,032	157,417	126,272	134,955
Major Gifts	460,504	425,404	18,366,907	-	86,000
Planned Giving	482,633	987,855	94,056	235,938	610,405
Grants	318,700	520,300	422,493	331,875	442,300
Pass Through Scholarships	112,510	143,956	221,617	329,622	323,775
State of the College Event	138,030	-	-	-	-
Stepping Out for COD	573,808	504,034	-	305,018	697,559
Stepping Out for COD In Kind	27,636	19,081	-	-	-
Academic Angels	15,935	5,000	-	-	6,000
Fundraising Revenue Totals	2,636,466	2,992,601	19,775,942	1,605,714	2,671,921
Management Services Revenue	786,569	565,024	427,105	396,109	385,387
Gift Fees	-	-	(200)	33,346	38,059
In-Kind Revenue	132,789	32,724	33,334	62,926	65,283
Interest & Dividends	1,254,355	1,022,013	718,629	804,520	769,680
Total Investment Revenues	2,173,713	1,619,761	1,178,868	1,296,901	1,258,409
Total YOY Revenues	4,810,179	4,612,361	20,954,810	2,902,615	3,930,330

5 YEAR YOY EXPENSE COMPARISON

	2022/23 Thru 06/30/2023	2021/22	2020/21	2019/20	2018/19
Expenses	4,148,821	3,957,299	3,443,597	3,391,542	3,714,609
Investment Expenses	248,294	241,443	171,165	162,728	158,660
Total Expenses	4,397,115	4,198,742	3,614,762	3,554,270	3,873,269
REALIZED GAINS/LOSSES	(124,520)	589,254	1,699,378	396,524	1,018,332
UNREALIZED GAINS/LOSSES	2,177,595	(6,163,233)	2,831,374	126,458	135,709
NET REALIZED AND UNREALIZED GAINS/LOSSES	2,053,075	(5,573,979)	4,530,752	522,982	1,154,041

5 YEAR YOY TOTAL NET ACTIVITIES

	2022/23 Thru 06/30/2023	2021/22	2020/21	2019/20	2018/19
Revenues	4,810,179	4,612,361	20,954,810	2,902,615	3,930,330
Expenses	4,397,115	4,198,742	3,614,762	3,554,270	3,873,269
Net Gain/Loss (Prior to Real/Unreal. Gains/Loss)	413,064	413,619	17,340,048	(651,655)	57,061
Realized/Unrealized Gains/Losses	2,053,075	(5,573,979)	4,530,752	522,982	1,154,041
Net Gain/Loss with Real/Unreal. Gains/Losses	2,466,139	(5,160,360)	21,870,800	(128,673)	1,211,102

KEY PERFORMANCE INDICATORS

5 YEAR YOY UNRESTRICTED REVENUE COMPARISON

	2022/23 Thru 06/30/2023	2021/22	2020/21	2019/20	2018/19
Annual Giving	24,461	29,714	22,835	13,236	24,530
Leadership Giving	137,539	144,426	201,331	82,229	169,540
Business Engagement Giving	11,513	6,400	106,470	1,000	3,075
Major Gifts	-	25,000	18,145,000	-	-
Planned Giving	326,979	726,500	91,400	96,275	125,771
Grants	-	-	-	5,000	-
Pass Through Scholarships	-	-	-	-	-
State of the College Event	138,030	-	-	-	-
Stepping Out for COD	543,308	499,035	-	292,518	672,559
Stepping Out for COD In Kind	27,636	19,081	-	-	-
Academic Angels	11,750	5,000	-	-	6,000
Fundraising Revenue Totals	1,221,216	1,455,156	18,567,036	490,258	1,001,475
Management Services Revenue	786,569	565,024	427,105	396,109	385,387
Gift Fees	-	-	(200)	33,346	38,059
In-Kind Revenue	132,789	32,723	33,334	62,926	65,283
Interest & Dividends	636,021	507,983	185,703	222,142	205,553
Total Investment Revenues	1,555,379	1,105,730	645,942	714,523	694,282
Total YOY Unrestricted Revenues	2,776,595	2,560,886	19,212,978	1,204,781	1,695,757

5 YEAR YOY UNRESTRICTED EXPENSE COMPARISON

	2022/23 Thru 06/30/2023	2021/22	2020/21	2019/20	2018/19
Expenses	2,394,059	1,933,313	1,533,132	1,290,324	1,798,542
Investment Expenses	125,008	114,046	46,048	45,205	42,826
Total Expenses	2,519,067	2,047,359	1,579,180	1,335,529	1,841,368
REALIZED GAINS/LOSSES	(84,780)	313,394	435,523	109,755	288,390
UNREALIZED GAINS/LOSSES	1,093,962	(3,141,188)	747,460	16,890	9,033
NET REALIZED AND UNREALIZED GAINS/LOSSES	1,009,182	(2,827,794)	1,182,983	126,645	297,423

5 YEAR YOY TOTAL UNRESTRICTED NET ACTIVITIES

	2022/23 Thru 06/30/2023	2021/22	2020/21	2019/20	2018/19
Revenues	2,776,595	2,560,886	19,212,978	1,204,781	1,695,757
Expenses	2,519,067	2,047,359	1,579,180	1,335,529	1,841,368
Net Gain/Loss (Prior to Real/Unreal. Gains/Loss)	257,528	513,527	17,633,798	(130,748)	(145,611)
Realized/Unrealized Gains/Losses	1,009,182	(2,827,794)	1,182,983	126,645	297,423
Net Gain/Loss with Real/Unreal. Gains/Losses	1,266,710	(2,314,267)	18,816,781	(4,103)	151,812

TOTAL FUNDRAISING REVENUE HIGHLIGHTS

Revenue Highlights as of June 30, 2023

June 30, 2023 Fundraising Revenues \$163,383 & YTD \$2,636,466

Notable Donations – Fiscal Year 2022/23

- \$246,559 Gift from the Nancy C. Bonner Estate - Fund for Student Success
- \$200,000 Richard Brooke Foundation in support pLEDGE
- \$150,000 Harold & Arlene Schnitzer Care Foundation-3 year pledge
 - \$75,000 – In support of Stepping Out for COD
 - \$37,500 – In support of the Harold & Arlene Schnitzer Visual Arts Endowed Scholarship
 - \$37,500 – In support of the Harold & Arlene Schnitzer Veterans Scholarship Endowment
- \$100,000 The David and Alan Greene Family Foundation – Stepping Out for COD
- \$100,000 The William Drake Rutherford Endowed Scholarship Fund
- \$63,342 Gift from the Estate of Joy B. Plein in support of the Kathy Goff Music Education Endowed Fund
- \$50,000 Gift from the California College Pathways Fund in support of Foster Youth
- \$50,000 Gift from the Friends of the College of the Desert Library – Library Support
- \$40,000 Gift from the estate of Jackie Story in support of the Jacquelin Kruger Story Endowed Scholarship Fund

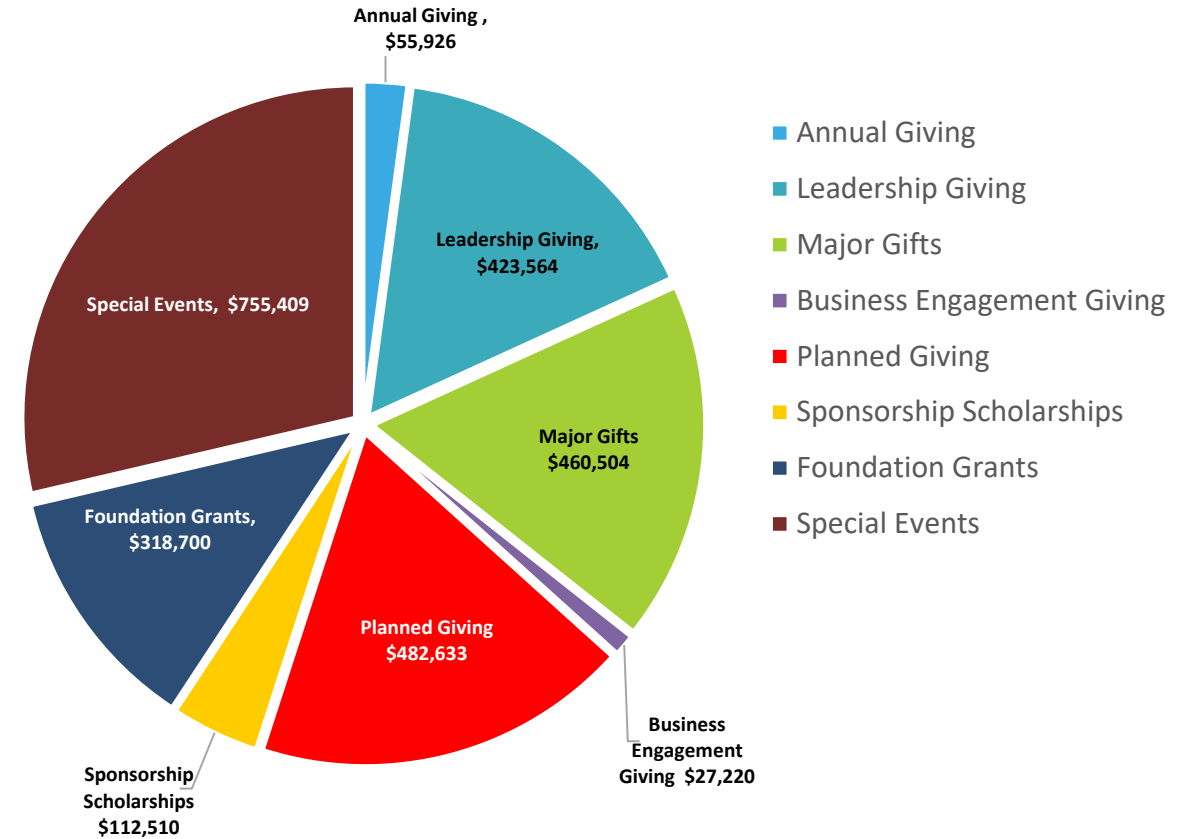
Special Event Donations YTD

State of the College	\$ 138,030
Stepping Out for COD	\$ 601,444
Academic Angels	\$ 15,935

Memberships YTD

Presidents Circle Memberships YTD	\$ 108,367
Academic Angels Memberships YTD	\$ 10,600

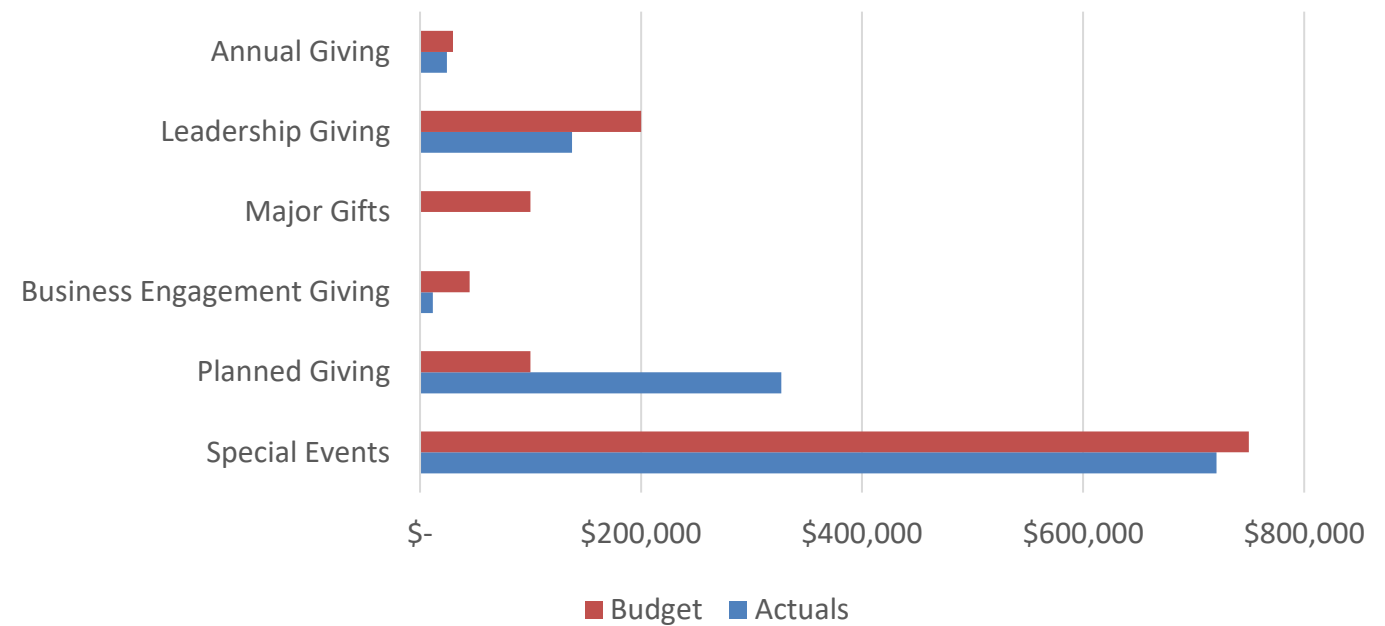
2022/2023 Revenues



TOTAL UR FUNDRAISING REVENUE BUDGET VS. ACTUALS

• Annual Giving			
• Budgeted:	\$ 30,000		
• Actual:	\$ 24,461	81.5%	
• Leadership Giving			
• Budgeted:	\$200,000		
• Actual:	\$137,539	68.8%	
• Business Engagement Giving			
• Budgeted:	\$ 45,000		
• Actual:	\$ 11,513	25.6%	
• Major Gifts			
• Budgeted:	\$100,000		
• Actual:	\$ 0.00	0.00%	
• Planned Giving			
• Budgeted:	\$100,000		
• Actual:	\$326,979	327.0%	
• Special Event Giving *See Breakdown below.			
• Budgeted:	\$750,000		
• Actual:	\$720,724	98.8%	
• Total FY 2022/23 UR Fundraising Budget	\$1,225,000		
• Actual Unrestricted Revenue Realized	\$1,221,216	99.7%	

Fiscal Year 2022/2023 UR Revenue Budget vs Actuals
As of June 30, 2023

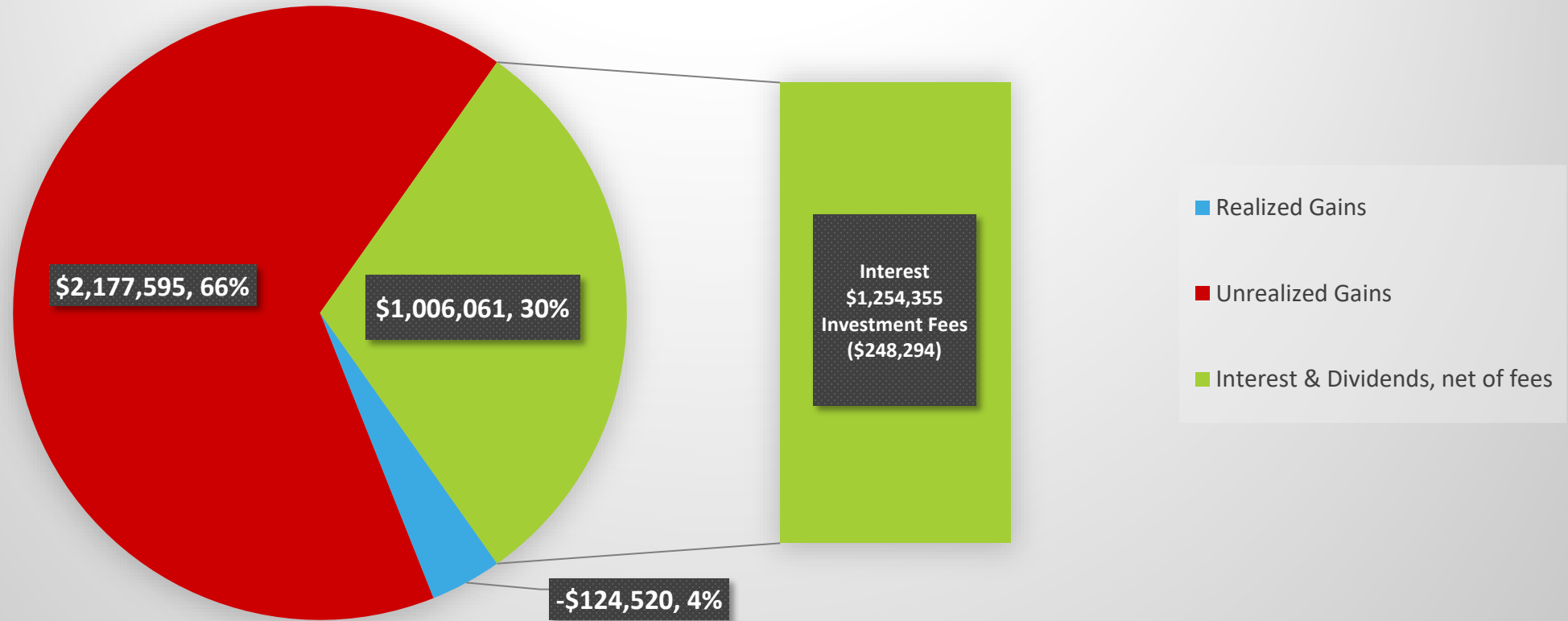


Special Events Breakout:

State of the College			
• Budgeted:	\$200,000		
• Actual:	\$138,030	69.0%	
Stepping Out for COD			
• Budgeted:	\$550,000		
• Actual:	\$570,944	103.8%	

INVESTMENT ACTIVITIES

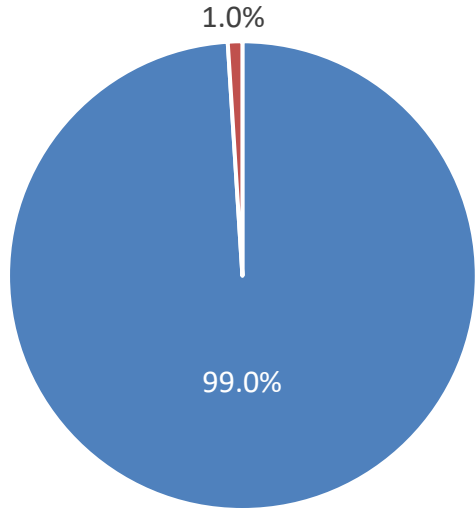
Total Other Investment Activity Income for the period ended June 30, 2023 is \$1,208,060 including Interest of \$129,384 and \$3,059,136 YTD including Interest of \$1,254,355



INVESTMENT ASSET ALLOCATION AS OF JUNE 30, 2023

First Republic Wealth

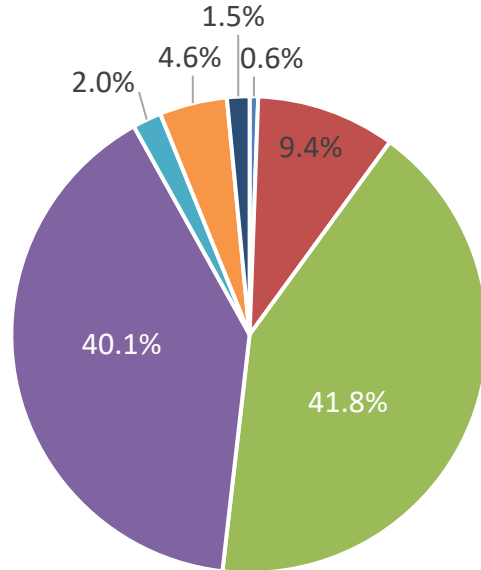
UR/TR Funds \$ 7,386,044.04



- Fixed Income
- Cash, Money Funds and Bank Deposit

Cerity Partners

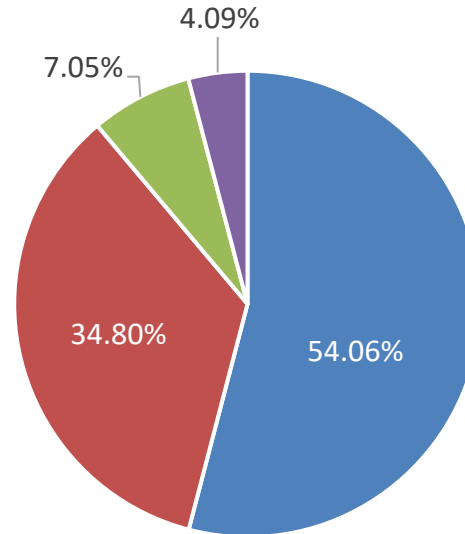
Endowed Funds \$21,938,543.95



- Cash and Bank Sweep
- Money Market Funds (Non-Sweep)
- Fixed Income
- Equities
- Equity Funds
- Exchange Traded Funds
- Other Assets

Merrill Lynch

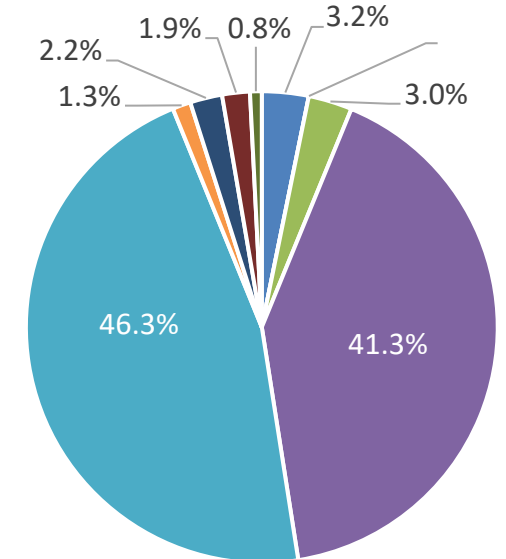
Endowed Funds \$21,772,271.89



- Equities
- Fixed Income
- Cash/Money Accounts
- Alternative Investments

Combined (END)

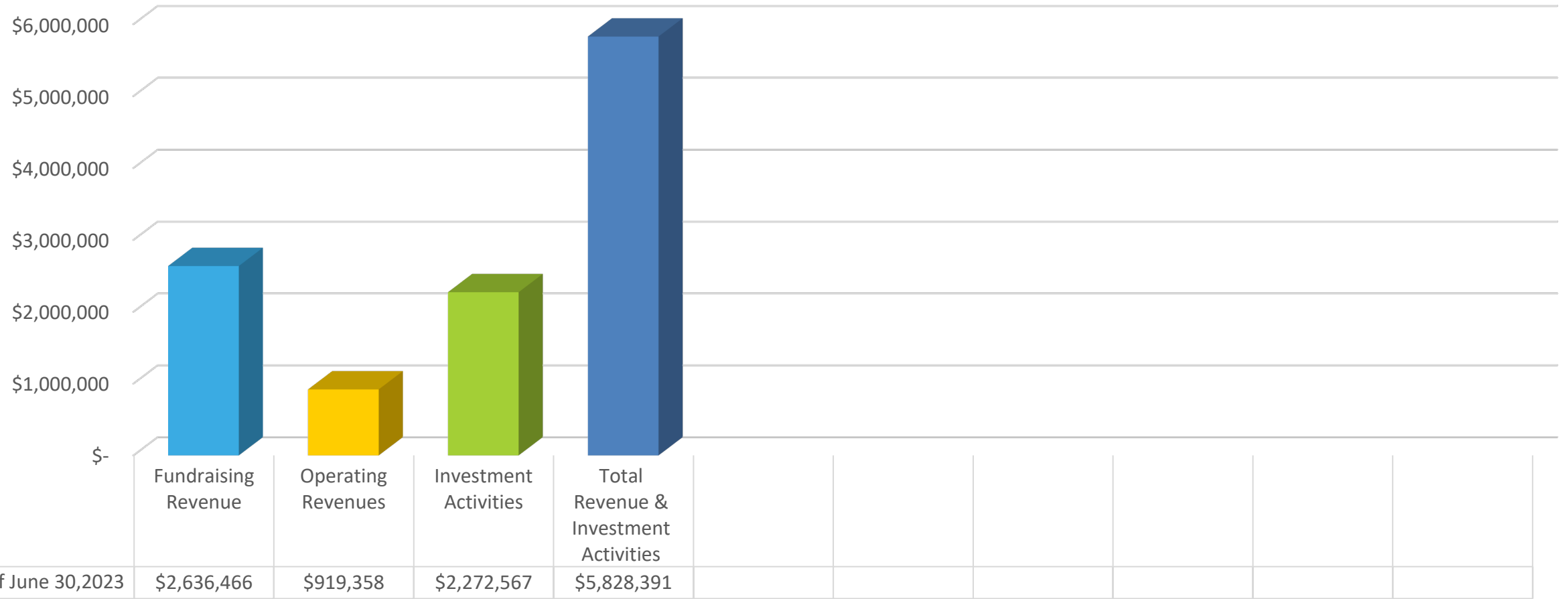
Endowed Funds \$43,710,815.84



- Cash & Bank Sweep
- Mutual Funds
- Money Market Funds (Non-Sweep)
- Fixed Income
- Equities
- Equity Funds
- Exchange Traded Funds
- Alternative Investments
- Other Assets

Total Combined Investments as of February 28, 2023 \$51,096,859.88

Fiscal Year 2022/2023 Combined Revenue & Investment Activities as of June 30, 2023

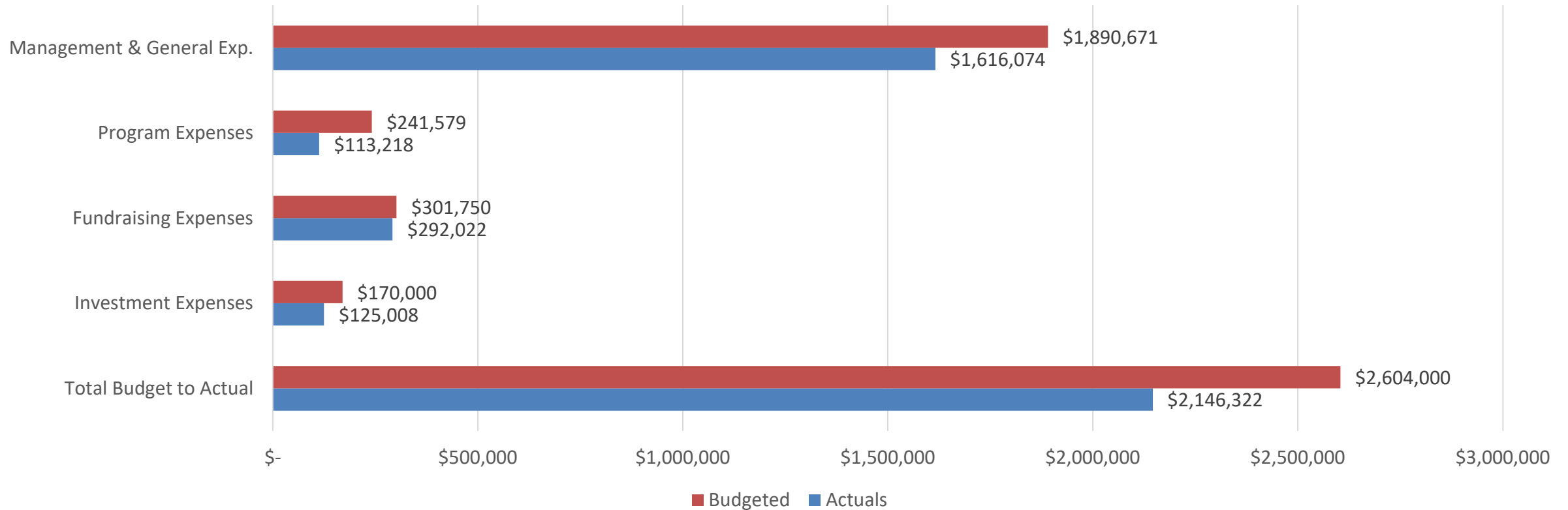


TOTAL EXPENDITURES

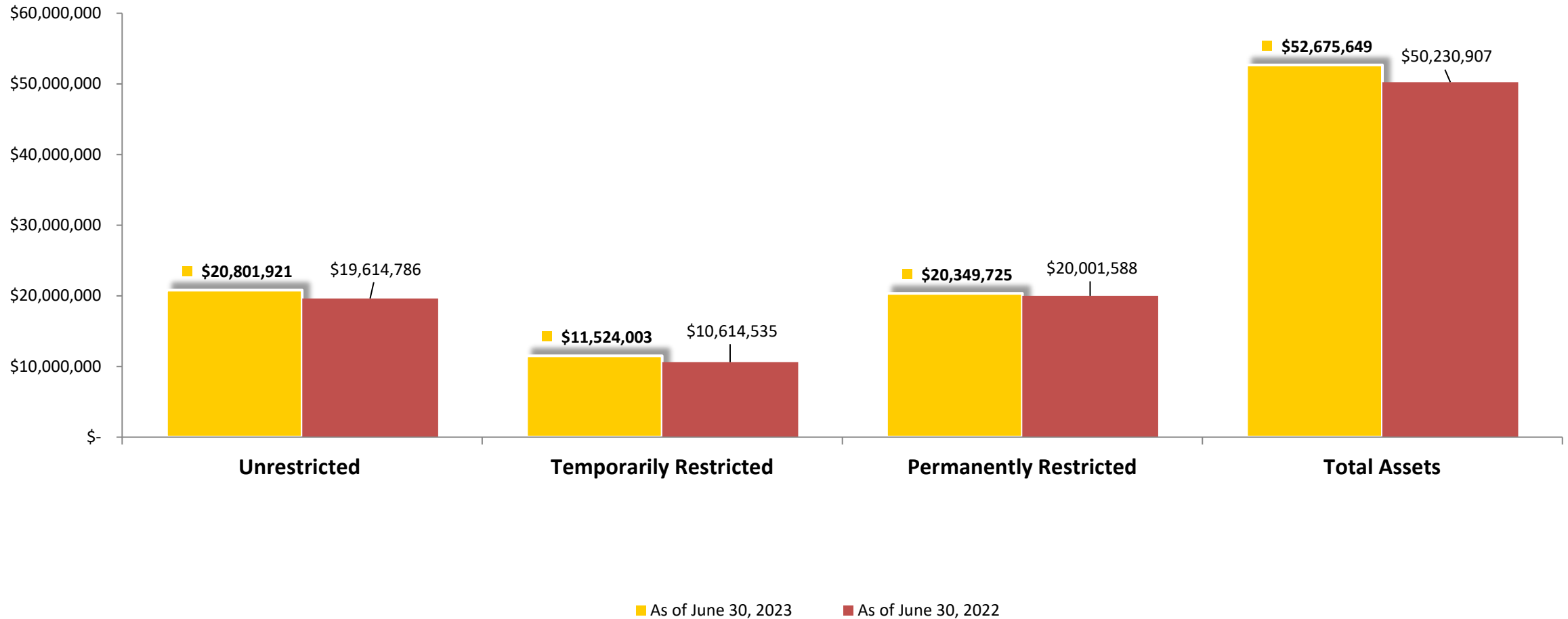
Total expenditures including investment expenses for the month ended June 30, 2023 are \$552,406 and YTD \$4,397,115

UNRESTRICTED EXPENDITURES – BUDGET VS ACTUAL

Fiscal Year 2022/2023 UR Expense Budget vs Actuals as of June 30, 2023



Change in Net Assets as of June 30, 2023



- Unrestricted Funds: Includes \$500,000 Board Designated Reserve, \$250,000 Board Designated Funds for Pledge Program, Quasi-Endowment for EDGE/pLEDGE Forever Program and Quasi-Endowment for Campus Grants Program.
- Temporarily Restricted Funds: Restricted per Donor Criteria
- Permanently Restricted Funds: Endowments held by the Foundation in Perpetuity.

ACCOMPLISHING OUR MISSION

AS OF JUNE 30, 2023

\$904,264 GIVEN IN SCHOLARSHIP SUPPORT TO STUDENTS

\$519,731 IN PROGRAM SUPPORT

TOTAL COMBINED SUPPORT \$1,423,995

Questions?

Thank you!



Review of July-August 2023 Financial Statements



COLLEGE
of the DESERT
FOUNDATION

FINANCIAL REPORT

FOR THE PERIOD ENDED AUGUST 31, 2023

Foundation Mission Statement

Our Mission

The mission of the College of the Desert Foundation is to act as advocates for the College and to secure financial support enhancing the educational opportunities for all students

Our Vision

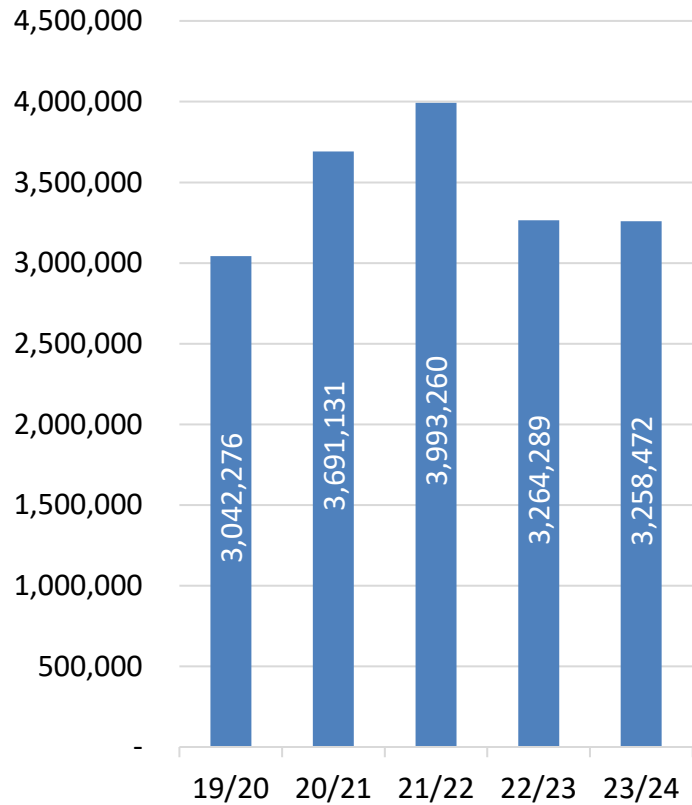
To positively impact the lives of students who are striving to achieve a purposeful education and to enhance the communities of the Coachella Valley and the region.

Core Values

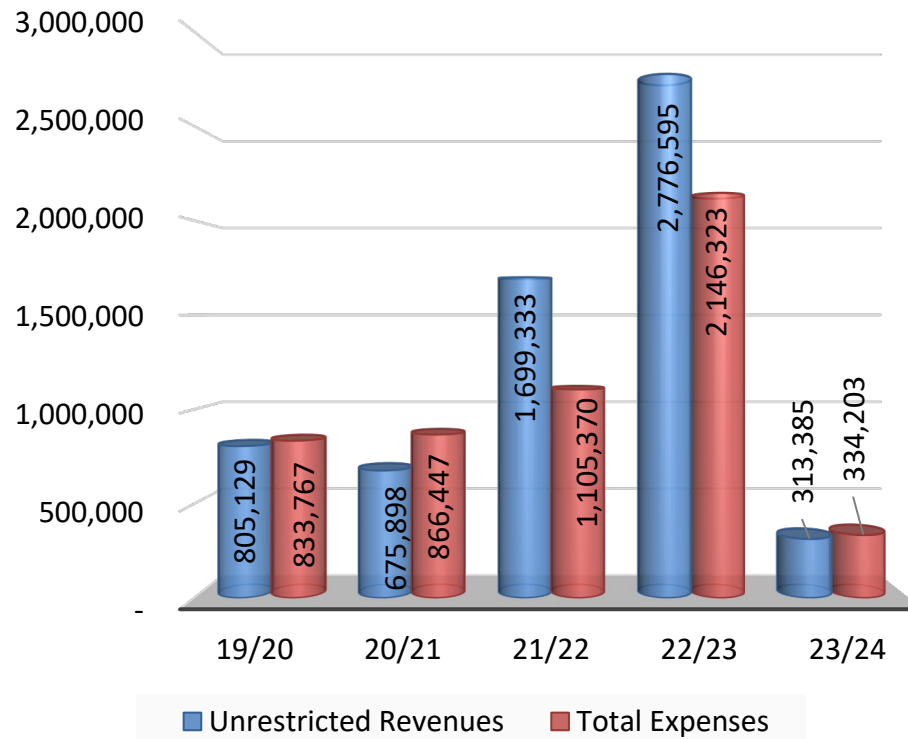
- ✓ Accountability
- ✓ Integrity
- ✓ Service Excellence
- ✓ Trust

KEY PERFORMANCE INDICATORS

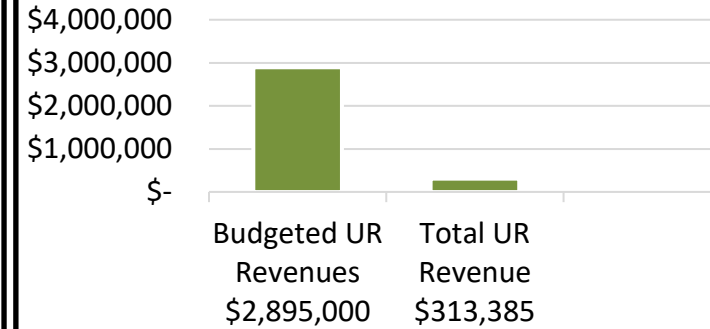
**Unrestricted Assets
(Net of Quasi-Endowments)
at August 31st YOY**



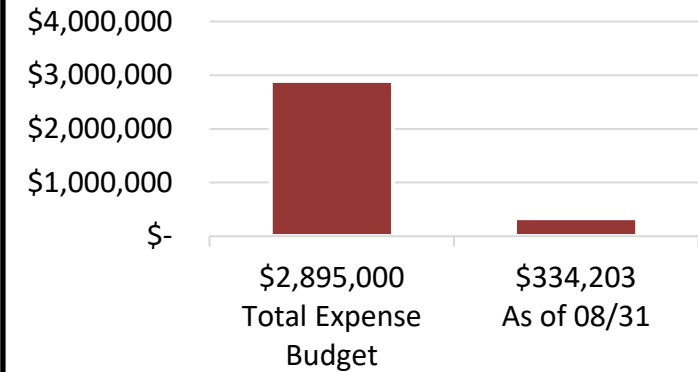
**YOY Unrestricted Revenue vs. Expenses
Comparison @ August 31, 2023
(Not Incl. Outlier \$18.6M QE Gifts in FY
20/21)**



**23/24 Unrestricted Revenue
Budget to Actual @ 08/31**



**23/24 Unrestricted Budget to
Actual Expenses @ 08/31**



KEY PERFORMANCE INDICATORS

5 YEAR YOY TOTAL REVENUE COMPARISON						5 YEAR YOY EXPENSE COMPARISON					
	2023/24 Thru 08/31/2023	2022/23	2021/22	2020/21	2019/20		2023/24 Thru 08/31/2023	2022/23	2021/22	2020/21	2019/20
Annual Giving	6,401	55,926	48,531	52,410	41,085						
Leadership Giving	13,996	423,564	318,408	461,042	235,904	Expenses	499,234	4,148,821	3,957,299	3,443,597	3,391,542
Business Engagement Giving	1,019	27,220	20,032	157,417	126,272	Investment Expenses	53,140	248,294	241,443	171,165	162,728
Major Gifts	-	460,504	425,404	18,366,907	-	Total Expenses	552,374	4,397,115	4,198,742	3,614,762	3,554,270
Planned Giving	12,000	482,633	987,855	94,056	235,938						
Grants	24,790	318,700	520,300	422,493	331,875	REALIZED GAINS/LOSSES	23,738	(124,520)	589,254	1,699,378	396,524
Pass Through Scholarships	-	112,510	143,956	221,617	329,622	UNREALIZED GAINS/LOSSES	171,897	2,177,595	(6,163,233)	2,831,374	126,458
State of the College Event	-	138,030	-	-	-	NET REALIZED AND UNREALIZED GAINS/LOSSES	195,635	2,053,075	(5,573,979)	4,530,752	522,982
Great Alumni Hunt	38,000	-	-	-	-	5 YEAR YOY TOTAL NET ACTIVITIES					
Stepping Out for COD	25,000	573,808	504,034	-	305,018		2023/24 Thru 08/31/2023	2022/23	2021/22	2020/21	2019/20
Stepping Out for COD In Kind	-	27,636	19,081	-	-	Revenues	446,493	4,810,179	4,612,361	20,954,810	2,902,615
Academic Angels Events	-	15,935	5,000	-	-	Expenses	552,374	4,397,115	4,198,742	3,614,762	3,554,270
Fundraising Revenue Totals	121,206	2,636,466	2,992,601	19,775,942	1,605,714	Net Gain/Loss (Prior to Real/Unreal. Gains/Loss)	(105,881)	413,064	413,619	17,340,048	(651,655)
Management Services Revenue	133,940	786,569	565,024	427,105	396,109	Realized/Unrealized Gains/Losses	195,635	2,053,075	(5,573,979)	4,530,752	522,982
Gift Fees	-	-	-	(200)	33,346	Net Gain/Loss with Real/Unreal. Gains/Losses	89,754	2,466,139	(5,160,360)	21,870,800	(128,673)
In-Kind Revenue	-	132,789	32,724	33,334	62,926						
Interest & Dividends	191,347	1,254,355	1,022,013	718,629	804,520						
Total Investment Revenues	325,287	2,173,713	1,619,761	1,178,868	1,296,901						
Total YOY Revenues	446,493	4,810,179	4,612,361	20,954,810	2,902,615						

KEY PERFORMANCE INDICATORS

5 YEAR YOY UNRESTRICTED REVENUE COMPARISON						5 YEAR YOY UNRESTRICTED EXPENSE COMPARISON					
	2023/24 Thru 08/31/2023	2022/23	2021/22	2020/21	2019/20		2023/24 Thru 08/31/2023	2022/23	2021/22	2020/21	2019/20
Annual Giving	1,559	24,461	29,714	22,835	13,236						
Leadership Giving	7,150	137,539	144,426	201,331	82,229	Expenses	353,086	2,394,059	1,933,313	1,533,132	1,290,324
Business Engagement Giving	-	11,513	6,400	106,470	1,000	Investment Expenses	26,609	125,008	114,046	46,048	45,205
Major Gifts	-	-	25,000	18,145,000	-	Total Expenses	379,695	2,519,067	2,047,359	1,579,180	1,335,529
Planned Giving	12,000	326,979	726,500	91,400	96,275						
Grants	-	-	-	-	5,000	REALIZED GAINS/LOSSES	6,820	(84,780)	313,394	435,523	109,755
Pass Through Scholarships	-	-	-	-	-	UNREALIZED GAINS/LOSSES	86,949	1,093,962	(3,141,188)	747,460	16,890
State of the College Event	-	138,030	-	-	-	NET REALIZED AND UNREALIZED GAINS/LOSSES	93,769	1,009,182	(2,827,794)	1,182,983	126,645
Great Alumni Hunt	38,000	-	-	-	-	5 YEAR YOY TOTAL UNRESTRICTED NET ACTIVITIES					
Stepping Out for COD	25,000	543,308	499,035	-	292,518		2023/24 Thru 08/31/2023	2022/23	2021/22	2020/21	2019/20
Stepping Out for COD In Kind	-	27,636	19,081	-	-	Revenues	313,385	2,776,595	2,560,886	19,212,978	1,204,781
Academic Angels	-	11,750	5,000	-	-	Expenses	379,695	2,519,067	2,047,359	1,579,180	1,335,529
Fundraising Revenue Totals	83,709	1,221,216	1,455,156	18,567,036	490,258	Net Gain/Loss (Prior to Real/Unreal. Gains/Loss)	(66,310)	257,528	513,527	17,633,798	(130,748)
Management Services Revenue	133,940	786,569	565,024	427,105	396,109	Realized/Unrealized Gains/Losses	93,769	1,009,182	(2,827,794)	1,182,983	126,645
Gift Fees	-	-	-	(200)	33,346	Net Gain/Loss with Real/Unreal. Gains/Losses	27,459	1,266,710	(2,314,267)	18,816,781	(4,103)
In-Kind Revenue	-	132,789	32,723	33,334	62,926						
Interest & Dividends	95,736	636,021	507,983	185,703	222,142						
Total Investment Revenues	229,676	1,555,379	1,105,730	645,942	714,523						
Total YOY Unrestricted Revenues	313,385	2,776,595	2,560,886	19,212,978	1,204,781						

TOTAL FUNDRAISING REVENUE HIGHLIGHTS

Revenue Highlights as of August 31, 2023

Notable Donations – Fiscal Year 2023/2024

- \$25,000 In support of Stepping Out for COD
- \$25,000 In support of the Great Alumni Hunt
- \$20,300 In support of Osher Scholarships
- \$14,640 In support of the CDC Community Gardens
- \$10,000 In support of the Great Alumni Hunt

Special Event Donations YTD

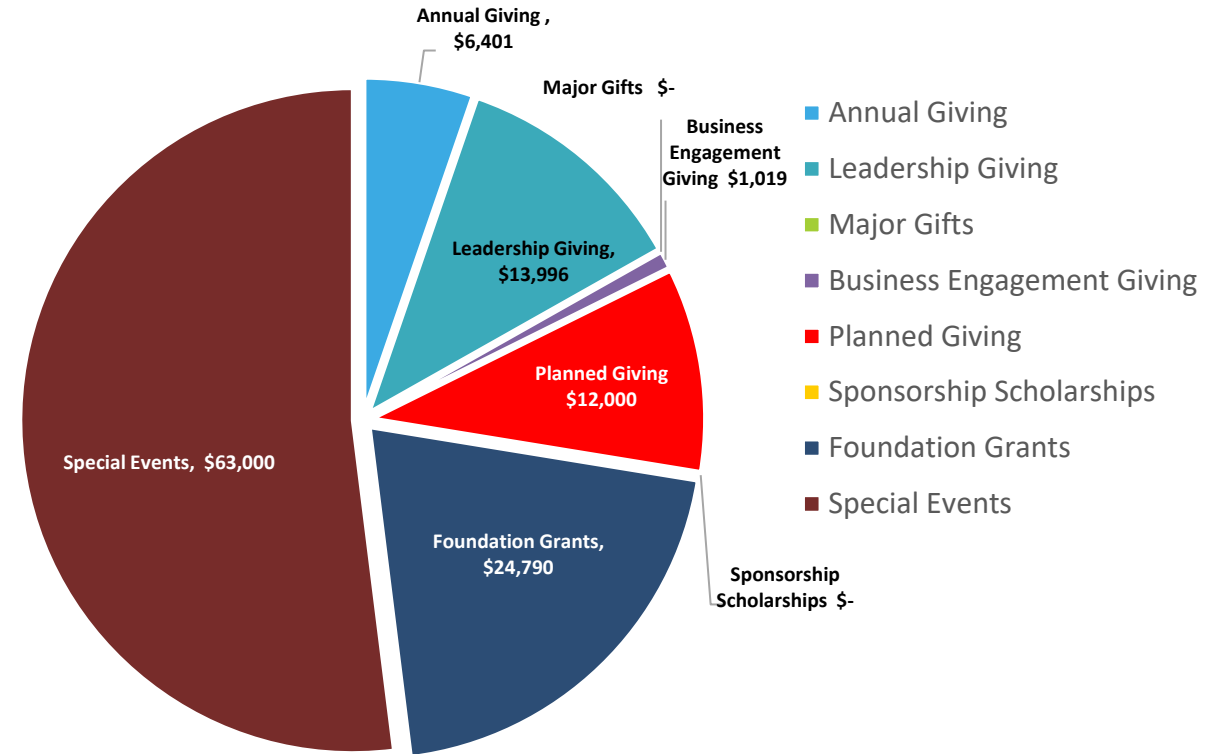
Great Alumni Hunt	\$	38,000
Stepping Out for COD	\$	25,000
Academic Angels Events	\$	-

Memberships YTD

Presidents Circle Memberships YTD	\$	7,317
Academic Angels Memberships YTD	\$	-

August 31, 2023, Fundraising Revenues \$79,382 & YTD \$121,206

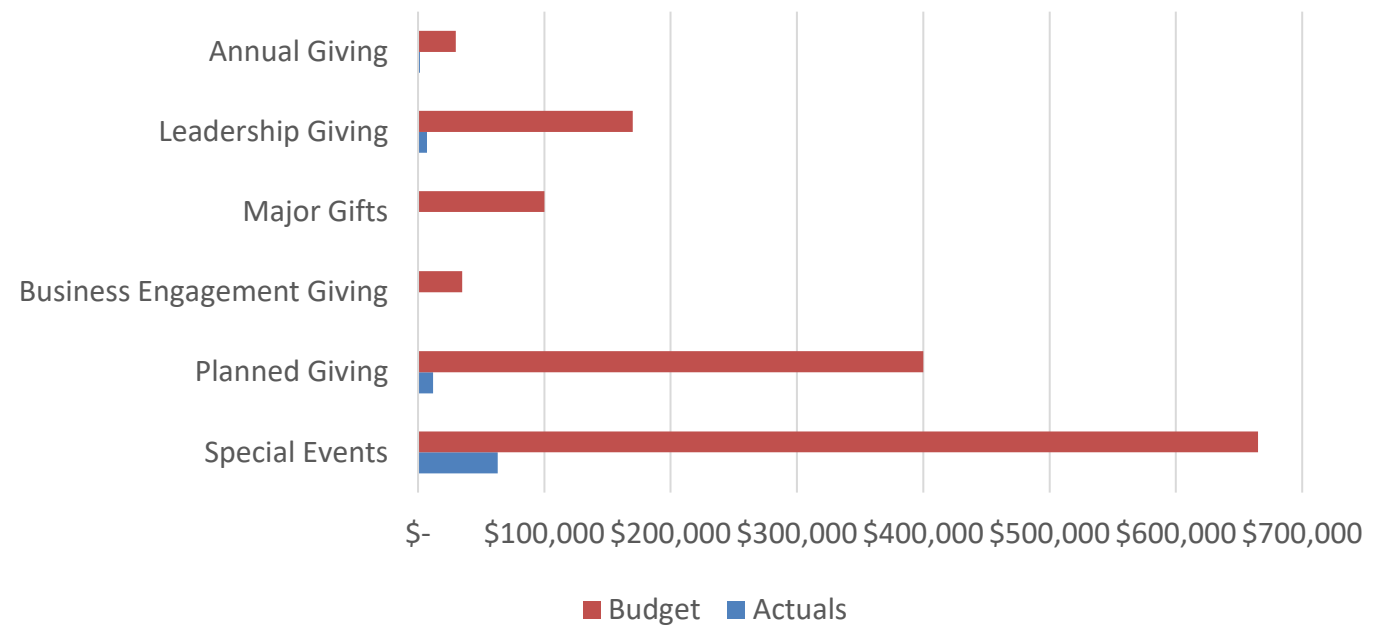
2023/2024 Revenues



TOTAL UR FUNDRAISING REVENUE BUDGET VS. ACTUALS

• Annual Giving			
• Budgeted:	\$ 30,000		
• Actual:	\$ 1,559	5.2%	
• Leadership Giving			
• Budgeted:	\$170,000		
• Actual:	\$ 7,150	4.2%	
• Business Engagement Giving			
• Budgeted:	\$ 35,000		
• Actual:	\$ -	0.00%	
• Major Gifts			
• Budgeted:	\$100,000		
• Actual:	\$ 0.00	0.00%	
• Planned Giving			
• Budgeted:	\$400,000		
• Actual:	\$ 12,000	3.0%	
• Special Event Giving *See Breakdown below.			
• Budgeted:	\$665,000		
• Actual:	\$ 63,000	9.5%	
• Total FY 2023/24 UR Fundraising Budget	\$1,400,000		
• Actual Unrestricted Revenue Realized	\$ 83,709	6.0%	

Fiscal Year 2023/2024 UR Revenue Budget vs Actuals
As of August 31, 2023

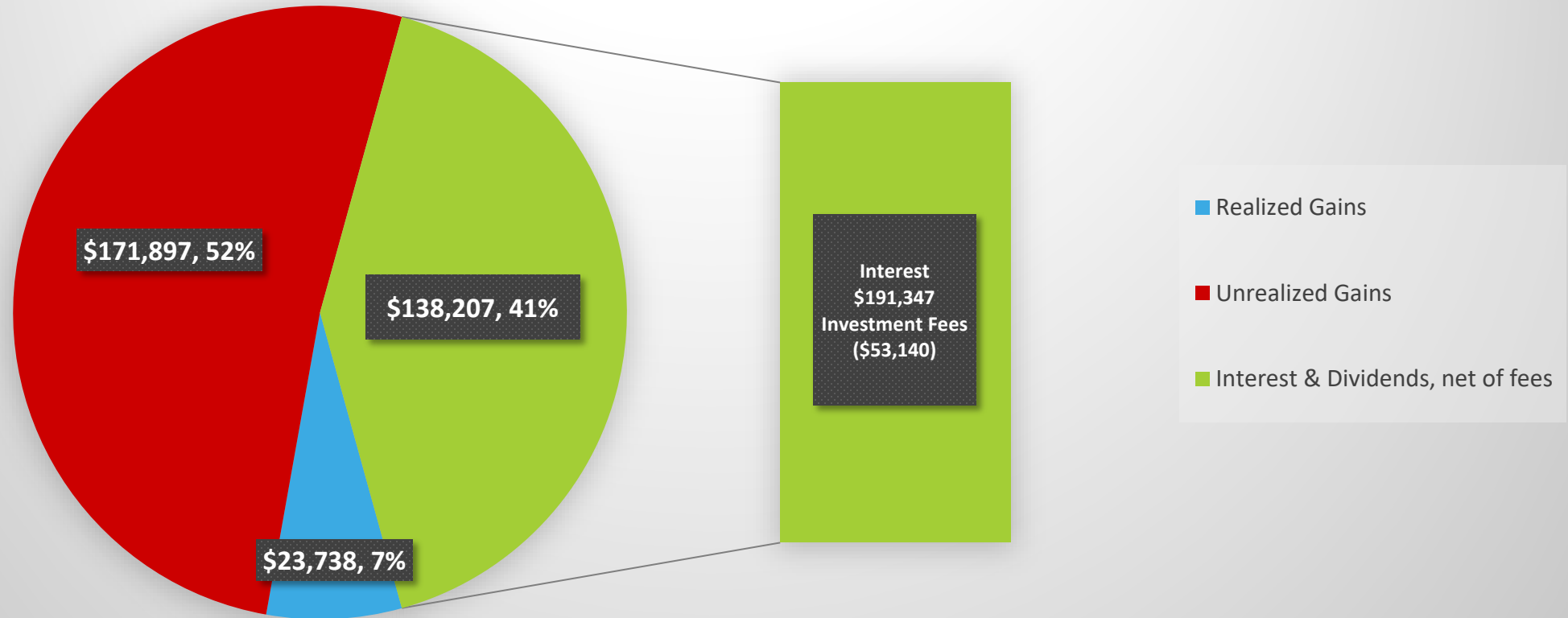


Special Events Breakout:

Great Alumni Hunt			
• Budgeted:	\$ 0.00		
• Actual:	\$ 38,000		
Stepping Out for COD			
• Budgeted:	\$650,000		
• Actual:	\$ 25,000	3.8%	

INVESTMENT ACTIVITIES

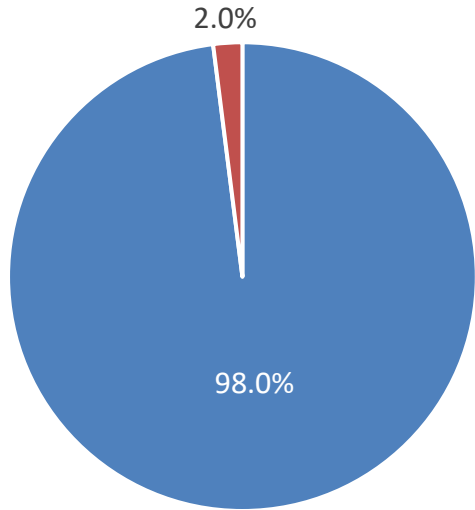
Total Other Investment Activity Income for the period ended August 31, 2023 is (\$435,144) including Interest of \$101,675 and \$333,842 YTD including Interest of \$191,347



INVESTMENT ASSET ALLOCATION AS OF AUGUST 31, 2023

First Republic Wealth

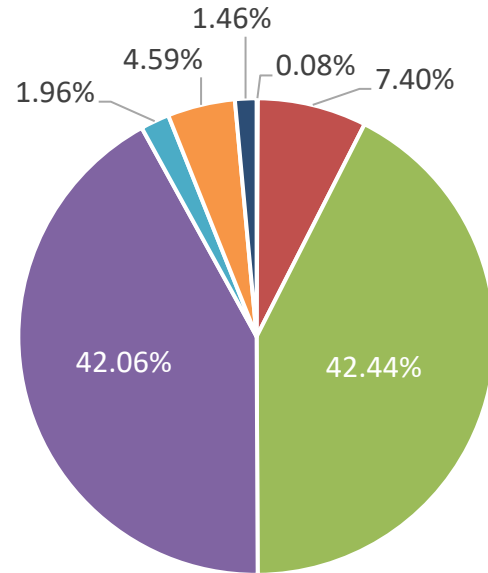
UR/TR Funds \$ 7,421,035.58



- Fixed Income
- Cash, Money Funds and Bank Deposit

Cerity Partners

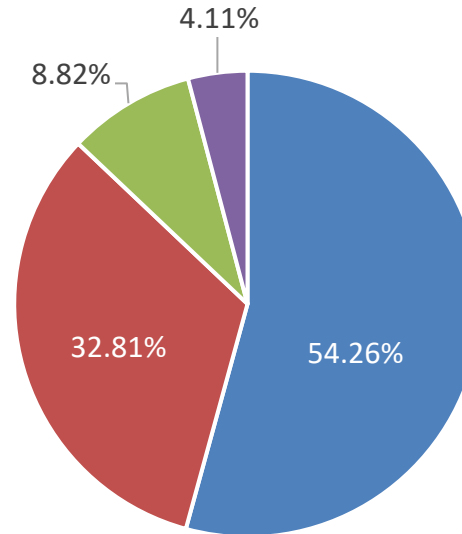
Endowed Funds \$22,057,240.54



- Cash and Bank Sweep
- Money Market Funds (Non-Sweep)
- Fixed Income
- Equities
- Equity Funds
- Exchange Traded Funds
- Other Assets

Merrill Lynch

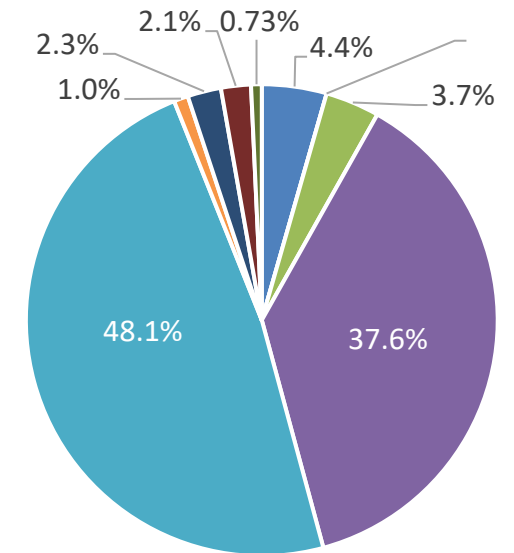
Endowed Funds \$21,942,229.62



- Equities
- Fixed Income
- Cash/Money Accounts
- Alternative Investments

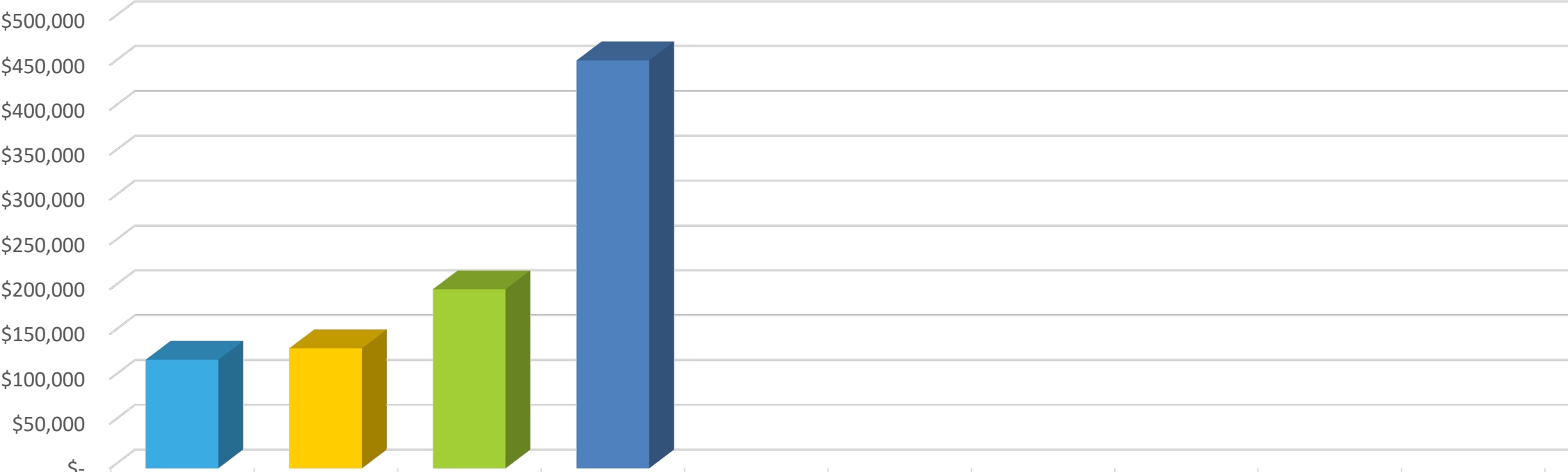
Combined (END)

Endowed Funds \$43,999,470.16



- Cash & Bank Sweep
- Mutual Funds
- Money Market Funds (Non-Sweep)
- Fixed Income
- Equities
- Equity Funds
- Exchange Traded Funds
- Alternative Investments
- Other Assets

Fiscal Year 2023/2024 Combined Revenue & Investment Activities as of August 31, 2023



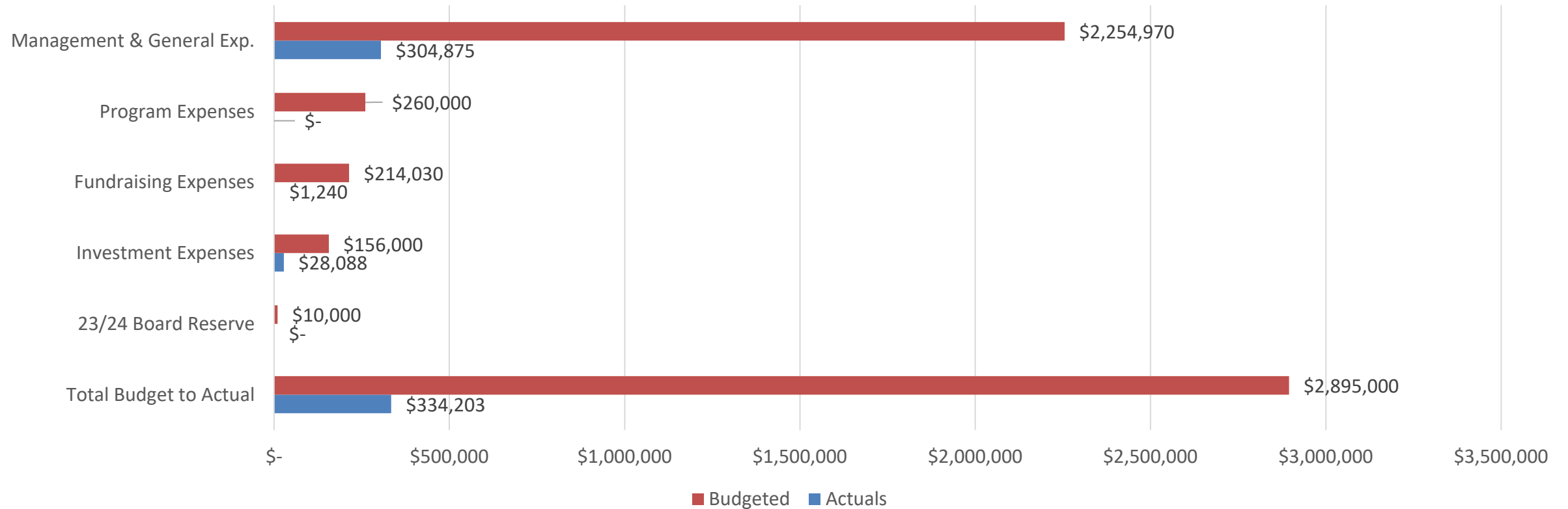
	Fundraising Revenue	Operating Revenues	Investment Activities	Total Revenue & Investment Activities					
As of August 31, 2023	\$121,206	\$133,940	\$199,902	\$455,048					

TOTAL EXPENDITURES

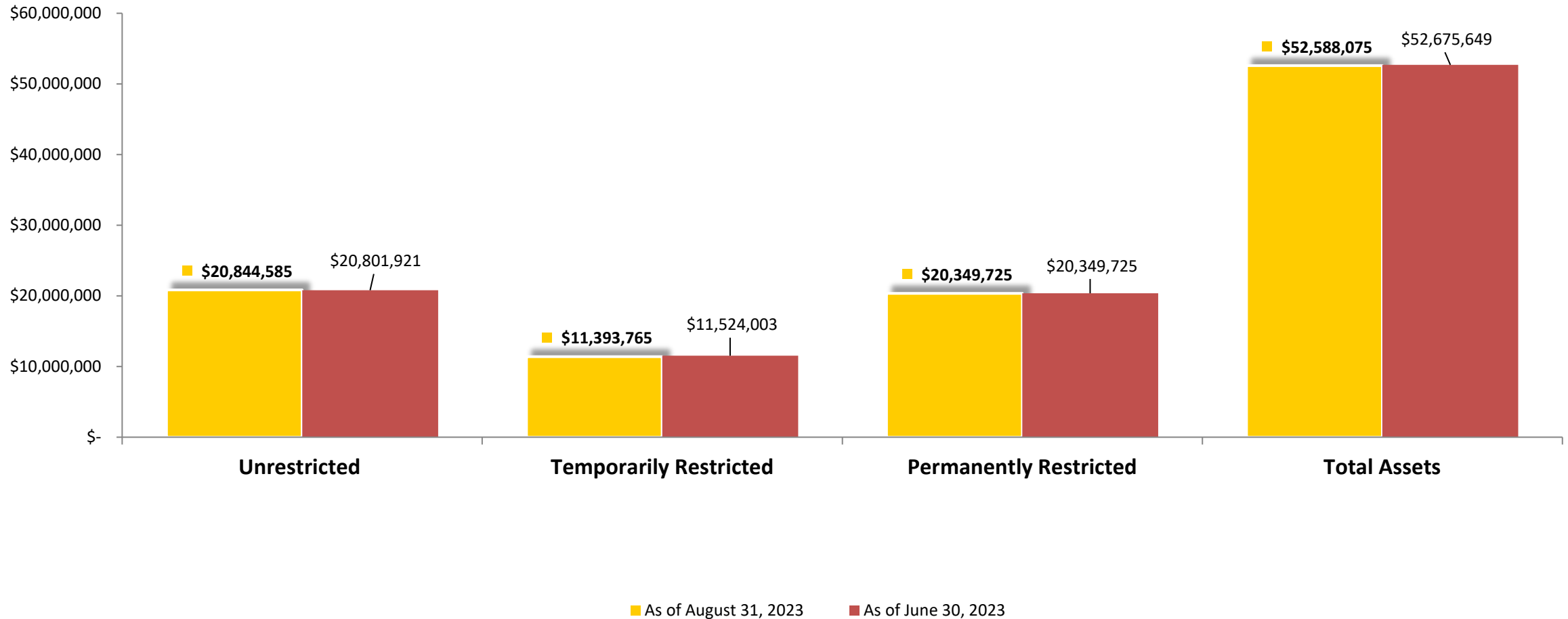
Total expenditures including investment expenses for the month ended August 31, 2023, are \$308,321 and YTD \$552,374

UNRESTRICTED EXPENDITURES – BUDGET VS ACTUAL

Fiscal Year 2023/2024 UR Expense Budget vs Actuals as of August 31, 2023



Change in Net Assets as of August 31, 2023



- Unrestricted Funds: Includes \$500,000 Board Designated Reserve, \$250,000 Board Designated Funds for Pledge Program, Quasi-Endowment for EDGE/pLEDGE Forever Program and Quasi-Endowment for Campus Grants Program.
- Temporarily Restricted Funds: Restricted per Donor Criteria
- Permanently Restricted Funds: Endowments held by the Foundation in Perpetuity.

ACCOMPLISHING OUR MISSION

AS OF AUGUST 31, 2023

\$1,200 GIVEN IN SCHOLARSHIP SUPPORT TO STUDENTS

\$44,713 IN PROGRAM SUPPORT

TOTAL COMBINED SUPPORT \$ 45,913

ADDITIONAL \$ 91,109 IN PENDING PROGRAM SUPPORT

Questions?

Thank you!



Approval 2022-2023 College of the Desert Foundation Audit

Draft 9/21/23

Financial Statements
June 30, 2023 and 2022

College of the Desert Foundation

Independent Auditor’s Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses.....	6
Statements of Cash Flows	8
Notes to Financial Statements	9

Independent Auditor's Report

Board of Directors
College of the Desert Foundation
Palm Desert, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of College of the Desert Foundation (the "Foundation") (a California nonprofit corporation), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the 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 ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities of the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities of the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Rancho Cucamonga, California
_____, 2023

College of the Desert Foundation
Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	\$ 4,450,141	\$ 3,443,769
Investments	47,328,521	46,063,336
Investments related to deferred gifts	100,750	103,327
Unconditional promises to give	164,280	52,500
Accounts receivable	-	125
Accounts receivable - related party	62,840	2,088
Accrued interest receivable	141,552	131,965
Prepaid expenses	760	3,500
Student emergency funds held by District	5,000	5,000
Other assets	2,500	2,500
Total current assets	52,256,344	49,808,110
Noncurrent assets		
Beneficial interest in assets held by the Foundation for California Community Colleges	401,300	384,519
Unconditional promises to give - net of amortized discount	18,004	38,278
Total noncurrent assets	419,304	422,797
Total assets	\$ 52,675,648	\$ 50,230,907
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 53,853	\$ 50,832
Accrued expenses	43,258	40,791
Accounts payable - related party	273,831	238,215
Deferred revenues	5,000	67,500
Total current liabilities	375,942	397,338
Net assets		
Without donor restrictions		
Undesignated	2,332,077	1,724,568
Board designated	18,287,632	17,628,435
Total without donor restrictions	20,619,709	19,353,003
With donor restrictions	31,679,997	30,480,566
Total net assets	52,299,706	49,833,569
Total liabilities and net assets	\$ 52,675,648	\$ 50,230,907

See Notes to Financial Statements

College of the Desert Foundation
Statements of Activities
Years Ended June 30, 2023 and 2022

	2023		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenues			
Grants	\$ -	\$ 318,700	\$ 318,700
Pass through scholarship donations	-	112,510	112,510
Gross special events revenue			
Sponsorships and ticket sales	693,088	34,685	727,773
Less cost of direct benefits to donors	(133,818)	-	(133,818)
Net special events revenue	559,270	34,685	593,955
Donated facilities (in-kind)	160,425	-	160,425
Annual giving	24,461	31,465	55,926
Leadership giving	137,539	286,025	423,564
Business engagement giving	11,513	15,707	27,220
Major gifts	-	460,504	460,504
Planned giving	326,979	155,654	482,633
Management services	413,825	(413,825)	-
Assets released from restrictions	1,310,775	(1,310,775)	-
Total revenues	2,944,787	(309,350)	2,635,437
Expenses			
Program	2,698,799	-	2,698,799
Management and general	299,814	-	299,814
Fundraising	199,663	-	199,663
Total expenses	3,198,276	-	3,198,276
Other income, gains and (losses)			
Net investment income	1,520,195	1,495,017	3,015,212
Change in value of deferred gifts	-	(29,667)	(29,667)
Change in value of beneficial interest in assets held by the Foundation for California Community Colleges	-	43,431	43,431
Total other income, gains and (losses)	1,520,195	1,508,781	3,028,976
Change in Net Assets	1,266,706	1,199,431	2,466,137
Net Assets, Beginning of Year	19,353,003	30,480,566	49,833,569
Net Assets, End of Year	<u>\$ 20,619,709</u>	<u>\$ 31,679,997</u>	<u>\$ 52,299,706</u>

See Notes to Financial Statements

College of the Desert Foundation
Statements of Activities
Years Ended June 30, 2023 and 2022

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Revenues			
Grants	\$ -	\$ 520,300	\$ 520,300
Pass through scholarship donations	-	143,956	143,956
Gross special events revenue			
Sponsorships and ticket sales	504,035	5,000	509,035
Less cost of direct benefits to donors	(97,116)	-	(97,116)
Net special events revenue	406,919	5,000	411,919
Donated facilities (in-kind)	51,804	-	51,804
Annual giving	29,714	18,817	48,531
Leadership giving	144,426	173,982	318,408
Business engagement giving	6,400	13,631	20,031
Major gifts	25,000	400,404	425,404
Planned giving	726,500	261,355	987,855
Management services	440,776	(440,776)	-
Assets released from restrictions	1,544,269	(1,544,269)	-
Total revenues	3,375,808	(447,600)	2,928,208
Expenses			
Program	2,625,378	-	2,625,378
Management and general	310,665	-	310,665
Fundraising	323,981	-	323,981
Total expenses	3,260,024	-	3,260,024
Other income, gains and (losses)			
Net investment loss	(2,433,803)	(2,300,126)	(4,733,929)
Change in value of deferred gifts	-	(36,320)	(36,320)
Change in value of beneficial interest in assets held by the Foundation for California Community Colleges	-	(58,296)	(58,296)
Total other income, gains and (losses)	(2,433,803)	(2,394,742)	(4,828,545)
Change in Net Assets	(2,314,269)	(2,846,092)	(5,160,361)
Net Assets, Beginning of Year	21,667,272	33,326,658	54,993,930
Net Assets, End of Year	\$ 19,353,003	\$ 30,480,566	\$ 49,833,569

See Notes to Financial Statements

College of the Desert Foundation
Statements of Functional Expenses
Years Ended June 30, 2023 and 2022

	2023			
	Program	Management and General	Fundraising	Total
College support	\$ 491,140	\$ -	\$ -	\$ 491,140
Scholarships	904,264	-	-	904,264
Special event	93,673	-	40,145	133,818
Salaries and benefits	853,435	106,679	106,679	1,066,793
Bank and credit card charges	2,686	4,030	-	6,716
Equipment and maintenance	6,929	9,898	2,969	19,796
Insurance	-	555	-	555
Marketing and development	208,179	-	52,045	260,224
Development	33,694	-	8,424	42,118
Annual report	13,649	1,706	1,706	17,061
Independent contractors	81,808	-	20,452	102,260
Membership	47	2,246	54	2,347
President's fund	28,591	-	-	28,591
Office	6,554	8,010	-	14,564
Conferences and travel	7,149	11,915	4,766	23,830
Postage and printing	19,802	2,475	2,475	24,752
Professional services	36,432	15,614	-	52,046
Recognition	4,440	93	93	4,626
Donated facilities	-	132,789	-	132,789
Telephone	-	3,804	-	3,804
	<u>2,792,472</u>	<u>299,814</u>	<u>239,808</u>	<u>3,332,094</u>
Less expenses included with revenues on the statement of activities				
Cost of direct benefits to donors	<u>(93,673)</u>	<u>-</u>	<u>(40,145)</u>	<u>(133,818)</u>
Total expenses	<u>\$ 2,698,799</u>	<u>\$ 299,814</u>	<u>\$ 199,663</u>	<u>\$ 3,198,276</u>

See Notes to Financial Statements

College of the Desert Foundation
 Statements of Functional Expenses
 Years Ended June 30, 2023 and 2022

	2022			
	Program	Management and General	Fundraising	Total
College support	\$ 465,183	\$ -	\$ -	\$ 465,183
Scholarships	1,198,465	-	-	1,198,465
Special event	81,338	-	15,778	97,116
Salaries and benefits	709,252	236,418	236,418	1,182,088
Bank and credit card charges	1,477	3,448	-	4,925
Equipment and maintenance	3,784	9,083	2,271	15,138
Insurance	-	555	-	555
Marketing and development	115,929	-	28,982	144,911
Development	21,635	-	9,272	30,907
Annual report	4,800	600	600	6,000
Independent contractors	46,532	-	19,943	66,475
Membership	45	2,179	45	2,269
President's fund	15,300	-	-	15,300
Office	4,560	5,575	-	10,135
Conferences and travel	6,465	10,775	4,310	21,550
Postage and printing	24,223	3,028	3,028	30,279
Professional services	6,250	6,250	-	12,500
Recognition	1,478	31	31	1,540
Donated facilities	-	32,723	19,081	51,804
Telephone	-	-	-	-
	<u>2,706,716</u>	<u>310,665</u>	<u>339,759</u>	<u>3,357,140</u>
Less expenses included with revenues on the statement of activities				
Cost of direct benefits to donors	<u>(81,338)</u>	<u>-</u>	<u>(15,778)</u>	<u>(97,116)</u>
Total expenses	<u><u>\$ 2,625,378</u></u>	<u><u>\$ 310,665</u></u>	<u><u>\$ 323,981</u></u>	<u><u>\$ 3,260,024</u></u>

College of the Desert Foundation
Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Operating Activities		
Change in net assets	\$ 2,466,137	\$ (5,160,361)
Adjustments to reconcile change in net assets to net cash flows from (used for) operating activities		
Amortization of discount on unconditional promises to give	(1,996)	(2,722)
Unrealized (gain) loss on investments	(2,177,595)	6,163,233
Realized (gain) loss on investments	168,444	(648,734)
Contributions received through deferred gifts	(27,090)	(12,139)
Distributions from deferred gifts	-	30,719
Change in value of investments related to deferred gifts	29,667	36,321
Contributions restricted for long-term purposes	(348,138)	(436,028)
Distributions from beneficial interest in assets held by the Foundation for California Community Colleges	26,650	20,400
Change in beneficial interest in assets held by the Foundation for California Community Colleges	(43,431)	58,296
Changes in assets and liabilities		
Unconditional promises to give	(89,510)	7,811
Accounts receivable	125	(125)
Accounts receivable - related party	(60,752)	208
Accrued interest receivable	(9,587)	(35,710)
Prepaid expenses	2,740	(3,500)
Accounts payable	3,021	25,558
Accrued expenses	2,467	(2,674)
Accounts payable - related party	35,616	146,639
Deferred revenue	(62,500)	67,500
Net Cash Flows from (used for) Operating Activities	(85,732)	254,692
Investing Activities		
Sale of investments	17,245,421	31,396,538
Purchase of investments	(16,501,455)	(49,022,590)
Net Cash Flows from (used for) Investing Activities	743,966	(17,626,052)
Financing Activities		
Collections of contributions restricted for long-term purposes	348,138	436,028
Net Change in Cash and Cash Equivalents	1,006,372	(16,935,332)
Cash and Cash Equivalents, Beginning of Year	3,443,769	20,379,101
Cash and Cash Equivalents, End of Year	\$ 4,450,141	\$ 3,443,769

See Notes to Financial Statements

Note 1 - Nature of Organization and Summary of Significant Accounting Policies**Organization and Nature of Activities**

College of the Desert Foundation (the "Foundation") is a non-profit organization that was formed on July 27, 1983. The purpose of the Foundation is to enhance the quality of education by advancing College of the Desert (the "College") through building relationships, securing philanthropic support, and stewarding assets. The Foundation operates primarily in the Coachella Valley of Southern California. Substantially all of the Foundation's donors are residents of this area, and the Foundation is subject to economic factors which may affect charitable giving in Southern California.

EDGE/pLEDGE

The EDGE/pLEDGE initiative represents a powerful commitment to the educational and economic future of regional students, the college, and the community. During the 2022-2023 academic year, pLEDGE programs provide tuition-free education with textbook support for students from underserved populations at the college. The funding is used to provide pLEDGE last-dollar tuition and fee scholarships, and textbook support to promote retention and success and economic improvement for underserved Coachella Valley student populations.

Many of the underrepresented students served by the College and Foundation are already Pell and California College Promise Grant eligible. While these programs can offset most of the cost for postsecondary education at the college, the student must cover residual costs. In some cases, the remaining costs become a barrier to full-time postsecondary education. The pLEDGE support removes that barrier by providing enough funding to offset residual costs for each student.

Students receiving pLEDGE assistance are required to maintain full-time enrollment in their chosen major, develop a two-year educational plan, engage in community service, complete career preparation workshops and maintain good academic standing. Participants must also complete the EDGE three-week summer bridge program that provides a review in math, English, reading skills, and student development. By focusing on recent high school graduates, the goal of the pLEDGE program is to remove economic barriers for incoming students while providing critical guidance, college readiness skills, and the academic support essential to achieving individual educational and career goals. Through these efforts, pLEDGE holds the potential to increase access to postsecondary education; provide critical scholarship dollars to reduce or eliminate achievement gaps, and increase postsecondary retention, completion, and transfer rates for students from minority, low-income, first-generation, military, disabled, foster youth, underrepresented, and other populations.

The Foundation's and College's commitment to EDGE/pLEDGE program is part of a collaborative effort to close the education gap in our service area, promote postsecondary education equity in our community, and improve quality of life and economic prosperity in the region.

The College and Foundation are working to institutionalize the program, and faculty and staff are committed to and support attainment of the pLEDGE goals. The value pLEDGE brings to postsecondary program recruitment, enrollment success, and transfer are acknowledged by the institution, and the potential success of the program is well recognized on campus. Many members of the college community advocate for the program on campus and in the community. A recent \$18 million gift to College of the Desert Foundation from MacKenzie Scott was established as a quasi-endowment known as the EDGE/pLEDGE Forever Fund. However, the Foundation's strategic goal is \$50 million to ensure EDGE/pLEDGE is funded in perpetuity at current anticipated levels of enrollment.

Financial Statement Presentation

The accompanying financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958-210-50. Under ASC 958-210-50, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. In addition, the Foundation is required to present a statement of cash flows. The Foundation does not use fund accounting. Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting.

The Foundation and the College are financial interrelated organizations as defined by *Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others*. The Foundation reflects contributions received for the benefit of the College as revenue in its financial statements. The expenses related to these contributions are accounted for under program and supporting services.

Net Assets

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor or grantor restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets available for general operations and not subject to donor (or certain grantor) restrictions. Net assets without donor restrictions represents all resources over which the Board of Directors has discretionary control for use in operating the Foundation. The Foundation's Board has also designated, from net assets without donor restrictions, net assets for an operating reserve and certain uses, as described in Note 10.

Net Assets with Donor Restrictions - Net assets subject to donor (or certain grantor) restrictions. Some donor-imposed (or grantor) restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Revenue Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or 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 substantially met. In the years ended June 30, 2023 and 2022, the Foundation did not receive any conditional promises to give.

Contributions are measured at their fair value at the date of contribution and are reported as an increase in net assets. The Foundation reports gifts of cash or other assets in the category designated by the donor. The Foundation reports gifts of goods and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulation about where the contributions are to be spent, the Foundation reports these contributions as net assets without donor restrictions.

Donated Assets, Services, and Facilities

The Foundation records the value of donated assets and facilities when there is an objective basis available to measure their value. Donated facilities are reflected as support in the accompanying statements at their estimated values at date of donation and fair market value of facilities for the year. Donated assets are capitalized at the stated donated value and depreciated in accordance with Foundation policies, unless they are passed through to the College. A substantial number of volunteers have donated their time and experience to the Foundation's program services and fundraising campaigns during the year. However, these donated services are not reflected in the financial statements because they do not meet recognition criteria prescribed by generally accepted accounting principles.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Foundation to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

Income Taxes

The Foundation is a charitable, not-for-profit, tax-exempt organization qualified under provisions of Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions. Accordingly, no provision for income taxes has been provided in the financial statements. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(A)(vi). The Foundation annually files information returns, Forms 990, 199, and RRF-1, with the appropriate agencies. There was no unrelated business activity income.

The Foundation has adopted FASB ASC Topic 740 that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Management believes that all tax positions taken to date are highly certain, and, accordingly, no accounting adjustment has been made to the financial statements.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking, money market accounts, and certificates of deposit with original maturities of less than 90 days.

The Foundation maintains its cash in bank deposit accounts which exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per depositor, per insured bank, for each account ownership category. At June 30, 2023 and 2022, the Foundation had approximately \$3,600,000 and \$2,700,000, respectively, in excess of FDIC-insured limits.

Promises to Give

The Foundation records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give that are expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Allowance for uncollectible promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. Management has deemed all amounts as collectible; therefore, no allowance for doubtful accounts is considered necessary.

Beneficial Interest in Assets Held by Community Foundation

The Foundation established an endowment fund that is perpetual in nature (the "Fund") under a community foundation's (the "CF") Osher Endowment Scholarship program and named the Foundation as a beneficiary. The Foundation granted variance power to the CF which allows the CF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the CF's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The Fund is held and invested by the CF for the Foundation's benefit and is reported at fair value in the statement of financial position, with distributions and changes in fair value recognized in the statements of activities.

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 statement of financial position. Net investment gain/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Deferred Revenue

Deferred revenue consist primarily of amounts received in advance for future special events and future membership fees paid in advance. Contributions are received from donors to support future special events and future membership fees for the Foundations. These contributions are recognized when the event is held and as the membership is renew.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. 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. Allocated expenses include special events, salaries and benefits, credit card charges, equipment and maintenance, independent contractors, annual report, marketing and development, membership, office, conference and travel, postage and printing, professional services, recognition, and development, which are allocated on the basis of estimates of time and effort.

Management Fee

Endowments received by the Foundation are subject to a two percent annual administrative fee of the value of the endowed asset. The fee will come from the interest earned off the endowment. Revenues received from management fees are used by the Foundation to further advancement efforts on behalf of College of the Desert.

Advertising Costs

Costs associated with advertising are expensed as incurred. During the 2023 and 2022 fiscal years, total advertising costs were \$260,224 and \$144,911, respectively.

Change in Accounting Principle

Effective July 1, 2022, the Foundation adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02, *Leases* ("Topic 842"). The Foundation elected to apply the guidance as of July 1, 2022, the beginning of the adoption period. The comparative financial information and disclosures presented are in accordance with the legacy standard, ASC Topic 840. The standard requires the recognition of right-of-use assets and lease liabilities for lease contracts with terms greater than 12 months. Operating lease costs are recognized in the income statement as a single lease cost and finance lease costs are recognized in two components, interest expense and amortization expense. The Foundation has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Foundation accounted for its existing leases as either finance or operating lease under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in ASC Topic 842 at lease commencement.

There was no effect for the Foundation as a result of the adoption of the new lease accounting guidance as the entity had no leases in effect as of June 30, 2023 and 2022.

Subsequent Events

The Foundation has evaluated subsequent events through September _____, 2023, the date the financial statements were available to be issued.

Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30,:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 4,450,141	\$ 3,443,769
Investments	15,753,337	15,641,097
Unconditional promises to give	<u>45,000</u>	<u>12,500</u>
 Total financial assets available within one year	 <u>\$ 20,248,478</u>	 <u>\$ 19,097,366</u>

Liquidity Management

To manage liquidity, the Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To ensure the stability of its mission, programs, employment, and ongoing operations, the Foundation maintains a Board Designated Reserve Fund. The Foundation has an Investment Policy Statement that establishes investment objectives for short-term and long-term investments. The short-term investments include assets with donor restrictions, as well as assets without donor restrictions. Since these funds are maintained for current operating expenses, as well as near-term funding commitments, they are managed with little or no risk to principle. They include cash and cash equivalents and short-term fixed income securities with an average maturity of three years and a maximum maturity of five years. The Endowed Assets are invested to emphasize long-term investment fundamentals. The objective is to maximize long-term returns consistent with prudent levels of risk. Investment returns are expected to provide adequate funds to sufficiently support designated needs and preserve or enhance the real value of the Foundation.

Note 3 - Restrictions on Net Asset Balances

Donor restricted net assets with time and/or purpose restrictions consist of the following at June 30,:

	<u>2023</u>	<u>2022</u>
Deferred gifts	\$ 100,750	\$ 103,327
Various donor restricted funds	5,652,235	5,761,424
Beneficial interest in assets held by the Foundation for California Community Colleges	64,751	47,970
Foundation scholarships	<u>5,512,537</u>	<u>4,566,259</u>
 Total donor restricted net assets	 <u>\$ 11,330,273</u>	 <u>\$ 10,478,980</u>

College of the Desert Foundation

Notes to Financial Statements

June 30, 2023 and 2022

Donor restricted net assets with perpetual restrictions consist of the following at June 30,:

	<u>2023</u>	<u>2022</u>
Scholarships and programs for the College	\$ 7,666,093	\$ 7,317,955
Beneficial interest in assets held by the Foundation for California Community Colleges	336,549	336,549
General endowments	<u>12,347,082</u>	<u>12,347,082</u>
Total donor restricted net assets	<u>\$ 20,349,724</u>	<u>\$ 20,001,586</u>

Note 4 - Unconditional Promises to Give

The Foundation's unconditional promises to give consisted of the following at June 30,:

	<u>2023</u>	<u>2022</u>
Unconditional promises to give, less than one year	\$ 164,280	\$ 52,500
Unconditional promises to give, more than one year	<u>20,000</u>	<u>41,000</u>
Total	184,280	93,500
Less: Unamortized discount	<u>(1,996)</u>	<u>(2,722)</u>
Net Unconditional Promises to Give	<u>\$ 182,284</u>	<u>\$ 90,778</u>

The discount rate utilized for the years ended June 30, 2023, and 2022 was 5.40% and 2.80%, respectively.

Note 5 - Investments

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2023:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Interest and dividends	\$ 636,021	\$ 618,334	\$ 1,254,355
Net realized loss on investments	(84,780)	(83,664)	(168,444)
Net unrealized gain on investments	<u>1,093,962</u>	<u>1,083,633</u>	<u>2,177,595</u>
Total investment income	1,645,203	1,618,303	3,263,506
Investment expenses	<u>(125,008)</u>	<u>(123,286)</u>	<u>(248,294)</u>
Total investment income, net of expenses	<u>\$ 1,520,195</u>	<u>\$ 1,495,017</u>	<u>\$ 3,015,212</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 507,983	\$ 514,031	\$ 1,022,014
Net realized gain on investments	313,448	335,286	648,734
Net unrealized loss on investments	<u>(3,141,188)</u>	<u>(3,022,045)</u>	<u>(6,163,233)</u>
Total investment loss	(2,319,757)	(2,172,728)	(4,492,485)
Investment expenses	<u>(114,046)</u>	<u>(127,398)</u>	<u>(241,444)</u>
Total investment loss, net of expenses	<u>\$ (2,433,803)</u>	<u>\$ (2,300,126)</u>	<u>\$ (4,733,929)</u>

Note 6 - Beneficial Interest in Assets Held by the Foundation for California Community Colleges

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. The Bernard Osher Foundation will provide scholarship matching funds annually to foundations that participate. In order to take advantage of this opportunity, the Foundation and its donors have contributed \$336,549. As of June 30, 2023 and 2022, the ending balance of the Osher Endowment Scholarship was \$401,300 and \$384,519, respectively. The Foundation receives no additional interest or dividends on the balance held at the FCCC and does not participate in the investment management of the funds. All donations to the FCCC Osher Endowment Scholarship must remain in the fund permanently and cannot be returned or used for other purposes.

Note 7 - Fair Value Measurements and Disclosures

Certain assets are reported 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 as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 - Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

The fair values of beneficial interests in charitable trusts are determined using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the underlying assets and are based on the fair values of trust investments as reported by the trustees. The fair value of the beneficial interest in assets held by the Foundation for California Community Colleges is based on the fair values of fund investments as reported by the Foundation. These are considered to be Level 3 measurements.

Assets and Liabilities Recorded at Fair Value on a Recurring Basis

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2023. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2023.

	Level 1	Level 2	Level 3	Total
Investment Assets				
Equity	\$ 18,990,958	\$ -	\$ -	\$ 18,990,958
Bonds	-	13,718,081	-	13,718,081
Mutual Funds	4,116,551	-	-	4,116,551
U.S. Treasuries	-	8,735,603	-	8,735,603
Exchange Traded Funds	1,007,061	-	-	1,007,061
Other Assets	335,210	-	425,057	760,267
Beneficiary Remainder Trust	-	-	100,750	100,750
FCCC Osher Endowment Scholarship Fund	-	-	401,300	401,300
Total	<u>\$ 24,449,780</u>	<u>\$ 22,453,684</u>	<u>\$ 927,107</u>	<u>\$ 47,830,571</u>

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2022. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2022.

	Level 1	Level 2	Level 3	Total
Investment Assets				
Equity	\$ 16,789,667	\$ -	\$ -	\$ 16,789,667
Bonds	913,043	19,986,256	-	20,899,299
Mutual Funds	3,716,649	-	-	3,716,649
U.S. Treasuries	-	3,204,032	-	3,204,032
Exchange Traded Funds	861,400	-	-	861,400
Other Assets	175,293	-	416,996	592,289
Beneficiary Remainder Trust	-	-	103,327	103,327
FCCC Osher Endowment Scholarship Fund	-	-	384,519	384,519
Total	<u>\$ 22,456,052</u>	<u>\$ 23,190,288</u>	<u>\$ 904,842</u>	<u>\$ 46,551,182</u>

Note 8 - Split Interest Agreements

The Foundation has a beneficial interest in various irrevocable charitable remainder trusts and pooled income funds including a pooled income fund administered by the Foundation for California Community Colleges. The assets are held in various stocks, bonds, and other assets in the names of the individual donors' trusts, and are accounted for in net assets with donor restrictions. The trusts provide for payments to the granter or other designated beneficiary over the trust's terms. At the end of the trust's term, the remaining assets are available to the Foundation. Fair value is based on the present value of the estimated future benefits to be received, which take into account required annual distributions to the donor, the donor's life expectancy, and the assumed rate of return on the investments over the years. The trusts are revalued on an annual basis, and the change in the present value of the trusts' assets is recorded as a gain or loss in the statements of activities.

A summary of the changes in split interest agreements is summarized as follows for June 30,:

	<u>2023</u>	<u>2022</u>
Beginning Balance	\$ 103,327	\$ 158,228
Contributions	<u>27,090</u>	<u>12,139</u>
Total	<u>\$ 130,417</u>	<u>\$ 170,367</u>
Amounts received during the year	\$ -	\$ (30,720)
Net changes in current fair market values	<u>(29,667)</u>	<u>(36,320)</u>
Ending Balance	<u>\$ 100,750</u>	<u>\$ 103,327</u>

Note 9 - Endowments

The Foundation's endowment (the "Endowment") consists of approximately 152 individual funds established by donors to provide annual funding for specific activities and general operations.

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, unless there are explicit donor stipulations to the contrary. At June 30, 2023 and 2022, there were no such stipulations. As a result of this interpretation, the Foundation retains in perpetuity (a) original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA. The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

As of June 30, 2023, endowment net asset composition by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 17,537,632	\$ -	\$ 17,537,632
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	20,349,722	20,349,722
Accumulated investment gains	-	5,577,288	5,577,288
	<u>\$ 17,537,632</u>	<u>\$ 25,927,010</u>	<u>\$ 43,464,642</u>

As of June 30, 2022, endowment net asset composition by type of fund is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment funds	\$ 16,878,435	\$ -	\$ 16,878,435
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	20,001,586	20,001,586
Accumulated investment gains	-	4,614,229	4,614,229
	<u>\$ 16,878,435</u>	<u>\$ 24,615,815</u>	<u>\$ 41,494,250</u>

From time to time, the fair value of assets associated with the individual donor-restricted endowment funds may fall below the level that the donor of the UPMIFA required the Foundation to retain as a fund of perpetual duration ("below water endowments"). The Foundation has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. At June 30, 2023, funds with original gift values of \$370,526, fair values of \$348,642, and deficiencies of \$21,884 were reported in net assets with donor restrictions.

Investment and Spending Policies

The Foundation has adopted an investment policy, approved by the Board of Directors, for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long term. Therefore, the Foundation expects its endowment assets, over time, to exceed the average annual return of the applicable benchmark index with a lower than benchmark volatility over a three to five year rolling time period. Actual returns in any given year may vary from this expectation. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

The Foundation's Board-approved spending policy was created to protect the values of the endowments. The Board of Directors approved a policy that all endowments are first subject to an annual administrative fee of two percent calculated at the end of each month, based on the market value balance that is deposited into the operating fund of the Foundation. The total endowment spending rate of no more than five percent per year is determined by the investment committee at the annual meeting using the average market value of the funds on June 30 for each of the three years immediately preceding the fiscal year the payout is to be made.

Changes in endowment net assets for the year ended June 30, 2023 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning Balance	\$ 16,878,435	\$ 24,615,815	\$ 41,494,250
Contributions	-	324,139	324,139
Investment income	1,117,074	1,635,084	2,752,158
Amounts appropriated for expenditures	(457,877)	(648,028)	(1,105,905)
Ending Balance	<u>\$ 17,537,632</u>	<u>\$ 25,927,010</u>	<u>\$ 43,464,642</u>

Changes in endowment net assets for the year ended June 30, 2022 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning Balance	\$ -	\$ 27,273,860	\$ 27,273,860
Contributions	18,600,000	436,028	19,036,028
Investment income	(1,542,031)	(2,252,554)	(3,794,585)
Amounts appropriated for expenditures	(179,534)	(841,519)	(1,021,053)
Ending Balance	<u>\$ 16,878,435</u>	<u>\$ 24,615,815</u>	<u>\$ 41,494,250</u>

Note 10 - Board Designated Net Assets

Net assets without donor restrictions that have been board designated consist of the following at June 30,:

	2023	2022
General Board Reserves	\$ 500,000	\$ 500,000
Board Designated EDGE/plEDGE	250,000	250,000
Quasi Endowment for Campus Grants	579,867	554,557
Quasi Endowment for EDGE/plEDGE	16,957,765	16,323,878
	<u>\$ 18,287,632</u>	<u>\$ 17,628,435</u>

Note 11 - In Kind Contributions

Contributed nonfinancial assets recognized within the statement of activities included for the years ended June 30,:

	2023	2022
Office facilities donated by a related party	\$ 132,789	\$ 51,804
Special event facilities donated by an unrelated party	27,636	-
Total	<u>\$ 160,425</u>	<u>\$ 51,804</u>

Note 12 - Related Party Transactions**Desert Community College District**

Desert Community College District (the "District") charges administrative services to the Foundation. Salaries and benefits for the Executive Director, administrative staff, and other services are paid by the District and reimbursed by the Foundation. Accordingly, at June 30, 2023 and 2022, the Foundation owed the District \$273,831 and \$238,215, respectively, for all services. The District collects employee contributions on behalf of the Foundation through the payroll process. Accordingly, at June 30, 2023 and 2022, the District owed the Foundation \$62,840 and \$2,088, respectively. The District maintains a balance of Foundation funds for purposes of student emergency awards. The balances of the funds as of June 30, 2023 and 2022, amounted to \$5,000 and \$5,000, respectively.

In addition, the District provides office space for employees who perform services for the Foundation at no charge. The donated facilities for the fiscal years 2023 and 2022 amounted to \$132,789 and \$51,804, respectively, and have been reflected in the financial statements as in-kind revenue.

Desert Community College District Auxiliary Services

Desert Community College District Auxiliary Services (the “Auxiliary”) provides services for the Foundation in the form of passing through scholarships issued by the Foundation to student accounts. These scholarships are recorded in the Foundation financials under program expenses.

Other Related Party

The Foundation received marketing services from a company owned by a board member. Expenses in relation to these services totaled \$126,007 and \$106,063 for the years ended June 30, 2023 and 2022, respectively.



Informational/ Miscellaneous



Upcoming Events



November 2023	
3	<p>National Philanthropy Day Luncheon (1 seat available)</p> <p>Friday, November 3, 2023 from 11:30 AM-1:00 PM Agua Caliente Resort Casino Spa, Rancho Mirage</p>
7	<p>Campus Tour</p> <p>Tuesday, November 7 from 10:00 AM until 12:00 PM Public Safety Auditoriums, PD Campus</p>
8	<p>Celebration honoring Peggy Cravens</p> <p>Wednesday, November 8 from 4:00 PM until 5:00 PM Donald and Peggy Cravens Student Services Center</p>
9	<p>President's Circle - Cheeseburgers in Paradise</p> <p>Thursday, November 9th from 5:30 PM until 7:30 PM BG Bird Garden Joshua Tree St, Palm Desert CA 92260</p>
14	<p>Campus Tour</p> <p>Tuesday, November 14 from 10:00 AM until 12:00 PM Public Safety Auditoriums, PD Campus</p>
15	<p>New Board Members Orientation</p> <p>Wednesday, November 15 at 3:00 PM Foundation Office, Administration Building, PD Campus</p>
16	<p>Legacy Leaders Recognition Reception</p> <p>Thursday, November 16 at 3:30 PM Cuistot, 72595 El Paseo, Palm Desert CA 92260</p>
21	<p>Campus Tour</p> <p>Tuesday, November 21 from 10:00 AM until 12:00 PM Public Safety Auditoriums, PD Campus</p>
23	<p>Thanksgiving</p>
28, 29, 30 and Dec 1, 4, 5	<p>"Giving Tuesday" - 12 days of Christmas in 6 days</p>

The event will take place beginning Tuesday, November 28 through Tuesday, December 5. Faculty and Staff will be treated to special treats and fun interactive activities for 6 days, including: Gingerbread House Decorating Contest, Hot Chocolate Bar, Donuts and Bagels, Pie and Coffee Morning, Photo booth for pictures with their departments, Ugly Sweater Contest, Christmas Charcuterie Boxes, Ornament Making, Decorating Sugar Cookies, Adopting a child from the CDC for Christmas gifts

7-Dec	<p>Holiday Celebration at Invitation of Board Chair Diane Rubin</p> <p>Thursday, December 7</p>
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Citizens Bond Oversight Committee

CONTACT:

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Citizens' Bond Oversight Committee Two Seats Now Open
College of the Desert seeks dedicated members to serve community

PALM DESERT, CA—The Citizens' Bond Oversight Committee (CBOC) at College of the Desert (COD) is inviting area residents to apply as a Business Representative or Member-at-Large for the committee, playing a crucial role in ensuring the prudent use of bond funds and maintaining transparency in the process.

The primary responsibility of CBOC is to conduct an annual audit of costs pertaining to Measure B (2004) and Measure C (2016) bond proceeds previously approved by voters. The committee ensures that bond funds are solely allocated for land acquisition, construction and equipment, with no disbursement towards salaries or pay increases. Transparency is a key focus, as the CBOC publicizes information about expenditures through an annual report.

Interested applicants are encouraged to apply by mailing their submissions to the Bond Program and Facilities Planning Office, Attention John White at 43-500 Monterey Ave., Palm Desert, CA, 92260. The deadline to apply is November 28, 2023, at 4 p.m. Application forms are available online at www.collegeofthedesert.edu/community/facility-plan/committee-member-applications.php.

To be eligible for the Business Representative position, applicants must be actively involved in a business within the Desert Community College District's service area, reside in California, and be able to effectively represent the interests of the business community.

To be eligible for the Member-at-Large position, applicants must be at least 18 years of age and live in the state.

Candidates must be 18 years of age or older and cannot be employees of the College, union representatives, officials of the Desert Community College District, or affiliated in any capacity such as vendors, contractors, or consultants of the District.

The committee consists of a minimum of seven members appointed by the Desert Community College District Board of Trustees. It exists to carry out Proposition 39 and its bylaws. Successful appointees serve a two-year term, which is renewable for a maximum of three terms.

As an essential component of this commitment, all members are required to sign an ethics statement, ensuring the highest standards of integrity. It is important to note that Citizens' Bond Oversight Committee members do not receive compensation for their service. The CBOC bylaws are accessible at www.collegeofthedesert.edu/community/facility-plan/bylaws.php.



College Happenings



COLLEGE
of the **DESERT**
PERFORMING ARTS
presents



PETER AND THE STARCATCHER

BASED ON THE NOVEL BY DAVE BARRY AND RIDLEY PEARSON

A PLAY BY
RICK ELICE

MUSIC BY
WAYNE BARKER

DIRECTED BY JANET MILLER

MUSICAL DIRECTION BY ROY SPICER III

Nov. 10, 11, 17, 18 AT 7PM

Nov. 12, 19 AT 3PM

THEATRE TOO AT COLLEGE OF THE DESERT

\$15 Students

\$20 General



Peter and the Starcatcher is presented through special arrangement with Music Theatre International.
All authorized performance materials are also supplied by Music Theatre International.
www.mtishows.com