# Coconino Community College Foundation Financial Statements

For the Year Ended June 30, 2024

# Coconino Community College Foundation

Financial Statements Year Ended June 30, 2024

# **Coconino Community College Foundation**

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#### **Independent Auditor's Report**

The Board of Directors
Coconino Community College Foundation

# **Report on Audit of Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Coconino Community College Foundation (Foundation), component unit of Coconino County Community College District, which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coconino Community College Foundation as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

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

#### Responsibilities of Management for the Financial Statements

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit
  procedures that are appropriate in the circumstances, but not for the purpose of expressing an
  opinion on the effectiveness of 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.

# **Report on Summarized Comparative Information**

We have previously audited the Coconino Community College Foundation's 2023 financial statements, and our report dated October 9, 2023, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Heinfeld Meach & Co. PC

Heinfeld, Meech & Co., P.C. Flagstaff, Arizona October 21, 2024

# Coconino Community College Foundation Statement of Financial Position June 30, 2024

<u>Assets</u>		2024	_	2023
Current assets			_	
Cash and cash equivalents	\$	2,362,952	\$	347,595
Prepaid expenses		768	_	4,646
Total current assets		2,363,720		352,241
Long-term assets				
Investments, at market		2,253,714		2,062,587
Total long-term assets		2,253,714		2,062,587
Total assets	\$	4,617,434	\$	2,414,828
<u>Liabilities and Net Assets</u> Current liabilities				
CCC College payable	\$	81,174	\$	14,002
Accounts payable	7	27,368	Τ.	173
Deferred revenue		782,315		380
Refundable advance		,		33,432
Total current liabilities		890,857		47,987
Net assets				
Without donor restrictions		1,044,901		907,454
With donor restrictions		2,681,676		1,459,387
Total net assets		3,726,577	•	2,366,841
Total liabilities and net assets	\$	4,617,434	\$	2,414,828

# Coconino Community College Foundation Statement of Activities

# For The Year Ended June 30, 2024

						Т	ota	ls
		Without Donor		With Donor				
Revenue, gains, and other support		Restrictions		Restrictions	_	2024	_	2023
Public contributions and grants	\$	33,693	\$	1,525,361	\$	1,559,054	\$	472,605
Donated services		294,307				294,307		253,442
Investment earnings, net of fees		81,950		16,621		98,571		40,303
Realized gains (losses) on investments		11,073		16,631		27,704		21,184
Unrealized gains (losses) on investments		82,848		130,123		212,971		134,708
Net assets released from restrictions		466,447		(466,447)				
Total revenue, support, and gains	_	970,318	_	1,222,289	٠	2,192,607		922,242
Expenses and losses								
Program services		552,364				552,364		472,076
Management and general		149,798				149,798		131,657
Fundraising		130,709				130,709	_	97,305
Total expenses and losses	_	832,871	_			832,871		701,038
Change in net assets		137,447		1,222,289		1,359,736		221,204
Net assets, beginning of year	_	907,454	_	1,459,387		2,366,841		2,145,637
Net assets, end of year	\$_	1,044,901	\$	2,681,676	\$	3,726,577	\$	2,366,841

# Coconino Community College Foundation Statement of Functional Expenses For The Year Ended June 30, 2024

			Supporting Services		 Tota	als	
		Program Services	Management and General	Fundraising	2024	:	2023
Salaries and benefits	\$	111,593	72,785	111,742	\$ 296,120 \$	5	258,482
Events expense		32,661		43,594	76,255		80,829
Facilities expense			15,007		15,007		11,175
Grants, scholarships and awards		318,957			318,957		349,965
Marketing		733	733	323	1,789		1,982
Meeting expense		296	798	193	1,287		733
Miscellaneous expenses			107	3,128	3,235		3,036
Postage		24	67	17	108		346
Printing and copying		18	51	14	83		3,356
Professional development		562	1,585	409	2,556		
Professional fees		6,625	56,045	793	63,463		53,839
Service provider payments		88,080			88,080		
Software subscriptions			2,620	14,090	16,710		
Supplies		1,567			1,567		127
Travel		23,909			23,909		17,997
Total expense by function Less expenses included with revenues on the statement of activities:	_	585,025	149,798	174,303	909,126		781,867
Events expense  Total expenses included in the expense section on the		(32,661)		(43,594)	(76,255)		(80,829)
statement of activities	\$	552,364 \$	149,798	\$ 130,709	\$ 832,871 \$		701,038

# Coconino Community College Foundation Statement of Cash Flows

# For The Year Ended June 30, 2024

		2024	2023
Cash flows from operating activities:			
Change in net assets	\$	1,359,736	\$ 221,204
Adjustments to reconcile change in net assets to net			
cash provided by/used for operating activities:			
Realized and unrealized gains on investments		(240,675)	(155,892)
Investment earnings, net		(98,571)	(40,303)
Contributions restricted for long-term purposes		(47,884)	(38,693)
Decrease (increase) in operating assets:			
Prepaid expenses		3,878	(756)
Increase (decrease) in operating liabilities:			
CCC College payable		67,172	3,825
Accounts payable		27,195	(123)
Deferred revenue		781,935	(776)
Refundable advance		(33,432)	 445
Net cash provided by/used for operating activities	•	1,819,354	 (11,069)
Cash flows from investing activities:			
Purchases of investment securities		(1,233,505)	(505,670)
Investment earnings, net		98,571	40,303
Proceeds from sales of investments, net		1,283,053	 266,630
Net cash provided by/used for investing activities	•	148,119	 (198,737)
Cash flows from financing activities:			
Contributions to donor restricted endowment		47,884	38,693
Net cash provided by/used for financing activities		47,884	 38,693
Net increase/decrease in cash and cash equivalents		2,015,357	(171,113)
Cash and cash equivalents, beginning of year	•	347,595	 518,708
Cash and cash equivalents, end of year	\$	2,362,952	\$ 347,595

# Note 1 – Summary of Significant Accounting Policies

# **Nature of Activities**

The Coconino Community College Foundation (Foundation) was founded in 1993 under Arizona law as a nonprofit Foundation. The mission of the Foundation is to promote the purposes and goals of Coconino Community College (College), thereby enhancing the opportunities of Coconino residents. It is the fundraising Foundation for the solicitation, receipt and management of all private gifts, donations, and contributions, including gifts-in-kind. Funds are disbursed exclusively for charitable and educational purposes within the meaning of the Internal Revenue Code Section 501(c)(3), including providing scholarships and financial aid, to fulfill the teaching and service functions of the College, and to make or receiving grants and loans of corporate property for the purposes of the College. The Foundation's primary source of revenue is from private contributions. An operating agreement between the Foundation and the College is reviewed and renewed annually.

# **Basis of Accounting**

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

# **Basis of Presentation**

The financial statements of the Foundation have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to not-for-profit entities. The Financial Accounting Standards Board (FASB) is the accepted standard-setting body for establishing not-for-profit accounting and financial reporting principles. The Foundation is required to report information regarding its financial position and activities according to two classes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified as follows:

Net assets without donor restrictions — Net assets that are not subject to donor-imposed stipulations. The Governing Board has designated, from net assets without donor restrictions, net assets for an operating reserve and board designated endowment.

Net assets with donor restrictions — Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of the Foundation and/or the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds must be maintained in perpetuity.

Donor-restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

# Note 1 - Summary of Significant Accounting Policies

# **Use of Estimates**

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

# **Comparative Financial Information**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

#### **Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

#### <u>Investments</u>

The Foundation reports investments at fair value in the Statement of Financial Position. Realized and unrealized gains and losses are included in the Statement of Activities. Donated securities are received directly into the Cambium Wealth and Legacy Strategies (Cambium) account at market values as of the date executed. On a quarterly basis, all investment income, which consists of interest and dividend income, realized and unrealized capital gains and losses, less investment expense, is allocated between net assets with donor restrictions and net assets without donor restrictions in accordance with the Foundation's policy.

# **Concentrations of Credit and Market Risk**

Financial instruments that potentially expose the Foundation to concentrations of credit and market risk consist primarily of cash equivalents and investments. The Foundation maintains its cash and cash equivalents in bank deposit and money market accounts, which, for short periods of time, may exceed federally insured limits. At year end, the carrying amount of the Foundation's deposits was \$2,362,952 and the bank balance was \$2,364,402. At year end, \$9,612 of the Foundation's deposits were uninsured and uncollateralized. The balance, \$2,354,790, was insured subject to FDIC and SIPC insurance limits. To minimize risk, cash accounts are maintained at high-quality financial institutions and credit exposure is limited to any one institution. The Foundation's investments do not represent significant concentrations of market risk inasmuch as the Foundation's investment portfolio is adequately diversified among issuers. Funds deposited with Cambium and Edward Jones are protected by the SIPC up to a ceiling of \$500,000 including a maximum of \$250,000 for cash claims.

# Note 1 – Summary of Significant Accounting Policies

# **Contributions Receivable**

Unconditional promises to give are recognized as revenues when the promise is received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Unconditional promises to give that are expected to be collected in less than one year are reported at net realizable value.

Unconditional promises to give that are expected to be collected in periods greater than one year are recorded at net present value of expected cash flows. At year-end, there were no contributions receivable.

# **Deferred Revenues**

The Foundation hosts an annual marathon fundraiser for cross country each October. Participant sign-up begins the December preceding the marathon. Participant fees are fully refundable. During the current fiscal year, the Foundation collected deferred revenues of \$782,315 with \$750,000 related to the Lowe's Foundation Grant.

# **Revenue Recognition**

**Contributions.** The Foundation receives contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. The Foundation had conditional promises to give of \$3 million at June 30, 2024.

Revenue is recognized when earned. Program service fees and payments for future events received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively.

# **Donated Services and In-Kind Contributions**

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Foundation reclassifies net assets with donor restrictions to net assets without restrictions at that time.

Volunteers contribute significant amounts of time to the Foundation's program services, administration, and fundraising activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed in generally accepted accounting principles.

# Note 1 – Summary of Significant Accounting Policies

# **Functional Allocation of Expenses**

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and benefits	Primary function
Facilities expenses	Square footage
All other expenses	Full time equivalent

# **Income Tax Status**

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and similar State of Arizona tax provisions. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). The Foundation's Form 990, Return of Foundation Exempt from Income Taxes, is generally subject to examination by the Internal Revenue Service for three years after the date filed.

Management has evaluated the tax positions taken or expected to be taken, if any, on its exempt organization filings, and the likelihood that upon examination those positions would be sustained. Based on the results of this evaluation, management believes there are no uncertain tax positions.

# Note 2 – Cash and Cash Equivalents

The following were included in cash and cash equivalents as of June 30:

Checking	\$ 469,236
Investment cash	1,893,716
Total	\$ 2,362,952

# Note 3 – Liquidity and Availability

The following represents the Foundation's financial assets at fiscal year-end:

Financial assets at year end:	
Cash and cash equivalents	\$ 2,362,952
Investments	2,253,714
Total financial assets	4,616,666
Less amounts not available to be used within one year:	
Net assets with donor restrictions	2,681,676
Net assets with purpose restrictions to be met	
in less than a year	159,350
Financial assets available to meet general	
expenditures over the next twelve months	\$ 1,775,640

The Board requires that at least five percent of investments be available in cash equivalents. Additionally, it is general practice that all significant endowment gifts are sent to the investment account as soon as practical.

The Board designated net assets represent accumulated unallocated unrealized gains on investments and are being accounted for separately as per the Foundation's investment policy. The funds represent a cushion against down turning investment markets.

#### Note 4 – Investments and Fair Value Measurements

Fair value is defined as the price that the Foundation would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date.

Accounting standards establish a three-tier fair value hierarchy that prioritizes the inputs to valuation techniques. Inputs refer broadly to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Observable inputs are those that reflect the assumptions that market participants would use in pricing the asset and are based on market data obtained from independent sources. Unobservable inputs reflect the Foundation's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

#### Note 4 – Investments and Fair Value Measurements

The three-tier hierarchy of inputs is summarized in the three broad levels listed below:

Level 1: Quoted prices in active markets for identical investments.

Level 2: Quoted prices for similar assets or liabilities in active markets, quoted prices

for identical or similar assets or liabilities in inactive markets, inputs other

than quoted prices that are observable for the asset or liability.

Level 3: Unobservable inputs for the asset or liability.

The level of fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

# Fair Values Measured on Recurring Basis

Fair values of assets measured on a recurring basis at year end are as follows:

	Hierarchy		
	Level	Fa	ir Value
Investments			
Fixed income investments	Level 1	\$	6,655
Mutual funds	Level 1	1	,390,630
Exchange-traded products	Level 1		856,429
Total assets		\$ 2	2,253,714

The following methods and assumptions were used to estimate the fair value for each class of financial instrument measured at fair value.

*Investments* – Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

The Foundation recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels during the current fiscal year.

#### Note 5 – Endowments

The Foundation's endowment consists of approximately 31 individual funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board to function as endowments. As required by generally accepted accounting principles (GAAP), net assets associated with endowment funds, including funds designated by the Board to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

# **Interpretation of Relevant Law**

The Board of Directors of the Foundation has interpreted the State of Arizona's version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gifts 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 expenditures by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- a. The duration and preservation of the fund
- b. The purpose of the donor-restricted endowment fund
- c. General economic conditions
- d. The possible effect of inflation and deflation
- e. The expected total return from income and the appreciation of investments
- f. Other resources of the Foundation
- g. The investment policies of the Foundation

Endowment Net Asset Composition by Type of Fund as of year end:

	W	/ithout				
	[	Donor	V	ith Donor		
	Re	striction	R	Restriction		Total
Original donor-restricted gift amount and amounts						
required to be maintained in perpetuity by donor	\$		\$	1,037,089	\$	1,037,089
Accumulated investment gains				104,384		104,384
Board-designated endowment funds		74,326				74,326
Total funds	\$	74,326	\$	1,141,473	\$	1,215,799
Total fullus	ې	74,320	Ş	1,141,473	<u>ې</u>	1,215,79

# Note 5 – Endowments

# **Investment Return Objectives, Risk Parameters and Strategies**

The Foundation has adopted investment and spending policies, approved by the Board, for endowment assets that attempt 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. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of four percent, while growing the funds if possible. Actual returns in any given year may vary from this amount. 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.

#### **Spending Policy**

The Foundation has a policy of appropriating for distribution each year a maximum 6 percent of its investment fund's average total market value of the investment portfolio for the trailing three-year period ending December 31. The Foundation has currently determined that the annual amount to appropriate for distribution for scholarships and programs shall be 4 percent of the book value of the endowed funds. When current income and market appreciation exceed the amount required for the annual scholarship distribution, the excess will be retained in the investment portfolio for future growth and to offset periods of down-market performance.

In making distributions, the Foundation is authorized to assess at 2 percent reinvestment fee will be calculated and assessed to the investment portfolio using the market value of the investment portfolio as of December 31 (using a 3-year rolling average). This fee is designated as a reinvestment fee to support Foundation operations and College Programs. The fee will be determined annually by the Finance Committee and recommended to the Foundation's Board of Directors for approval. In a prolonged down market, the Executive Committee may opt to waive or reduce the 2 percent reinvestment fee.

In establishing this policy, the Foundation considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, many of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. The Foundation expects the current spending policy to allow its endowment funds to grow at a nominal average rate of four percent annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

#### Note 5 – Endowments

The Foundation has a scholarship committee made up of Foundation, community and College faculty and staff members which meets approximately six times per year to advise the Board of Directors as to how much money to allocate to scholarships.

Scholarship values vary based on the annual interest earned on the endowment. At the Foundation's discretion, an award or awards may be granted for an entire academic year or for a period of less than one full academic year. If the earnings and income of a scholarship are not sufficient to fund one full award, then the Foundation may, in its discretion, grant an award equal to the amount of such earnings and income or determine not to make any award for the year, in which case, the amount of such earnings and income shall be carried forward to the next academic year.

The Foundation's spending policy permits distributions from investment funds during the current fiscal year (ending June 30) up to 6 percent of the average total market value of the investment portfolio for the trailing three-year period ending December 31. Exceptions to the spending policy can be made only upon the majority approval of the Board of Directors. The Foundation's policy does not specify its ability to spend from underwater endowments. Scholarship distributions usually made from the endowed funds were funded by board-designated funds for the current fiscal year.

Changes in Endowment Net Assets as of year end:

	١	Nithout			
		Donor	Wi	ith Donor	
	Re	estriction	Re	estriction	Total
Endowment net assets, beginning of year	\$	94,324	\$	965,960	\$ 1,060,284
Contributions				47,884	47,884
Investment return, net				127,629	127,629
Amounts appropriated for expenditure		(19,998)			(19,998)
Endowment net assets, end of year	\$	74,326	\$ 1	1,141,473	\$ 1,215,799

#### Note 6 – Net Assets

Net assets without donor restrictions are as follows:

Designation by the Board	\$ 74,326
Undesignated	 970,575
Total	\$ 1,044,901

# Note 6 – Net Assets

Net assets with donor restrictions were as follows:

\$ 1,419,605
1,249,790
3,921
5,076
3,284
\$ 2,681,676

Net assets released from donor restrictions for the purpose of satisfaction of purpose restrictions were \$466,447 for June 30, 2024.

#### Note 7 – Donated Services

The Foundation receives significant in-kind contributions from Coconino Community College for salaries and benefits. Donated services are recognized as contributions if the services create or enhance nonfinancial assets, or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. The Foundation recognizes in-kind contribution revenue and a corresponding expense in the amount approximating the estimated fair value at the time of the donation. Fair value of the in-kind contribution is determined by allocating a proportion of each employee salary based on time and effort to the Foundation.

The Foundation also received contributions of the use of facilities. Donated space is valued based on a proportionate share of Coconino Community College's square footage.

	Sa	laries and					
Program or Supporting Service	Benefits		Benefits		F	acilities	Total
Program	\$	94,773	\$		\$ 94,773		
Management and general		72,785		15,007	87,792		
Fundraising		111,742			111,742		
Total	\$	279,300	\$	15,007	\$ 294,307		

All donated services were utilized by the Foundation's programs and supporting services. There were no donor-imposed restrictions associated with the donated services.

# Note 8 - Concentrations

The Foundation has consistently retained long-term donors. One of which gave \$1,000,000 and another which gave \$112,500, representing more than 64 percent and seven percent of public contributions, respectively. Loss of such donors in the near-term could cause a significant reduction in the Foundation's ability to support the nursing program.

# Note 9 – Contingent Liability

For the year ended June 30, 2024, the Foundation had scholarships that have been awarded but not paid in the amount of \$159,350. These scholarships are awarded in two payments, with the first payment given upon enrollment for the fall semester; the second payment is made conditionally upon enrollment for the spring semester. As the scholarships are contingent upon enrollment and paid out over the following fiscal year, they are not recorded as a liability as of June 30, 2024.

# Note 10 – Related Party Transactions

Coconino Community College contributes to the Foundation certain supporting services per a written agreement. Employees of the College perform the Foundation program, administrative and accounting duties. The amounts included in public contributions without donor restrictions for these services were \$279,300. An additional \$15,007 was contributed for facilities related expenses. In the opinion of management, such transactions were on substantially the same terms as those that would prevail with other unrelated persons and entities.

# Note 11 – Subsequent Events

Subsequent events have been evaluated through October 21, 2024, which is the date the financial statements were available to be issued.

As of September 27, 2024, the Foundation received the second of four \$1 million FUSD to CCC Bridge Program contributions.