HARRINGTON GROUP
CERTIFIED PUBLIC ACCOUNTANTS, LLP

INLAND EMPIRE COMMUNITY FOUNDATION

FINANCIAL STATEMENTS

DECEMBER 31, 2024

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HARRINGTON GROUP
CERTIFIED PUBLIC ACCOUNTANTS, LLP

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Inland Empire Community Foundation

Opinion

We have audited the accompanying financial statements of Inland Empire Community Foundation (a nonprofit organization), which comprise the Statement of Financial Position as of December 31, 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 Inland Empire Community Foundation as of December 31, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Inland Empire Community Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government 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 Inland Empire Community 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 Inland Empire Community 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.

Other Matter

Report on Summarized Comparative Information

We have previously audited Inland Empire Community Foundation's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 13, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2025, on our consideration of Inland Empire Community Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Inland Empire Community Foundation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Inland Empire Community Foundation's internal control over financial reporting and compliance.

Harrington Group

Pasadena, California
May 12, 2025

INLAND EMPIRE COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL POSITION
December 31, 2024
With comparative totals at December 31, 2023

	2024	2023
ASSETS		
Cash and cash equivalents	**$ 51,461,963**	$ 43,617,156
Grants and contributions receivable (Note 4)	**5,111,651**	2,124,507
Other receivables	**226,274**	65,014
Prepaid expenses and deposits	**64,799**	48,760
Investments (Note 5)	**95,767,172**	87,495,154
Charitable gift annuities and assets held in remainder trusts (Note 6)	**3,201,904**	3,308,699
Furniture and equipment (Note 7)	**13,230**	17,621
Right of use - operating assets (Note 9)	**174,470**	175,676
Right of use - financing assets (Note 9)	**38,369**	8,106
TOTAL ASSETS	**$ 156,059,832**	$ 136,860,693
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	**$ 783,632**	$ 678,545
Grants payable	**1,488,451**	3,275,346
Lease liabilities - operating leases (Note 9)	**178,000**	178,882
Lease liabilities - financing leases (Note 9)	**38,977**	8,345
Obligation under charitable gift annuities	**918,234**	949,936
Unearned revenue (Note 11)	**434,322**	244,826
Agency funds (Note 8)	**19,620,209**	17,903,622
Line of credit (Note 15)	**1,000,000**	900,000
TOTAL LIABILITIES	**24,461,825**	24,139,502
NET ASSETS		
Without donor restrictions (Note 12)	**14,444,846**	13,237,226
With donor restrictions (Note 12)	**117,153,161**	99,483,965
TOTAL NET ASSETS	**131,598,007**	112,721,191
TOTAL LIABILITIES AND NET ASSETS	**$ 156,059,832**	$ 136,860,693

The accompanying notes are an integral part of these financial statements.

INLAND EMPIRE COMMUNITY FOUNDATION

STATEMENT OF ACTIVITIES
For the year ended December 31, 2024
With comparative totals for the year ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	2024	2023
REVENUE AND SUPPORT				
REVENUE				
Realized gain on investments	$ 1,627,136	$ 14,516,988	**$ 16,144,124**	$ 5,304,633
Unrealized (loss) gain on investments	(825,171)	(7,872,460)	**(8,697,631)**	5,252,370
Realized and unrealized gain on investments	801,965	6,644,528	**7,446,493**	10,557,003
Interest and dividend income, net of fees of $205,403 and $97,686, respectively	381,820	3,198,295	**3,580,115**	1,975,506
Investment gain, net (Note 5)	1,183,785	9,842,823	**11,026,608**	12,532,509
Less: investment (gain) from agency funds (Note 8)		(2,039,426)	**(2,039,426)**	(2,442,384)
Investment income, net of fees and agency funds income	1,183,785	7,803,397	**8,987,182**	10,090,125
Special events - net of expenses of $317,734 and $136,904, respectively		26,964	**26,964**	164,441
Management fees - agency funds	179,152		**179,152**	164,345
Change in value of split-interest agreements		101,857	**101,857**	137,393
Donated materials (Note 2)	13,245		**13,245**	-
Donated life insurance			**-**	4,445
Prior years' grants returned			**-**	-
Net assets released from restrictions	36,982,393	(36,982,393)	**-**	-
SUPPORT				
Contributions, bequests, and grants	220,395	47,551,721	**47,772,116**	33,567,227
Less: support from agency funds (Note 8)		(832,350)	**(832,350)**	(131,182)
Total support, net	220,395	46,719,371	**46,939,766**	33,436,045
TOTAL REVENUE AND SUPPORT	38,578,970	17,669,196	**56,248,166**	43,996,794
EXPENSES				
Program services:				
Grants awarded	29,894,900		**29,894,900**	29,003,618
Less: agency fund expenses and grants awarded	(976,037)		**(976,037)**	(1,294,081)
Grants awarded, net	28,918,863		**28,918,863**	27,709,537
Grants and program related expenses	930,331		**930,331**	547,601
Community leadership	5,918,650		**5,918,650**	3,139,588
Supporting services:				
Administrative	592,120		**592,120**	486,520
Development	1,011,386		**1,011,386**	998,590
TOTAL EXPENSES	37,371,350	-	**37,371,350**	32,881,836
CHANGE IN NET ASSETS BEFORE OTHER CHANGES	1,207,620	17,669,196	**18,876,816**	11,114,958
NET ASSETS, BEGINNING OF YEAR	13,237,226	99,483,965	**112,721,191**	101,606,233
NET ASSETS, END OF YEAR	$ 14,444,846	$ 117,153,161	**$ 131,598,007**	$ 112,721,191

The accompanying notes are an integral part of these financial statements.

INLAND EMPIRE COMMUNITY FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES
For the year ended December 31, 2024
With comparative totals for the year ended December 31, 2023

	Grants and Related Program Expenses	Community Leadership	Administrative	Development	Total Expenses 2024	Total Expenses 2023
GRANTS						
Grants awarded, net	$ 28,918,863	$ -	$ -	$ -	**$ 28,918,863**	$ 27,709,537
Total grants	28,918,863	-	-	-	**28,918,863**	27,709,537
OPERATING EXPENSES						
Outside services	126,774	3,608,807	79,171	115,584	**3,930,336**	1,564,096
Salaries	549,239	1,055,821	342,999	500,755	**2,448,814**	1,972,323
Marketing	10,084	228,057	3,263	150,231	**391,635**	205,706
Employee benefits	64,960	124,874	40,567	59,225	**289,626**	244,137
Travel and seminars	24,673	182,679	5,428	19,562	**232,342**	365,536
Dues and subscriptions	18,504	156,577	4,432	28,442	**207,955**	92,459
Payroll taxes	41,008	78,833	25,610	37,389	**182,840**	150,358
Occupancy	32,530	71,795	22,174	44,594	**171,093**	140,576
Office expenses	21,890	116,886	5,013	14,444	**158,233**	135,015
Awards and recognition	2,797	112,062	1,747	2,607	**119,213**	64,374
Miscellaneous	14,640	53,866	5,557	8,113	**82,176**	12,428
Legal	9,220	33,858	408	1,254	**44,740**	21,404
Telephone	5,518	27,884	3,446	5,092	**41,940**	26,073
Accounting		4,000	31,000		**35,000**	31,000
Website	474	25,985		2,157	**28,616**	55,627
Printing	2,073	20,499	1,258	2,442	**26,272**	26,694
Insurance	3,738	11,782	2,334	3,408	**21,262**	17,665
Depreciation			16,334		**16,334**	22,003
Donated material (Note 2)				13,245	**13,245**	-
Staff meetings	2,209	4,385	1,379	2,842	**10,815**	11,604
Board development					**-**	8,776
Donated life insurance					**-**	4,445
Total operating expenses	930,331	5,918,650	592,120	1,011,386	**8,452,487**	5,172,299
TOTAL 2024 FUNCTIONAL EXPENSES	**$ 29,849,194**	**$ 5,918,650**	**$ 592,120**	**$ 1,011,386**	**$ 37,371,350**	
TOTAL 2023 FUNCTIONAL EXPENSES	$ 28,257,138	$ 3,139,588	$ 486,520	$ 998,590		$ 32,881,836

The accompanying notes are an integral part of these financial statements.

INLAND EMPIRE COMMUNITY FOUNDATION

STATEMENT OF CASH FLOWS
For the year ended December 31, 2024
With comparative totals for the year ended December 31, 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	**$ 18,876,816**	$ 11,114,958
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in cash surrender value of life insurance	**-**	4,445
Depreciation expense	**16,334**	22,003
Realized (gain) on investments	**(1,627,136)**	(526,417)
Unrealized loss (gain) on investments	**825,171**	(713,158)
Change in value of split-interest agreements	**(101,857)**	(137,393)
Amortization of right-of-use assets, operating leases	**124,197**	101,203
Amortization of right-of-use assets, finance leases	**9,553**	7,583
(Increase) decrease in operating assets:		
Grants and contributions receivable	**(2,987,144)**	967,217
Other receivables	**(161,260)**	(34,535)
Prepaid expenses and deposits	**(16,039)**	2,467
Assets held in remainder trust	**106,795**	238,247
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	**105,087**	258,923
Grants payable	**(1,786,895)**	3,160,236
Obligations under charitable gift annuities	**(31,702)**	1,577
Reduction of lease liability, operating leases	**(123,873)**	(99,120)
Custodial funds	**-**	(63,514)
Unearned revenue	**189,496**	(4,505,174)
Agency funds	**1,716,587**	1,115,139
NET CASH PROVIDED BY OPERATING ACTIVITIES	**15,134,130**	10,914,687
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	**(11,943)**	(20,715)
Proceeds from sale of investments	**3,988,952**	4,646,320
Purchase of investments	**(1,132,505)**	(128,128)
NET CASH PROVIDED BY INVESTING ACTIVITIES	**2,844,504**	4,497,477
CASH FLOWS (TO) FINANCING ACTIVITIES:		
Restricted realized (gain) on investments	**(14,516,988)**	(4,778,216)
Restricted unrealized loss (gain) on investments	**7,872,460**	(4,539,212)
Interest and dividends, net, restricted for reinvestment	**(3,580,115)**	(1,975,506)
Proceed from line of credit	**1,100,000**	900,000
Payments on line of credit	**(1,000,000)**	-
Reduction of lease liability, financing leases	**(9,184)**	(7,724)
NET CASH (USED) BY FINANCING ACTIVITIES	**(10,133,827)**	(10,400,658)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**7,844,807**	5,011,506
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	**43,617,156**	38,605,650
CASH AND CASH EQUIVALENTS, END OF YEAR	**$ 51,461,963**	$ 43,617,156
SUPPLEMENTAL DISCLOSURES:		
Operating activities reflects interest paid:	**$ 64,531**	$ 2,333
Right-of-use assets and liabilities - operating under the continuous implementation of ASC 842	**$ 122,991**	$ -
Right-of-use assets and liabilities - financing under the continuous implementation of ASC 842	**$ 43,463**	$ -

The accompanying notes are an integral part of these financial statements.

1. Organization

Inland Empire Community Foundation ("the Foundation") is a California nonprofit corporation classified by the Internal Revenue Service as tax-exempt under Section 501(c)(3) and a non-private foundation under Section 509(a)(1) of the Internal Revenue Code 1986. The Foundation serves as a leader, catalyst, and resource for philanthropy and seeks to improve the lives of individuals in Riverside and San Bernardino Counties. The Foundation accomplishes this by developing partnerships with philanthropic individuals, community leaders, and the non-profit sector to ensure that together they can build permanent endowments, make grants for charitable causes, and be a catalyst to solve community concerns and strengthen non-profit organizations.

Established in 1941 as a community trust, it was known as the Riverside Foundation from (1941-1983); Riverside Community Foundation from (1983-1997); The Community Foundation of Riverside County from (1997-2000); The Community Foundation, with the tag line, Serving Riverside and San Bernardino Counties from (2000-2019). The Foundation is an independent, publicly supported philanthropic organization, founded for the purpose of improving the quality of life in the Riverside and San Bernardino Counties through grants to tax-exempt organizations and through educational scholarships.

2. Summary of Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

Net Assets

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

Without Donor Restrictions. Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

With Donor Restrictions. Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

continued

2. Summary of Significant Accounting Policies, continued

Grants and Contributions Receivable

All grants and contributions receivable at December 31, 2024 are expected to be collected in less than one year with the exception of the following: Evans Charitable Remainder Trust, for which the Foundation is the beneficiary following the lifetimes of one income beneficiary plus two years of distribution to a successor income beneficiary; and The William C. Hunter Charitable Lead Trust, for which the Foundation will receive annual distributions through 2026. No discount has been recorded on the receivable greater than one year, as the amount is not deemed material to the financial statements. See grants and contributions receivable details in Note 4.

Concentration of Credit Risks

The Foundation places its cash and cash equivalents in bank deposit accounts at high-credit, quality financial institutions. At times, such accounts may be in excess of the Federal Deposit Insurance Corporation insurance limit. The Foundation has not incurred losses related to these accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investment securities, in general are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Financial Position. The Board routinely reviews the performance of its investments.

Investments

Investments in money market funds and marketable securities are reported at their fair market values based upon published quotations. Investments for which the fair market values are not readily determinable are recorded at cost or, if received as a contribution, at their fair market values as determined at the time of the gift. Securities are generally held in custodial investment accounts administered by financial institutions. Cash and cash equivalents held at securities institutions and not used for operations are treated as investments.

Investment purchases and sales are accounted for on a trade-date basis. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Interest and dividend income is recorded when earned. Gains or losses and interest and dividend income are reflected in the Statement of Activities as investment (loss) gain income, net (see Note 5).

Fair Value Measurements

Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

continued

2. Summary of Significant Accounting Policies, continued

Level 1 inputs - quoted prices in active markets for identical assets
Level 2 inputs - quoted prices in active or inactive markets for the same or similar assets
Level 3 inputs - estimates using the best information available when there is little or no market

The Foundation is required to measure contributions receivable, certain investments, and charitable gift annuities at fair value. The specific techniques used to measure fair value for these financial statement elements are described in the notes below that relate to each element.

Property and Equipment

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expense as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to five hundred dollars and the useful life is greater than one year.

Since its inception, the Foundation has received donated equipment and furniture the value of which did not meet its criteria for capitalization. As such, these items were expensed when donated.

Donated Materials

Contributions of donated non-cash assets are measured on a non-recurring basis and recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. For the year ended December 31, 2024, the Foundation received $13,245 of donated materials, which was valued at the estimated fair market value of the materials. The materials was used in development, and is shown on the statement of functional expenses.

Income Taxes

The Foundation is exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by the Foundation in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. The Foundation returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

Functional Allocation of Expenses

Costs of providing the Foundation's programs and other activities have been presented in the Statement of Functional Expenses.

continued

2. Summary of Significant Accounting Policies, continued

During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The Foundation uses payroll hours to allocate indirect costs.

Revenue and Revenue Recognition

The Foundation recognizes 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.

Consequently, at December 31, 2024, all contributions have been recognized in the accompanying statement of activities because either there were no conditions or the condition(s) on which they depend have been met.

The Foundation has adopted Accounting Standards Update ("ASU") No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standard improves the usefulness and understandability of the Foundation's financial reporting.

Leases

The Foundation applies Accounting Standards Codification ("ASC") *842, Leases*, in determining whether an arrangement is or contains a lease at the lease inception. An arrangement is considered to include a lease if it conveys the right to control the use of identified property, plant or equipment for a period of time in excess of twelve months in exchange for consideration. The Foundation defines control of the asset as the right to obtain substantially all of the economic benefits from use of the identified asset as well as the right to direct the use of the identified asset. The Foundation further determines all the existing leases are operating leases, which are included in Right-of-Use ("ROU") assets and lease liabilities in the Statement of Financial Position.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues, and expenses as of the date and for the period presented. Actual results could vary from those estimates.

continued

2. Summary of Significant Accounting Policies, continued

Comparative Totals

The financial statements included certain prior-year summarized comparative information in total but not by net assets 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 December 31, 2023, from which the summarized information was derived.

Reclassification

Certain accounts from the December 31, 2023 financial statements have been reclassified for comparative purposes to conform to December 31, 2024 presentation.

Subsequent Events

Management has evaluated subsequent events through May 12, 2025, the date which the financial statements were available for issue. No events or transactions have occurred during this period that appear to require recognition or disclosure in the financial statements.

3. Liquidity and Availability of Resources

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

Cash and cash equivalents	$51,461,963
Other receivable and other assets	226,274
Short term investments	1,923,970
Financial assets available to meet general expenditures over the next twelve months	$53,612,207

The assets above include $23,892,816 in donor advised funds as of December 31, 2024. The Foundation generally uses these assets for grantmaking based on donor recommendations.

continued

3. Liquidity and Availability of Resources, continued

Endowment funds consist of donor-restricted endowments and board-designated endowments. Income from donor-restricted endowments that is restricted for specific purposes is not available for general expenditure. The Foundation's board-designated endowments are subject to an annual spending rate. For the year ended December 31, 2024, this rate is 4% and $1,195,270 of the appropriation from the board-designated endowments will be available during the calendar year ending December 31, 2025. Although the Foundation does not intend to spend from the board-designated endowments (other than amounts appropriated per the board's annual spending rate approval), these amounts could be made available if necessary.

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Foundation invests cash in excess of daily requirements in short-term investments and money market funds.

4. Grants and Contributions Receivable

Grants and contributions receivable at December 31, 2024 and 2023 consist of the following:

	December 31,	
	2024	2023
Community Economic Resilience Fund (CERF)	**$1,516,037**	$ 465,990
Estate of David N Schmidt	**1,000,000**	-
Evans Charitable Remainder Trust (CRT)	**816,757**	738,016
Bill and Melinda Gates Foundation	**750,000**	250,000
Obershaw Trust	**450,000**	450,000
State of California - Treasurer	**250,000**	-
Other	**214,422**	56,066
William C. Hunter Charitable Lead Trust (CLT)	**114,335**	164,335
Estate of Robert A. Dailey-Dechomai	**100**	100
	$5,111,651	$2,124,507

5. Investments

Investments at December 31, 2024 and 2023 consist of the following:

	December 31,	
	2024	2023
Mutual funds	**$68,922,660**	$60,235,631
Bonds	**23,839,192**	25,526,537
Money market funds	**2,827,635**	1,555,301
Cash value of life insurance	**177,684**	177,684
Real estate partnership	**1**	1
	$95,767,172	$87,495,154

continued

5. Investments, continued

Investment income, net

December 31, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Net realized and unrealized gain	$ 801,965	$6,644,528	**$ 7,446,493**
Interest and dividends	402,796	3,382,722	**3,785,518**
Less: investment fees and charges	(20,976)	(184,427)	**(205,403)**
Net investment income	$1,183,785	$9,842,823	**$11,026,608**
December 31, 2023			
Net realized and unrealized gain	$1,239,575	$ 9,317,428	$10,557,003
Interest and dividends	239,075	1,834,117	2,073,192
Less: investment fees and charges	(9,768)	(87,918)	(97,686)
Net investment income	$1,468,882	$11,063,627	$12,532,509

Interest and dividend income is accrued as the income is earned. Interest and dividend income is shown on the Statement of Activities net of related investment fees of $205,403 and $97,686 for the years ended December 31, 2024 and 2023, respectively.

6. Charitable Gift Annuities and Assets held in Remainder Trusts

Split-interest agreements of $3,201,904 and $3,308,699 at December 31, 2024 and 2023, respectively, consist of charitable gift annuity agreements ("CGAs"). There were no assets held in remainder trust for the year 2024, however $1,140 pertained to assets held in remainder trust in the year 2023. Under the terms of CGAs, the Foundation receives assets from the grantors and in return agrees to pay annual distributions to the grantors during their life or joint lives, if applicable, and then to the survivor for the remainder of his/her life. The Foundation records the assets received at fair value on the date of receipt and records a liability equal to the estimated present value of the future required distributions to the grantors. For CGAs with donor-directed beneficiaries, the difference between the fair value of the assets and the liabilities is included in the Statement of Activities as a donor restricted contribution during the year of receipt. The Foundation is to distribute the residual under these agreements to donor designated charitable causes. Adjustments to the liability to reflect the revaluation of the present value of the estimated future payments to the grantors, amortization of the discount, and revaluation of the assets are recognized as a change in the value of the CGAs in donor restricted net assets class.

The Foundation also has a beneficial interest in one charitable remainder trusts of which the Foundation is the trustee. The beneficial interest is based on underlying investments. Those investments in marketable securities with readily determinable fair values and all debt instruments are valued at their current fair values. Liabilities to the beneficiaries with lead interests are based on the present value of the estimated future payments to be made less estimated return on trust assets. Income and gains and losses on trust assets and distributions to the other beneficiaries are reflected in the statement of financial position. Adjustments to the liability to reflect the revaluation of the present value of the estimated future payments to the other beneficiaries, amortization of the discount, and revaluation of the investments held by the trust are recognized as a change in the value of the charitable remainder trust agreement in the with donor restrictions net assets class.

continued

7. Furniture and Equipment

Furniture and equipment at December 31, 2024 and 2023 consist of the following:

	December 31,	
	2024	2023
Furniture, equipment, and software	**$ 209,678**	$ 204,045
Accumulated depreciation	**(196,448)**	(186,424)
	$ 13,230	$ 17,621

Depreciation expense for the years ended December 31, 2024 and 2023 was $16,334 and $22,003, respectively.

8. Agency Funds

The Foundation receives and distributes assets under certain agency and intermediary arrangements. The Foundation accepts these contributions from donors and agrees to transfer those assets, the return on investment of those assets, or both, to an entity that is specified by the donors. When a not-for-profit organization establishes a fund at the Foundation with its own funds and specifies itself or its affiliate as the beneficiary of that fund, the Foundation accounts for the transfer of such assets as a liability. The liability for such funds has been established at the fair value of the funds, which is generally equivalent to the present value of future payments expected to be made to the not-for-profit organizations. The agency funds activity at December 31, 2024 and 2023 was as follows:

	December 31,	
	2024	2023
Beginning balances	**$17,903,622**	$16,788,482
New agency funds	**832,350**	131,182
Realized gain	**3,503,902**	1,144,884
Unrealized gain (loss)	**(1,916,788)**	962,609
Interest and dividends, net of bank fees	**452,312**	334,891
Sub-total, investment gain	**2,039,426**	2,442,384
Grants awarded and expenses	**(976,037)**	(1,294,081)
Management fees	**(179,152)**	(164,345)
Ending balances	**$19,620,209**	$17,903,622

9. Right-of-Use Assets and Lease Liabilities – Operating/Financing Leases

The Foundation evaluated current contracts to determine which met the criteria of a lease. ROU assets represent the Foundation's right to use underlying assets for the lease term, and the lease liabilities represent the Foundation's obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases and finance leases, were calculated based on the present value of future lease payments over the lease terms. the Foundation used a published U.S. Treasury risk free rate of return. Lease terms, in the calculations, may include renewal or extension options to the extent they are reasonably certain to be exercised. Lease expense is recognized on a straight-line basis over the lease term.

continued

9. Right-of-Use Assets and Lease Liabilities – Operating/Financing Leases, continued

The Foundation's operating leases consist of office space, while the financing lease consists of a copier.

The ROU assets and lease liabilities for these leases were determined based on the current terms in force as of December 31, 2024. No additional options have been included.

Cash paid for operating leases for the year ended December 31, 2024 and December 31, 2023 was $129,653 and $105,808 respectively. Cash paid for financing leases for the year ended December 31, 2024 and December 31, 2023 was $14,291 and $8,359 respectively. During the year ended December 31, 2024, the Foundation recognized non-cash financing activities related to leasing, including $122,991 and $43,463 in new ROU assets and corresponding lease liabilities for operating leases and finance leases, respectively, as well as $(3,647) related to modifications of existing finance leases.

	Operating	**Financing**
Weighted average remaining lease terms	1.75 years	4.42 years
Weighted average discount rate:	3.59%	5.50%

Future maturities under operating and financing leases are as follows:

Year ending December 31,	**Operating**	**Financing**
2025	$116,469	$ 9,888
2026	44,495	9,888
2027	22,790	9,888
2028	-	9,888
2029	-	4,121
	183,754	43,673
Less: Present value discount	(5,754)	(4,696)
	$178,000	$38,977

Rent expense under the operating lease for the years ended December 31, 2024 and 2023 was $171,093 and $140,576, respectively.

Amortizations under operating and financing leases are as follows:

	Operating	**Financing**
ROU assets balances, as of January 01, 2024	$ 175,676	$ 8,106
Less: Amortization	(124,197)	(9,553)
Additions	122,991	43,463
Less: Modifications to lease terms	-	(3,647)
ROU assets balances, as of December 31, 2024	$ 174,470	$38,369

continued

10. Fair Value Measurements

The table below presents the balances of assets measured at fair value at December 31, 2024 on a recurring basis:

	Level 1	Level 2	Level 3	Total
Investments:				
Blend	$47,497,511	$ -	$ -	**$47,497,511**
Bonds	23,839,192			**23,839,192**
Hedge fund			7,313,846	**7,313,846**
Growth	6,315,700			**6,315,700**
Real estate	3,148,391			**3,148,391**
Emerging markets	2,445,772			**2,445,772**
Allocation	2,201,440			**2,201,440**
	85,448,006		7,313,846	**92,761,852**
Money market funds	2,827,634			**2,827,634**
Other:				
Real estate partnership	1			**1**
Cash value of life insurance			177,684	**177,684**
	88,275,641	-	7,491,530	**95,767,171**
Assets held in remainder trusts	3,201,904			**3,201,904**
Contribution receivable, remainder trust			816,757	**816,757**
Contribution receivable, Estate of Robert A. Dailey-Dechomai			100	**100**
	$91,477,545	$ -	$8,308,387	**$99,785,932**

10. Fair Value Measurements, continued

The table below presents the balances of assets measured at fair value at December 31, 2023 on a recurring basis:

	Level 1	Level 2	Level 3	Total
Investments:				
Blend	$40,222,229	$ -	$ -	$40,222,229
Bonds	25,526,537			25,526,537
Hedge fund		6,531,106		6,531,106
Growth	5,868,997			5,868,997
Real estate	3,121,156			3,121,156
Emerging Market	2,252,046			2,252,046
Allocation	2,240,097			2,240,097
	79,231,062	6,531,106		85,762,168
Money market funds	1,555,301			1,555,301
Other:				
Real estate partnership	1			1
Cash value of life insurance			177,684	177,684
	80,786,364	6,531,106	177,684	87,495,154
Assets held in remainder trusts	3,308,699			3,308,699
Contribution receivable, remainder trust			738,016	738,016
Contribution receivable, Estate of Robert A. Dailey-Dechomai			100	100
	$84,095,063	$6,531,106	$915,800	$91,541,969

10. Fair Value Measurements, continued

The fair value of investments, money market funds, and real estate partnership have been measured on a recurring basis using quoted prices for identical assets in active markets (Level 1 inputs).

The fair value of assets held in remainder trusts is measured on a recurring basis by calculating the change in value of the client's beneficial interest in the trust, which has underlying assets invested in the market (Level 1 inputs).

The fair value of hedge fund have been measured on a recurring basis using quoted prices for similar assets in inactive market (Level 2 inputs).

The fair value of hedge fund, cash value of life insurance and contribution receivables were measured based on information received from the trusts' attorneys and the Foundation's estimate (Level 3 inputs).

The following table provides further details of the Level 3 fair value measurements as of December 31, 2024 and 2023:

	Cash Value of Life Insurance	Contribution Receivable	Total
December 31, 2024			
Fair value at January 01, 2024	$177,684	$738,016	**$915,700**
Addition			**-**
Change in value in remainder trust		78,741	**78,741**
Cash received			**-**
Total loss			**-**
Fair value at December 31, 2024	$177,684	$816,757	**$994,441**
December 31, 2023			
Fair value at January 01, 2023	$182,129	$677,289	$859,418
Addition			-
Change in value in remainder trust		60,727	60,727
Cash received			-
Total loss	(4,445)		(4,445)
Fair value at December 31, 2023	$177,684	$738,016	$915,700

The (loss) and gain are reported in contributions in the Statement of Activities.

11. Unearned Revenue

Unearned revenue from government agencies/contracts and grants for the years ended December 31, 2024 and 2023 consist of the following:

	2024	2023
Jobs First Catalyst Program Fund	**$434,322**	$ -
California Arts Council	**-**	244,826
	$434,322	$244,826

continued

12. Net Assets Without Donor Restrictions and With Donor Restrictions

Net assets without donor restrictions and with donor restrictions consist of the following at December 31, 2024 and 2023:

	2024	2023
Net assets without donor restrictions	**$ 7,049,367**	$ 6,200,423
Without donor restrictions - Board designated funds:		
Community impact funds	**2,730,726**	2,616,048
Operating reserve	**1,260,689**	1,186,936
Current operations	**319,767**	91,440
Peggy Fouke Wortz funds	**3,084,297**	3,142,379
Total net assets without donor restrictions	**14,444,846**	13,237,226
Net assets with donor restrictions		
Donor designated to meet community needs	**97,254,161**	87,876,514
Gift annuities and trusts	**1,653,808**	1,583,597
Specific grant programs	**18,245,192**	10,023,854
Total net assets with donor restrictions	**117,153,161**	99,483,965
	$131,598,007	$112,721,191

Net assets released from purpose restrictions by incurring expenses satisfying the purpose as specified by donors for the years ended December 31, 2024 and 2023 were as follows:

	2024	2023
S.L. Gimbel Foundation Advised Fund	**$13,894,335**	$ 6,436,552
Grants made to meet community needs	**8,388,598**	3,092,659
James Irvine Foundation Grants	**4,240,992**	2,097,500
Community Economic Resilience Fund Program	**3,138,760**	600,000
CA Jobs First Catalyst Program Fund	**2,772,587**	-
S.L. Gimbel Foundation Scholarship Fund	**1,550,670**	1,206,465
Riverside County ARPA Fund	**880,939**	5,720,544
Andalusia Country Club Education Fund	**796,032**	-
Center of Excellence RCCD Subaward	**685,392**	-
San Manuel Employee Dependent Scholarship Fund	**462,466**	510,556
California Creative Corps Fund	**171,622**	4,265,000
SD Foundation	**-**	824,661
Total net assets released	**$36,982,393**	$24,753,937

13. Retirement Plan

The Foundation has a defined contribution 401(k) profit-sharing plan covering substantially all employees with at least one-quarter year of service who have attained age 18. The plan includes non-elective safe harbor 3% contribution and a 1% of profit sharing for all participants. The contribution is made each pay period. At December 31, 2024and 2023, the Foundation's expense for contributions to the plan totaled $92,346 and $76,283, respectively.

continued

14. Commitments and Contingencies

Contracts

The Foundation's grants and contracts are subject to inspection and audit by the appropriate governmental funding agency. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and, accordingly, the Foundation has no provisions for the possible disallowance of program costs on its financial statements.

Paycheck Protection Program Loan

The Small Business Administration ("SBA") reserves the right to review any loan in their discretion and the SBA will review any loan over $2 million. Areas of review include eligibility, necessity, calculation of the loan amount, use of loan proceeds, and the calculation of the loan forgiveness amount. Paycheck Protection Program loan documentation should be retained for six years after the date the loan is forgiven or repaid in full.

15. Line of Credit

The Foundation has a revolving line of credit with a bank, in the amount of $5,000,000, at a variable interest rate based of no less than 8%, due September 7, 2025. At December 31, 2024, the outstanding balance of the line of credit was $1,000,000.