Ventura County Community Foundation and Subsidiaries

Consolidated Financial Statements and Supplementary Information

September 30, 2024
(With Comparative Totals for 2023)

armanino

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ventura County Community Foundation and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of Ventura County Community Foundation and Subsidiaries (the "Foundation"), which comprise the consolidated statement of financial position as of September 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ventura County Community Foundation and Subsidiaries as of September 30, 2024, and the changes in their net assets and their 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 Ventura County 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 these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Ventura County Community Foundation's ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 Ventura County 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ventura County 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The information on pages 31 - 32 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Ventura County Community Foundation's 2023 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 28, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Armanino LLP

Los Angeles, California

March 4, 2025

Ventura County Community Foundation and Subsidiaries
Consolidated Statement of Financial Position
September 30, 2024
(With Comparative Totals for 2023)

	2024	2023
ASSETS		
Cash and cash equivalents	$ 4,003,747	$ 4,484,559
Contributions receivable, net	32,712,850	6,819,816
Prepaid expenses and other assets	275,407	243,373
Investments	213,597,066	179,087,176
Planned giving	686,550	638,565
Employee retention credit receivable	480,195	-
Interest rate swap asset	917,176	1,252,545
Fixed assets, net of accumulated depreciation and amortization	7,846,554	8,052,836
Total assets	$ 260,519,545	$ 200,578,870
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 399,177	$ 405,657
Grants payable	352,093	579,017
Notes payable	4,030,475	4,156,121
Funds held for designated purpose (Note 6)	26,403,022	23,611,111
Funds held as agency endowments	25,855,134	20,575,152
Planned giving liability	320,956	315,887
Tenant security deposits	65,716	66,663
Total liabilities	57,426,573	49,709,608
Net assets		
Without donor restrictions		
Funds under management	153,574,338	130,162,157
General	10,472,983	10,061,219
Total without donor restrictions	164,047,321	140,223,376
With donor restrictions	39,045,651	10,645,886
Total net assets	203,092,972	150,869,262
Total liabilities and net assets	$ 260,519,545	$ 200,578,870

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

Ventura County Community Foundation and Subsidiaries
Consolidated Statement of Activities
For the Year Ended September 30, 2024
(With Comparative Totals for 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
Revenues, gains and other support				
Revenue and other support				
Contributions, grants and bequests	$ 9,573,737	$ 29,491,393	$ 39,065,130	$ 11,605,420
Rental income	986,371	-	986,371	995,573
Management fees	419,075	-	419,075	287,444
Total revenue and other support	10,979,183	29,491,393	40,470,576	12,888,437
Investment gain, net of expenses	25,213,724	1,981,059	27,194,783	14,340,265
Net assets released from restriction	3,072,687	(3,072,687)	-	-
Total revenues, gains, and other support	39,265,594	28,399,765	67,665,359	27,228,702
Functional expenses				
Program services				
Grantmaking and distributions	12,118,804	-	12,118,804	10,497,879
Other program services	2,089,016	-	2,089,016	1,696,397
Total program services	14,207,820	-	14,207,820	12,194,276
Supporting services				
Management and general	1,059,496	-	1,059,496	680,688
Fundraising	319,159	-	319,159	307,538
Total support services	1,378,655	-	1,378,655	988,226
Total functional expenses	15,586,475	-	15,586,475	13,182,502
Change in net assets from operations	23,679,119	28,399,765	52,078,884	14,046,200
Non-operating				
Change in value of interest rate swap	(335,369)	-	(335,369)	147,901
Employee retention credit	480,195	-	480,195	-
Total non-operating	144,826	-	144,826	147,901
Change in net assets	23,823,945	28,399,765	52,223,710	14,194,101
Net assets, beginning of year	140,223,376	10,645,886	150,869,262	136,675,161
Net assets, end of year	$164,047,321	$ 39,045,651	$203,092,972	$150,869,262

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

Ventura County Community Foundation and Subsidiaries
Consolidated Statement of Functional Expenses
For the Year Ended September 30, 2024
(With Comparative Totals for 2023)

	Program Services			Supporting Services				
	Grantmaking and Distributions	Other Program Services	Total Program Services	Management and General	Fundraising	Total Support Services	2024 Total	2023 Total
Personnel expenses								
Salaries and wages	$ 823,756	$ 541,363	$ 1,365,119	$ 345,250	$ 238,512	$ 583,762	$ 1,948,881	$ 1,757,576
Payroll taxes	53,345	34,081	87,426	22,357	15,446	37,803	125,229	125,010
Employee benefits	25,803	24,796	50,599	10,816	7,471	18,287	68,886	92,662
Retirement plan contributions	26,196	15,646	41,842	10,979	7,585	18,564	60,406	79,146
Total personnel expenses	929,100	615,886	1,544,986	389,402	269,014	658,416	2,203,402	2,054,394
Grants	10,864,588	-	10,864,588	-	-	-	10,864,588	9,273,929
Other professional services	144,904	582,646	727,550	157,194	8,624	165,818	893,368	351,561
Repairs and maintenance	-	216,423	216,423	9,467	-	9,467	225,890	255,862
Depreciation and amortization	-	205,014	205,014	4,803	-	4,803	209,817	203,665
Legal fees	105,845	1,140	106,985	83,529	-	83,529	190,514	104,998
Utilities	-	161,956	161,956	-	-	-	161,956	150,333
Interest expense	-	148,078	148,078	-	-	-	148,078	152,222
Information technology	19,400	-	19,400	99,375	12,837	112,212	131,612	110,796
Insurance	1,221	15,846	17,067	100,086	353	100,439	117,506	116,383
Advertising and public relations	36,579	64,283	100,862	2,230	6,353	8,583	109,445	150,822
Training, membership and conferences	1,602	11,274	12,876	83,151	7,828	90,979	103,855	76,167
Accounting fees	-	-	-	84,850	-	84,850	84,850	69,929
Property management fees	-	44,596	44,596	-	-	-	44,596	43,672
Miscellaneous	-	4,679	4,679	-	11,559	11,559	16,238	388
Telephone	7,022	3,840	10,862	2,944	2,033	4,977	15,839	15,319
Rent	-	-	-	14,359	-	14,359	14,359	4,380
Printing and copying	761	5,000	5,761	7,655	334	7,989	13,750	7,151
Office supplies	2,449	1,951	4,400	7,864	133	7,997	12,397	16,113
Life insurance	5,000	-	5,000	4,232	-	4,232	9,232	8,844
Bank charges	-	264	264	6,098	-	6,098	6,362	4,539
Property taxes	-	5,782	5,782	-	-	-	5,782	10,155
Travel	333	358	691	2,257	91	2,348	3,039	880
	$ 12,118,804	$ 2,089,016	$ 14,207,820	$ 1,059,496	$ 319,159	$ 1,378,655	$ 15,586,475	$ 13,182,502

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

Ventura County Community Foundation and Subsidiaries
Consolidated Statement of Cash Flows
For the Year Ended September 30, 2024
(With Comparative Totals for 2023)

	2024	2023
Cash flows from operating activities		
Change in net assets	$ 52,223,710	$ 14,194,101
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	206,282	203,354
Realized and unrealized gains on investments	(25,782,416)	(10,731,710)
Change in split value	(17,086)	(23,463)
Unrealized loss (gain) on interest rate swap	335,369	(147,901)
Amortization of note payable discount	3,535	311
Changes in operating assets and liabilities		
Contributions receivable, net	(25,893,034)	(4,584,076)
Prepaid expenses and other assets	(32,034)	1,616
Planned giving	(47,986)	(85,339)
Employee retention credit receivable	(480,195)	-
Accounts payable and accrued expenses	(6,480)	(72,965)
Grants payable	(226,923)	(2,199,746)
Funds held for designated purpose	2,791,911	8,333,333
Funds held as agency endowments	5,279,982	1,195,023
Planned giving liability	5,069	(3,957)
Tenant security deposits	(947)	7,933
Net cash provided by operating activities	8,358,757	6,086,514
Cash flows from investing activities		
Proceeds from sale of investments	59,630,115	28,744,896
Purchase of fixed assets	-	(79,284)
Purchase of investments	(68,340,503)	(35,760,453)
Net cash used in investing activities	(8,710,388)	(7,094,841)
Cash flows from financing activities		
Principal payments on note payable	(129,181)	(125,046)
Net cash used in financing activities	(129,181)	(125,046)
Net decrease in cash and cash equivalents	(480,812)	(1,133,373)
Cash and cash equivalents, beginning of year	4,484,559	5,617,932
Cash and cash equivalents, end of year	$ 4,003,747	$ 4,484,559

Supplemental disclosure of cash flow information

Cash paid during the year for interest	$ 148,078	$ 152,222

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

1. NATURE OF OPERATIONS

Ventura County Community Foundation (the "Foundation"), was formed to provide a vehicle through which contributions and bequests can be made for charitable and related purposes, primarily in Ventura County, enabling and promoting philanthropy to improve our communities, with the provision that these funds would be administered and distributed by an independent organization. The Foundation is a fiduciary to more than 600 individual funds, each established with a gift instrument describing either the general or specific purpose for which grants are made.

The Foundation is the sole member of the VCCF Nonprofit Center LLC ("VCNC"), which houses 13 nonprofit organizations and provides conference room space to over 3,000 nonprofits in its community and is described more fully in Note 2.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting and financial statement presentation

The accompanying consolidated financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S GAAP").

Basis of consolidation

VCCF Nonprofit Center, LLC ("VCNC") is a wholly-owned subsidiary of the Foundation whose primary operating asset is an office building located in Camarillo, California, serving as the VCCF Nonprofit Center, the Foundation's offices, and the VCCF resource library. The Foundation's investment in the VCCF Nonprofit Center utilized 83% of the Cornerstone Administrative funds, whose designated purpose was to support the operations of the Foundation and the VCCF resource library. Returns from the building are allocated to the Cornerstone Administrative funds (at approximately 63%) and to the Foundation (at approximately 37%) representing the proportionate share of their full investments, respectively.

The accounts of the Ventura County Community Foundation Complex Asset Supporting Organization ("CASO") are included in these financial statements. Its public charity status is attained through its affiliation with the Foundation.

In the accompanying supplementary information, the operating activity of the Foundation and VCNC are included in "Operating and Non-profit Center" while CASO's activities are included in "Under Management". The Foundation has eliminated all material intercompany accounts and transactions.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between the years presented. The reclassifications had no impact on previously reported net assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Supporting organizations

The Foundation previously worked with the Martin V. and Martha K. Smith Foundation (the "Smith Foundation"). The Foundation appointed a majority of the members of the governing board of the Smith Foundation. The Foundation determined that it did not have an economic interest in the Smith Foundation and elected not to consolidate the Smith Foundation. In December 2021, the Martin V. and Martha K. Smith Foundation board of directors unanimously approved the decision to sunset the Smith Foundation, gifting the majority of their assets to the California State University Channel Islands Foundation. The remaining assets were used to create a donor advised fund and a designated endowment fund at the Foundation. In May 2023, the Smith Foundation was dissolved. In 2028, distributions from the designated endowment fund, which has a balance of $484,857 at September 30, 2024, are designated to support the Foundation's operations.

CASO is also a supporting organization. VCCF has both control of CASO and an economic interest in its activities, and therefore consolidates that entity.

Classification of net assets

The Foundation reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

- *Net assets without donor restrictions* - Includes contributions with no donor-imposed restrictions. Contributions with donor-imposed restrictions that are subject to the variance power established by the Foundation's governing documents are also considered without donor restrictions. The variance provision gives the Board of Directors (the "Board") the power to modify any restriction placed on gifts to the Foundation that become incapable of fulfillment or is no longer consistent with the charitable needs of the community. Accordingly, unless time restrictions have been imposed on contributions, net assets are generally classified as without donor restrictions. It is the Foundation's policy that, absent contrary explicit directions in the transferring instrument from the donor regarding the use of the principal, all or part of the principal of any fund may be used subject to certain conditions, including the approval of the Board consistent with all legal requirements. These funds have been separated as funds under management in net assets without donor restrictions on the consolidated statement of financial position. Contributions with donor-imposed restrictions that are met during the same fiscal year as the contribution is made are included as without donor restriction support that net assets without donor restrictions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Classification of net assets (continued)

- *Net assets with donor restrictions* - (See Note 12): These are 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. Investment income generated from perpetually donor restricted net assets is temporarily donor restricted by law until appropriated by the Board in support of the purpose of each fund and in accordance with the Foundation's programs and operations. The Foundation's perpetually donor restricted net assets consist of contributions from and related activity of perpetual funds not subject to the variance power and held by the Foundation as defined under the Uniform Prudent Management of Institutional Funds Act ("UPMIFA").

Classifications on fund basis

Within net assets, the Foundation has further classified its funds as:

- Endowed - Consists of funds for various purposes, mostly subject to the variance power and are all governed by UPMIFA, that are intended to last in perpetuity. These funds are invested in the Foundation's investment pool and are subject to the Foundation's spending policy which provides for a specific appropriation for distribution on an annual basis.
- Quasi-endowed – Consists of funds for particular purposes, subject to the variance power, that were established with the intent that they are available to be spent at any time if so desired, but are intended to be long term assets of the Foundation. These funds are invested in the Foundation's investment pool.
- Pass-through – Consists of funds for particular purposes, subject to a variance power, that were established with the intent that they would be spent within 12 to 18 months and are held in a money market fund.

Within these classifications there are additional types of funds:

- Advised funds – The Foundation offers several types of funds that enable donors to identify funding opportunities aligned with their values and charitable interest. Donor advised funds allow donors to recommend grant recipients, subject to the Foundation's due diligence and approval. At September 30, 2024, total advised funds included within net assets was $40,445,890.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Classifications on fund basis (continued)

- Agency and Designated Funds – The Foundation receives and distributes assets under certain agency and intermediary arrangements. U.S. GAAP establishes standards for transactions in which a recipient organization accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both, to another entity that is specified by the donor. U.S. GAAP requires that if a not-for-profit organization establishes a fund at a recipient organization with its own funds and specifies itself or its affiliate as the beneficiary of that fund (Agency Funds), the recipient organization must account for the transfer of such assets as a liability. The liability is reflected under funds held as agency endowments on the accompanying consolidated statement of financial position. In addition, related amounts received or distributed, investment income or loss, and expenses are presented separately in the accompanying consolidated statement of activities. At September 30, 2024, total agency funds included within funds held as agency endowments on the consolidated statement of financial position were $25,855,134. The Foundation also receives and distributes assets contributed by donors to benefit specific not-for-profit organization(s). These funds (Designated Funds) differ from Agency Funds as they are established by the donor and not established by the not-for-profit organization. At September 30, 2024, total designated funds included within net assets was $45,505,391.

- Board-designated endowment – These funds were previously donor-advised and currently do not have a donor-advisor, so the Board of the Foundation acts as the advisor. At September 30, 2024, total board-designated endowment funds included within net assets was $17,396,059.

- Field of Interest – These funds enable donors to identify a broad charitable purpose or a category of interest (e.g., arts, education or human services) and/or geographic area or target population (e.g., senior citizens, children and youth or immigrants). At September 30, 2024, total field of interest funds included within net assets was $58,707,992.

- General – Unrestricted funds that are available for operations of the Foundation. At September 30, 2024, total general funds included within net assets was $11,125,492.

- Planned giving – These include charitable remainder trusts, charitable gift annuities, and life insurance policies. At September 30, 2024, total planned giving funds included within net assets was $319,113.

- Scholarship funds – The Foundation administers a scholarship program. The majority are designed for current or former residents of Ventura County. At September 30, 2024, total scholarship funds included within net assets was $27,818,992.

- Regranting funds – In response to a wide variety of community needs, the Foundation establishes funds to collect and distribute resources for a specific purpose. Regranting funds under management included within net assets totaled $1,774,043 at September 30, 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax status

The Foundation and CASO are nonprofit public benefit corporations organized under the laws of California and, as such, are exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code ("IRC") and corresponding state provisions.

The consolidated financial statements also contain VCNC, a single member limited liability company that is taxed as a partnership under the IRC. Taxable income of VCNC is passed through to its member and reported on their respective income tax return.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts and disclosures. It is at least reasonably possible that the significant estimates could change in the coming year and accordingly, actual results could differ from those estimates.

Significant estimates used in the preparation of these consolidated financial statements include:

- Allocation of certain expenses by function
- Discount factors used in determining pledges receivable and annuities payable by charitable trusts
- Allowance for contributions receivable
- Fair market value of assets held by charitable trusts
- Fair market value of certain investments
- Depreciable lives of property and equipment

Cash and cash equivalents

For purposes of the consolidated statement of cash flows, the Foundation considers all highly liquid financial instruments purchased with an original maturity of three months or less to be cash equivalents. There are additional cash and cash equivalents in the investment portfolio that are part of the strategic investment allocation as advised by the Foundation's investment consultant and approved by the Investment Committee and the Foundation's full board. These are detailed in Note 4.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions and contributions receivable

Contributions received are recorded at their fair value on the date of donation. Unconditional promises to give are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. The Foundation routinely assesses the financial strength of its donors and records an allowance for potentially uncollectible accounts when deemed necessary. At September 30, 2024 the allowance for doubtful contribution receivables was $68,929.

Investments

Investments are monitored by the Board of Directors' investment oversight committee and are stated at fair value. Unrealized gains and losses are recognized aggregately. Realized gains and losses are recognized immediately and are computed using the specific identification method.

Fixed assets

Purchases of fixed assets are recorded at cost. Donated items are recorded at fair value when received.

Depreciation and amortization on both purchased and donated items are recorded using the straight-line method over the shorter of the estimated useful life of the related asset or the term of the lease for leasehold improvements as follows:

Buildings	40 years
Furniture and equipment	5 - 7 years
Leasehold improvements	5 years

Normal repairs and maintenance are expensed as incurred, whereas significant charges which materially increase values or extend useful lives are capitalized and depreciated or amortized over the estimated useful lives of the related assets.

Depreciation and amortization expense for the year ended September 30, 2024 was $209,817.

Impairment of long-lived assets

Management reviews each asset or asset group for impairment whenever events or circumstances indicate that the carrying value of an asset or asset group may not be recoverable. During the year ended September 30, 2024, the Foundation determined that no assets were impaired.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Grants and grants payable

Grants are recorded as expenses when they are recommended by the donor and the Board approves grants retrospectively, subject to the due diligence process of the Foundation. For funds held to benefit specific Agencies, the Board approves those grants at the beginning of the fiscal year, and those are recorded as expenses when they are requested by the Agency. Grants included in grants payable at September 30, 2024 are scheduled to be paid during the fiscal year ended September 30, 2025.

Concentrations

The Foundation cash balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. At times during the year, cash in these accounts may exceed the federally insured amounts. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash and cash equivalents.

The Foundation maintains a majority of its investment cash balances in money market funds. Such balances are not fully insured.

A majority of the donors to the Foundation are from Ventura County.

Donated services

Donated goods and services received by the Foundation are recorded at fair market value at the time of the donation. During the fiscal year ended September 30, 2024, approximately one hundred volunteers gave their time and expertise to the Foundation in a wide variety of areas including service on the Board; grants and scholarship committees; administrative, technical and financial advice; and office and public relations activities. This contribution, despite its considerable value to the mission of the Foundation, is not reflected in the financial statements as the contributions do not meet the requirements for recognition under GAAP.

Donated property and investments

Donated property and investments are recorded as contributions at their fair market value at date of receipt.

Functional expenses

The Foundation allocated its expenses on a functional basis among its various program and support services. Expenses that can be identified with a specific program or support service are allocated directly according to their functional classification. Expenses that are common to several functions are allocated based on the number of full-time equivalent employees working in each functional area, since the benefit received is most closely related to the time spent by the employees.

3. CONTRIBUTIONS RECEIVABLE

Contributions receivables are expected to be realized in the following periods:

In one year or less	$ 31,967,175
Between one and five years	926,800
	32,893,975
Discount	(112,196)
Allowance for doubtful contribution receivables	(68,929)
	$ 32,712,850

Beneficial interest in trust

The Foundation is the residual beneficiary of an irrevocable trust, the assets of which are not in the possession of the Foundation. Upon liquidation of the trust, the Foundation shall receive distributions from the proceeds of the assets. The Foundation recognizes annually the change in the present value of the estimated future benefits to be received when the trust assets are liquidated and distributed as increases or decreases in the value of split-interest agreement on the consolidated statement of activities. Ventura County Community Foundation recorded a receivable of $25,000,000 for the estimated value, based on the expected present value of discounted cash flows, of its beneficial interest in the trust as of September 30, 2024, which is included within contributions receivable on the consolidated statement of financial position.

4. FAIR VALUE MEASUREMENT

Accounting Standards Codification ("ASC") 820, *Fair Value Measurement and Disclosures*, ("ASC 820") provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

- *Level 1* - Quoted prices in active markets for identical assets or liabilities.
- *Level 2* - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active market that are not active; discounted cash flows; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- *Level 3* - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities; including general partner estimates and recent third-party appraisals.

4. FAIR VALUE MEASUREMENT (continued)

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of September 30, 2024:

	Level 1	Level 2	Level 3	Fair Value
Cash and cash equivalents	$ 2,024,108	$ -	$ -	$ 2,024,108
Fixed income composite	44,086,716	-	-	44,086,716
Equity	103,879,396	-	-	103,879,396
Real asset composite	7,168,341	-	-	7,168,341
	157,158,561	-	-	157,158,561
Cash surrender value of life insurance	-	223,647	-	223,647
Charitable gift annuities	-	462,903	-	462,903
	-	686,550	-	686,550
	$ 157,158,561	$ 686,550	$ -	157,845,111
Investments measured at net asset value				56,438,505
				$ 214,283,616

Life insurance and charitable gift annuities are included within planned giving on the consolidated statement of financial position.

Accounting Standards Update ("ASU"), 2015-07, *Fair Value Measurement* (Topic 820): *Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share (or Its Equivalent)*, ("ASU 2015-07") permits a reporting entity, as a practical expedient, to measure the fair value of certain investments using net asset value per share of the investment. The following table lists information related to investments measured at fair value on a recurring basis using Net Asset Value ("NAV") by major category for the fiscal year ended September 30, 2024:

Description	NAV in Funds	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
AEA Investors Fund VI	$ 248,183	$ 30,103	Illiquid	N/A
AEA Investors Fund VII	1,036,344	35,164	Illiquid	N/A
AG Realty Fund VIII	116,603	57,477	Illiquid	N/A
Altas Partners Holdings II	1,228,759	92,349	Illiquid	N/A
Altas Partners Holdings III	202,933	1,495,985	Illiquid	N/A
Ares US Real Estate Opportunity IV	-	1,500,000	Illiquid	N/A

4. FAIR VALUE MEASUREMENT (continued)

Description	NAV in Funds	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Canterbury SPFS Fund VIII	1,318,077	1,172,692	Illiquid	N/A
Canyon Value Realization	1,664,156	N/A	Annual	100 days
CCI Core Bond	25,755,324	N/A	Weekly	5 days
Centerbridge Partners Real Estate	422,561	134,043	Illiquid	N/A
Centerbridge Pre-Fund Balance	10,046	N/A	Illiquid	N/A
Centerbridge Partners (II) Real Estate Fund II	377,946	629,412	Illiquid	N/A
Centerbridge (II) Pre-Fund Balance	94,791	N/A	Illiquid	N/A
Dunes Point II-A	417,244	90,516	Illiquid	N/A
Fir Tree Value Fund	1,234	N/A	Annual	90 days
Goldentree Master Fund	3,621,790	N/A	Annual	90 days
Graham Partners VI	301,883	1,084,027	Illiquid	N/A
Greenspring Global IX-B	983,547	117,555	Illiquid	N/A
HKW Capital Partners V	1,306,559	33,323	Illiquid	N/A
J.C. Flowers III LP	57,548	76,847	Illiquid	N/A
LGT Capital Partners VI	139,599	1,500,000	Illiquid	N/A
Montauk TriGuard Fund IV	73,093	98,000	Illiquid	N/A
Montauk TriGuard Fund V	296,546	214,000	Illiquid	N/A
Montauk TriGuard Fund VI	357,744	216,000	Illiquid	N/A
NB Private Debt Fund V	375,000	2,125,000	Illiquid	N/A
New Mountain IV	222,205	92,254	Illiquid	N/A
New Mountain VI	1,656,847	60,346	Illiquid	N/A
New Mountain VII	32,503	1,967,497	Illiquid	N/A
Oaktree PIF 2009	19,430	302,697	Illiquid	N/A
OHA European Strategic Credit Fund	5,436	750,000	Illiquid	N/A
Quad-C Partners	814,833	1,081,869	Illiquid	N/A
Riverwood Capital III	1,286,524	83,643	Illiquid	N/A
Riverwood Capital IV	146,288	1,060,428	Illiquid	N/A
Searchlight Capital III	1,416,520	252,465	Illiquid	N/A
Searchlight Capital IV	74,399	925,601	Illiquid	N/A
Siguler Guff BRIC Opps Fund II	62,586	20,000	Illiquid	N/A
Siguler Guff BRIC Opportunities	28,949	50,000	Illiquid	N/A
Silver Point Capital Offshore	3,409,645	N/A	Annual	90 days
Silverlake Partners III	228,352	96,332	Illiquid	N/A
Silverlake Partners IV	1,531,878	29,426	Illiquid	N/A
Silverlake Partners VI	1,209,696	50,503	Illiquid	N/A
Strategic Investors Fund X	1,481,672	172,050	Illiquid	N/A
Strategic Partners Offshore IX	765,830	978,779	Illiquid	N/A
SVB Strategic Investors Fund XI	738,003	1,139,425	Illiquid	N/A
WhiteHawk IV	899,399	1,633,446	Illiquid	N/A
	$ 56,438,505			

4. FAIR VALUE MEASUREMENT (continued)

The Foundation uses NAV to determine the fair value of all underlying investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

5. INVESTMENT RETURN

The following schedule summarizes the investment returns for non-agency and agency funds in the consolidated statement of activities and the consolidated statement of financial position, respectively, for the year ended September 30, 2024:

	Non-agency (VCCF)	Agency	Total
Investment earnings			
Net realized gains	$ 2,792,823	$ 259,141	$ 3,051,964
Net unrealized gains	22,989,593	3,635,024	26,624,617
Dividends and interest	2,002,753	2,157,012	4,159,765
	27,785,169	6,051,177	33,836,346
Investment expense	(590,386)	(202,582)	(792,968)
	$ 27,194,783	$ 5,848,595	$ 33,043,378

The amounts reported above under "Agency" reflect the investment earnings and fees related to the funds held as agency endowments, as well as the Ormond Beach funds (Note 6), and are accounted for as changes to the funds held as agency endowments liability and funds held for designated purpose, respectively.

In seeking to attain the investment objectives set forth in the governing investment policy, the Board exercises prudence and appropriate care in accordance with UPMIFA. UPMIFA requires fiduciaries to apply the standard of prudence in investment decision making, stating "Management and investment decisions about an individual asset must be made not in isolation but rather in the context of the institutional fund's Portfolio…" All investment actions and decisions must be based solely on the interest of the Foundation. Fiduciaries must provide full and fair disclosure to the Board of all material facts regarding any potential conflicts of interests.

6. COMPLEX ASSET SUPPORTING ORGANIZATION

In January 2020, Ormond Beach Power, LLC and the City of Oxnard entered into an agreement where CASO would be the fiduciary of funds for the demolition and remediation of the Ormond Beach Generating Station. Ormond Beach Power, LLC will make regular contributions to a fund held by CASO at the Foundation until the sum of all their contributions made to the fund totals $25 million. CASO's sole responsibility in the agreement is to hold on to the funds until the ultimate demolition and remediation of the Ormond Beach Generation Station and has no duty to review disbursements. As of September 30, 2024, the Foundation had $26,403,022 of assets under management for CASO, which are included within funds held for designated purpose on the accompanying statement of financial position.

7. PLANNED GIVING ASSETS

Planned giving assets consisted of the following:

Charitable gift annuities	$ 462,903
Cash surrender value of life insurance	223,647
	$ 686,550

Charitable gift annuities

Donors have contributed assets to the Foundation in exchange for a promise by the Foundation to pay to the donor or to individuals or organizations designated by the donor a fixed amount for a specified period of time. Under the terms of the charitable gift annuity agreements, no trust exists, as the assets received are held by, and the liability is an obligation of, the Foundation. The present value of payments to beneficiaries under these arrangements is calculated using discount rates representing risk-free rates in existence at the date of the gift. The liability ("planned giving liability" on the accompanying consolidated statement of activities) is the value of the annuity contract as determined by Section 72 of the Internal Revenue Code and the tax tables thereunder. Charitable gift annuities are included within other assets on the consolidated statement of financial position.

8. EMPLOYEE RETENTION CREDIT

The Employee Retention Tax Credit ("ERC"), a refundable tax credit against certain employment taxes allowed to an eligible employer for qualifying wages, was established by the Coronavirus Aid, Relief, and Economic Security ("CARES") Act and was subsequently amended through additional legislation. The tax credit is equal to 50% of the qualified wages, up to $10,000 per employee, that an employer whose business has been financially impacted by COVID-19 pays to employees after March 12, 2020 and before January 1, 2022.

8. EMPLOYEE RETENTION CREDIT (continued)

The Foundation determined it was eligible to file for the ERC and calculated a total ERC of $480,195 for the wages paid during the period March 2020 through September 2021. As the Foundation has "substantially met" the program's eligibility conditions, the Foundation has recognized ERC income of $480,195 for the year ended September 30, 2024 on the accompanying consolidated statement of activities and an ERC receivable as of September 30, 2024 on the accompanying consolidated statement of financial position.

The ERC program is subject to inspection and audit by the IRS. The purpose of such audits is to determine whether entities met eligibility requirements under the program and that funds were used in accordance with guidelines and regulations. While management believes the Foundation met the ERC requirements, it is possible that ERC funds recognized could ultimately be disallowed. The ultimate liability, if any, which may result from a governmental audit cannot be reasonably estimated and, accordingly, no provision for the possible disallowance of ERC funds has been recorded on the Foundation's consolidated financial statements.

9. FIXED ASSETS

Fixed assets consisted of the following:

Land	$ 2,185,000
Buildings	7,879,841
Furniture and equipment	399,116
Leasehold improvements	134,877
Website development	50,000
	10,648,834
Accumulated depreciation and amortization	(2,802,280)
	$ 7,846,554

10. NOTES PAYABLE

Notes payable are detailed as follows:

Note payable to Citizens Business Bank in the original amount of $4,575,000, with interest at the Secured Overnight Financing Rate ("SOFR") rate plus 2.55% (7.51% at September 30, 2024), secured by certain real property of the Foundation. The note payable matures in June 2045. Additionally, the Foundation has entered into an interest rate swap agreement (See Note 11). This note payable is subject to certain financial covenants that the Foundation was in compliance with as of September 30, 2024.	$ 4,055,572
Less unamortized debt issuance costs	(25,097)
	$ 4,030,475

10. NOTES PAYABLE (continued)

The future maturities of the notes payable are as follows:

Year ending September 30,	
2025	$ 134,295
2026	139,182
2027	144,245
2028	149,134
2029	154,919
Thereafter	3,333,797
	$ 4,055,572

11. INTEREST RATE SWAP

The Foundation holds an interest rate swap agreement to effectively convert the interest rate of its note payable with Citizens Business Bank from variable to a fixed rate. The interest rate swap agreement is considered a derivative financial instrument but was not entered into for trading or speculative purposes. A non-operating gain or loss is included in the statement of activities, which represents the estimated change in the fair value of the interest rate swap based on it being marked to market.

This financial instrument necessarily involves counterparty credit exposure. The counterparties for the swap transactions are major financial institution that meet the Foundation's criteria for financial stability and credit-worthiness. The agreement involves the exchange of floating and fixed-rate interest payments over the life of the agreement without an exchange of the underlying principal amount. The differential to be paid or received is recognized as an adjustment to interest expense related to the debt. The related amount payable to or receivable from the counterparty is recorded as a liability or an asset in the accompanying consolidated statement of financial position. A non-operating loss of $335,369 to record the change in fair value of the interest rate swap has been recorded on the accompanying consolidated statement of activities for the year ended September 30, 2024.

The outstanding interest rate swap is on a notational amount of $4,055,572 with a fixed interest rate of 3.53% and a termination date of June 30, 2045.

12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following:

Subject to expenditure for specified purpose:	
Regranting	$ 1,188,957
Planned giving	204,782
	1,393,739
Subject to passage of time	35,214,175
Donor-restricted endowment funds:	
Donor corpus restricted in perpetuity	1,527,156
Earnings on donor-restricted endowments not yet appropriated for spending	910,581
	$ 39,045,651

13. ENDOWMENTS

Interpretation of relevant law

The Foundation's governing board has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation retains the original value of all gifts to the donor-restricted endowment plus unspent accumulated earnings in accordance with the applicable donor gift instrument.

In accordance with UPMIFA, the Foundation considers the following factors 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.

13. ENDOWMENTS (continued)

Return objectives, risk parameters and strategies

Short-Term Portfolio - The Foundation offers a Short-Term Portfolio for funds or that portion of a fund that will be distributed in less than three years. The Short-Term Portfolio is intended to be invested in a manner consistent with the objectives of (i) maintaining the principal value of the invested assets, (ii) minimizing the potential that the principal value of assets will be impaired, and (iii) providing a liquid source of funds for distributions.

Due to the objective of preserving principal value of assets, the Short-Term Portfolio is expected to be invested exclusively in money market instruments and short-term fixed income securities such that the average credit quality of the portfolio is "A" or higher and the average duration of the portfolio is less than 24 months. Despite the intention to maintain principal value, the Board acknowledge that no securities with affiliated credit and/or interest rate risk are completely free of risk and principal losses may occur over short periods.

Intermediate Portfolio - The Intermediate Portfolio is designed for funds with an investment horizon of three to six years. The primary investment objective of this portfolio is to seek a real rate of return that is commensurate with a reduced level of risk as compared to the Long-Term Portfolio. Given the shorter time horizon, the Intermediate Portfolio is intended to be invested in a manner consistent with the objectives of (i) mitigating volatility while accepting some level market risk and (ii) generating an annualized rate of return, net of fees and expenses, that exceeds the Portfolio's policy benchmark.

This portfolio has a target allocation of 40% equity, 50% fixed income, 5% real assets, and 5% liquid alternatives. It is designed for funds with a spending horizon between three to six years.

Long-Term Portfolio - The Long-Term Portfolio is designed for funds with an investment horizon of seven or more years. The primary investment objective of the Long-Term Portfolio is to achieve an annualized total return, net of fees and expenses, that is equal to or greater than the rate of inflation (as measured by the broad, domestic Consumer Price Index) plus any spending and investment expenses, such that purchasing power is maintained over time. The assets are to be managed in a manner that will meet the primary investment objective, while at the same time attempting to limit volatility in annual distributions. The primary objective of the portfolio may be expressed as:

Total Return greater than Consumer Price Index + Spending Policy + Investment Expenses

Given that this benchmark is not directly related to market performance, success or failure in achieving this goal should be evaluated over 10 to 20 years. A secondary objective is to achieve a total return in excess of the Policy Benchmark comprised of each strategic asset category benchmark weighted by its target allocation.

13. ENDOWMENTS (continued)

Return objectives, risk parameters and strategies (continued)

This portfolio has a broad target allocation of 45% equity, 20% fixed income, and 35% alternative investments. It is designed for endowed funds and funds with a long-term spending horizon of seven or more years and is generally appropriate for funds intended to be fully expended over a donor's lifetime.

Spending policy and how investment objectives relate to spending policy

The purpose of the spending policy is to calculate the amount of money annually distributed from the Foundation's various endowment funds for grant-making and administration. The primary objectives of the spending policy are to balance the interests of current and future beneficiaries by not over spending in the short-term or over accumulating in the long-term, and maintain the purchasing power of distributions over time by growing the corpus of each endowment fund to pace long-term inflation.

The Foundation's spending and investment policies work in tandem to achieve these objectives. The investment policy establishes an achievable return objective through a diversified investment strategy. Over long periods of time (7+ years), the Foundation's spending rate plus that of inflation should be in alignment with the average annual total return achieved through investment earnings. In other words, by distributing an amount that is equal to investment earnings less inflation, the Board seeks to preserve purchasing power of future distributions by growing each endowed fund at the rate of inflation. Mathematically, this is represented by the following hypothetical formula:

5% spending + 2% inflation = 7% net investment return objective

A secondary objective is to achieve a reasonable degree of stability in payout for annual distributions to grantees. Predictability of distributions allows recipients, including the Foundation, to more accurately budget future income. Predictability also helps to insulate the Foundation's investment managers from pressure to generate undo short term liquidity, which allows them to focus on achieving the best total return over the long term. The Foundation utilizes a smoothing formula to help achieve stable and predictable year-over-year distributions.

In California, UPMIFA includes the provision that an appropriation of greater than 7% of the average fair market value averaged over the past three years is presumptively imprudent.

Spending rate and smoothing formula

The current spending rate is 5% (or less for underwater funds based on the schedule below). This spending rate is applied to the trailing 16-quarter average market value for each endowment fund for the period ending June 30 of the prior fiscal year.

13. ENDOWMENTS (continued)

Spending rate and smoothing formula (continued)

Additionally, a support fee based on the market value for each endowment fund is assessed quarterly in December (based on September 30 value), March (based on December 31 value), June (based on March 31 value) and September (based on June 30 value). Support fees charged by the Foundation for services provided and all non-agency administrative fees totaling $1,787,429 have been eliminated from the consolidated financial statements.

Where a fund has not been in existence for 16 quarters, the actual number of quarters that the fund has been in existence will be used. All new endowment funds must be invested for four full quarters before any distributions are made.

The spending policy will be applied to both donor restricted and board designated endowment funds. It does not apply to endowment funds with specific donor restrictions as to expenditure where the gift instrument defines a specific spending formula.

The Foundation will maintain a record of the historic gift value of each donor restricted endowment fund. This includes the terms of any Foundation solicitation from which a donor restricted fund resulted. Historic gift value means a) the fair value in dollars of an endowment fund at the time it first became an endowment fund, b) plus the fair value in dollars of each subsequent donation to the fund at the time it is made, c) plus accumulations to the endowment fund if specifically directed by the donor's gift instrument.

Underwater Funds - From time to time, the fair value of the assets associated with individual donor restricted funds may fall below the level that current law requires the Foundation to retain for a fund of perpetual duration. In accordance with GAAP, these deficiencies are reported as a reduction in net assets without donor restrictions. Such deficiencies may result from unfavorable market fluctuations, particularly if the funds were invested in the endowment pool shortly prior to significant market declines. As of September 30, 2024, the Foundation held one endowment fund where the market value had fallen below the original corpus due to market conditions. The amount of the shortfall totaled $5,897. Underwater funds will experience a reduction in payout based on the schedule below. The reduced payout is intended to allow for recovery of the historic gift value over a reasonable period of time, while not completely eliminating payout in support of charitable programs.

Underwater Amounts	Adjusted Spending Rates
Less than 5%	5.00%
5% to less than 10%	3.75%
10% to less than 15%	3.35%
15% or more	2.50%

13. ENDOWMENTS (continued)

Endowment net assets composition by type of fund

Endowment net asset composition by type of fund as of September 30, 2024 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowments restricted by donors in perpetuity	$ -	$ 1,527,156	$ 1,527,156
Accumulated investment gains on donor-restricted endowments	-	910,581	910,581
Funds functioning as endowments	159,918,834	32,525,386	192,444,220
	$ 159,918,834	$ 34,963,123	$ 194,881,957

Donor restricted funds functioning as endowments are entirely comprised of time-restricted bequests that when received, will become a part of the managed fund and reclassified as funds without donor restrictions.

Changes in endowment net assets during the year ended

Changes in endowment net assets for the fiscal year ended September 30, 2024 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Balance, September 30, 2023	$ 133,687,774	$ 8,596,183	$ 142,283,957
Investment returns	29,010,955	272,596	29,283,551
Contributions	6,470,220	26,235,381	32,705,601
Appropriation of net assets	(9,250,115)	(141,037)	(9,391,152)
	26,231,060	26,366,940	52,598,000
Balance, September 30, 2024	$ 159,918,834	$ 34,963,123	$ 194,881,957

14. RENTAL INCOME

VCCF Nonprofit Center, LLC leases office space to several Ventura County focused nonprofit organizations which expire at various dates through March 2029.

14. RENTAL INCOME (continued)

The future scheduled minimum rental income under the lease terms is as follows:

Year ending September 30,	
2025	$ 881,606
2026	880,346
2027	875,356
2028	578,745
2029	14,140
	$ 3,230,193

15. COMMITMENTS AND CONTINGENCIES

Leases

The Foundation leases its office space from the VCCF Nonprofit Center, LLC for approximately $10,033 per month plus operating expenses that expires in April 2028. During the year ended, September 30, 2024, the Foundation paid or accrued $123,127 in rents to the VCCF Nonprofit Center, LLC, which has been eliminated in the consolidated financial statements.

Investment commitments

At September 30, 2024, the Foundation had made investment commitments to partnerships that are not readily marketable in an amount not to exceed $21,449,254.

Investment consultant fees

In 2018, the Foundation entered into an Outsourced Chief Investment Officer Agreement (the "Agreement") with Canterbury Consulting, Inc. ("Canterbury") with 4% annual escalating payments. The Agreement may be terminated by written notice from either party to the other upon 30 days prior written notice.

During the year ended September 30, 2024, the Foundation paid $304,163 to Canterbury.

Patterson Park

The Foundation has a Right of Termination on land that now makes up Patterson Park that it donated to the City of Oxnard under the condition that it be used only as a park for public use or else ownership of the land will revert back to Ventura County Community Foundation. At the time of the donation the land had a recorded book value of $3,810,000.

16. RETIREMENT PLAN

Foundation employees who work at least 20 hours per week are eligible to participate in a deferred salary savings plan under Section 403(b) of the Internal Revenue Code immediately upon hire. The Foundation matches at its discretion up to 6% of the eligible salary after one year of employment. For the year ended September 30, 2024, Foundation contributions to the 403(b) Plan totaled $60,406.

17. FIDUCIARY LIABILITY

In September 2015, the Foundation contracted with a "Big 4" accounting firm to conduct an independent fiduciary review on approximately 90% of the assets under the Foundation's management. Three main issues were uncovered during the review which included:

- Improper investment of funds in money market accounts
- Over allocation of interest income to the Foundation's unrestricted fund
- Assessment of fund administrative fees in excess of agreed upon amounts

As soon as the Foundation received notice from the "Big 4" accounting firm of these issues, the Foundation self-disclosed the situation to the California Attorney General ("AG"). The Foundation also calculated the cost of reimbursing the approximately 48 funds impacted (of the total 600 funds) to make them whole. The cost of resolving these issues was $1,554,500 with a repayment strategy approved by the AG's office. The repayment terms are as follows:

- Interest rate is set at 3%
- Two years of interest only payments
- Ten years of fully amortizing principal and interest payments

At the same time, the AG directed the Foundation to replenish the funds invested from the Cornerstone Administrative Endowment into the VCCF Nonprofit Center LLC. This replenishment is tied to the final repayment of the bank loan secured by the building (not including any refinancing of the loan), or the sale of the building, whichever occurs earlier. The AG also required the Foundation to have its policies and procedures revised by a third party, particularly with regard to classification and monitoring of its funds. The Foundation engaged with the Silicon Valley Community Foundation to complete this work. On December 6, 2017, the AG confirmed that the Foundation had taken the necessary steps to close the investigation.

On advice of counsel, on December 31, 2018, the Foundation repaid $295,013 of this liability. The remaining balance will continue to be repaid according to the original terms. As of September 30, 2024, the remaining cost to correct these issues was $676,827 and was eliminated in the consolidated financial statements.

18. LIQUIDITY AND AVAILABILITY

The Foundation's financial assets are predominantly held for its philanthropic purposes. The Ventura County Community Foundation offers several philanthropic gift planning options, including a Charitable Gift Annuity program, Charitable Lead Trusts, and Charitable Remainder Trusts, and accepting gifts of real estate and other complex assets. The Foundation is also responsible for the oversight of a 53,000 sq. ft. building that houses 13 nonprofit organizations. Having a robust reserve policy continues to be a key priority. Philanthropic funds cannot be used for reserves.

The Foundation is focused on building reserves equal to three years of unrestricted operating cash needs in an effort to best meet the philanthropic planning requirements of its donors and nonprofit community in Ventura County.

The following reflects the Foundation's financial assets reported on the consolidated statement of financial position, reduced by amounts not available for general use within one year because of contractual or donor-imposed restrictions.

Liquidity of financial assets as of September 30, 2024 is as follows:

Cash and cash equivalents	$ 4,003,747
Contributions receivable, net	32,712,850
Investments	213,597,066
	250,313,663
Net assets with donor restrictions (Note 12)	(39,045,651)
Funds held for agency endowments	(25,855,134)
Funds under management	(153,574,338)
Funds held for designated purpose (Note 6)	(26,403,022)
	$ 5,435,518

During the year ended September 30, 2024, the Foundation incurred $4,214,834 of expenses to support operations, which includes expenses for operating the 53,000 square foot office building. Based on liquid assets available as of September 30, 2024, the Foundation can sustain operations for approximately 15 months after year-end.

19. SUBSEQUENT EVENTS

The Foundation has evaluated events subsequent to September 30, 2024, to assess the need for potential recognition or disclosure in the consolidated financial statements. Such events were evaluated through March 4, 2025, the date which the consolidated financial statements were available to be issued. Based upon this evaluation, it was determined no subsequent events occurred that require recognition or additional disclosure in the consolidated financial statements.

SUPPLEMENTARY INFORMATION

Ventura County Community Foundation and Subsidiaries
Statement of Financial Position by Segment
September 30, 2024

ASSETS

	Operating and Non-profit Center	Under Management	Eliminating Entries	2024 Total
Cash and cash equivalents	$ 712,252	$ 3,291,495	$ -	$ 4,003,747
Contributions receivable, net	150,000	32,562,850	-	32,712,850
Prepaid expenses and other assets	275,407	-	-	275,407
Investments	5,795,912	207,801,154	-	213,597,066
Planned giving	66,492	620,058	-	686,550
Employee retention credit receivable	480,195	-	-	480,195
Interest rate swap asset	917,176	-	-	917,176
Fixed assets, net of accumulated depreciation and amortization	7,846,554	-	-	7,846,554
Earnings due to funds	-	676,827	(676,827)	-
Total assets	$ 16,243,988	$244,952,384	$ (676,827)	$260,519,545

LIABILITIES AND NET ASSETS

	Operating and Non-profit Center	Under Management	Eliminating Entries	2024 Total
Liabilities				
Accounts payable and accrued expenses	$ 345,478	$ 53,699	$ -	$ 399,177
Grants payable	-	352,093	-	352,093
Notes payable	4,030,475	-	-	4,030,475
Funds held for designated purpose (Note 6)	-	26,403,022	-	26,403,022
Funds held as agency endowments	-	25,855,134	-	25,855,134
Planned giving liability	-	320,956	-	320,956
Tenant security deposits	65,716	-	-	65,716
Due from funds	676,827	-	(676,827)	-
Total liabilities	5,118,496	52,984,904	(676,827)	57,426,573
Net assets				
Without donor restrictions	10,472,983	153,574,338	-	164,047,321
With donor restrictions	652,509	38,393,142	-	39,045,651
Total net assets	11,125,492	191,967,480	-	203,092,972
Total liabilities and net assets	$ 16,243,988	$244,952,384	$ (676,827)	$260,519,545

Ventura County Community Foundation and Subsidiaries
Statement of Activities by Segment
For The Year Ended September 30, 2024

	Operating and Non-profit Center	Under Management	Eliminating Entries	2024 Total
Revenue, gains and other support				
Revenue and support				
Contributions, grants and bequests	$ 1,425,136	$ 39,262,161	$ (1,622,167)	$ 39,065,130
Rental income	986,371	-	-	986,371
Management fees	2,141,025	142,657	(1,864,607)	419,075
Total revenue and support	4,552,532	39,404,818	(3,486,774)	40,470,576
Investment gain, net of expenses	410,908	26,806,198	(22,323)	27,194,783
Total revenue, gains and other support	4,963,440	66,211,016	(3,509,097)	67,665,359
Functional expenses				
Grantmaking and distributions	1,450,432	12,290,539	(1,622,167)	12,118,804
Other program services	1,415,906	673,110	-	2,089,016
Management and general	1,040,896	1,905,530	(1,886,930)	1,059,496
Fundraising	307,600	11,559	-	319,159
Total functional expenses	4,214,834	14,880,738	3,509,097	15,586,475
Changes in net assets	748,606	51,330,278	-	52,078,884
Non-operating				
Change in value of interest rate swap	(335,369)	-	-	(335,369)
Employee retention credit	480,195	-	-	480,195
Change in unrestricted net assets	893,432	51,330,278	-	52,223,710
Change in net assets	893,432	51,330,278	-	52,223,710
Net assets, beginning of year	10,232,060	140,637,202	-	150,869,262
Net assets, end of year	$ 11,125,492	$191,967,480	$ -	$203,092,972