

Shasta Regional Community Foundation

Redding, California

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS' REPORT

June 30, 2017



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Shasta Regional Community Foundation

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Shasta Regional Community Foundation
Redding, California

We have audited the accompanying financial statements of Shasta Regional Community Foundation (the Foundation), which comprise the statement of financial position as of June 30, 2017; the related statements of activities and cash flows for the year then ended; and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2017, 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.

KCoe Jam, LLP

October 2, 2017
Redding, California

Shasta Regional Community Foundation

STATEMENT OF FINANCIAL POSITION

June 30, 2017

ASSETS

Current Assets

Cash and cash equivalents	\$	1,247,076
Contributions receivable - current portion		277,024
Prepaid expenses and other current assets		7,359
Loans receivable - current portion		35,964

Total Current Assets		1,567,423
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Property and Equipment - Net		13,938
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Other Assets

Deposits		507
Contributions receivable - long-term, net of current portion		682,893
Beneficial interest in remainder trusts		1,566,631
Beneficial interest in life insurance policy		2,487
Loans receivable - long-term, net of current portion		296,285
Long-term investments		23,841,954

Total Other Assets		26,390,757
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TOTAL ASSETS	\$	27,972,118
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$	2,131
Deferred revenue		5,950
Grants payable		402,707
Accrued vacation		17,553

Total Current Liabilities		428,341
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Net Assets

Unrestricted		273,409
Temporarily restricted		6,468,834
Permanently restricted		20,801,534

Total Net Assets		27,543,777
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TOTAL LIABILITIES AND NET ASSETS	\$	27,972,118
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The accompanying notes are an integral part of these financial statements.

Shasta Regional Community Foundation

STATEMENT OF ACTIVITIES

Year Ended June 30, 2017	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues, Gains, and Other Support				
Contributions	\$ 17,761	\$ 2,902,717	\$ 977,786	\$ 3,898,264
Program service fees	493,895	-	-	493,895
Investment return	20,059	1,016,409	1,430,367	2,466,835
Gain on insurance proceeds	1,518	-	-	1,518
Change in value of remainder trusts	-	(72,316)	-	(72,316)
Net assets released from restriction	3,147,646	(3,147,646)	-	-
Total Revenues, Gains, and Other Support	3,680,879	699,164	2,408,153	6,788,196
Expenses and Losses				
Advertising	33,857	-	-	33,857
Classes - Leadership Redding	15,626	-	-	15,626
Contract services	27,101	-	-	27,101
Depreciation	5,521	-	-	5,521
Dues	8,162	-	-	8,162
Grant distributions	2,783,357	-	-	2,783,357
Insurance	8,255	-	-	8,255
Legal and accounting	16,668	-	-	16,668
Library expenses	511	-	-	511
Loss on sale of assets	448	-	-	448
Occupancy expense	110,642	-	-	110,642
Office expenses	6,368	-	-	6,368
Other expenses	101,613	-	-	101,613
Payroll overhead	86,753	-	-	86,753
Postage	3,076	-	-	3,076
Printing	2,386	-	-	2,386
Salaries	368,663	-	-	368,663
Staff training and development	3,509	-	-	3,509
Telephone	9,428	-	-	9,428
Travel and lodging	27,528	-	-	27,528
Volunteer recognition	4,469	-	-	4,469
Total Expenses and Losses	3,623,941	-	-	3,623,941
Change in Net Assets	56,938	699,164	2,408,153	3,164,255
Net Assets - Beginning of Year	216,471	5,769,670	18,393,381	24,379,522
Net Assets - End of Year	\$ 273,409	\$ 6,468,834	\$ 20,801,534	\$ 27,543,777

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

Shasta Regional Community Foundation

STATEMENT OF CASH FLOWS

Year Ended June 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 3,164,255
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	5,521
Unrealized gain on investments	(1,797,112)
Loss on sale of assets	448
Contributions restricted for investment in endowment	(977,786)
Interest and dividends restricted for long-term investment	(512,813)
Change in beneficial interest in remainder trusts	72,316
Beneficial interest in life insurance policy	(2,487)
Changes in:	
Contributions receivable	58,980
Prepaid expenses and other current assets	(602)
Loans receivable	20,521
Accounts payable	(6,625)
Deferred revenue	(2,800)
Grants payable	159,144
Accrued vacation	1,469

NET CASH PROVIDED BY OPERATING ACTIVITIES 182,429

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(4,843)
Purchase of investments	(15,438,940)
Redemption of investments	12,854,491

NET CASH USED IN INVESTING ACTIVITIES (2,589,292)

CASH FLOWS FROM FINANCING ACTIVITIES

Contributions restricted for investment in endowment	977,786
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Net Decrease in Cash and Cash Equivalents (1,429,077)

Cash and Cash Equivalents - Beginning of Year 2,676,153

Cash and Cash Equivalents - End of Year \$ 1,247,076

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

Shasta Regional Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

1. DESCRIPTION OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization Shasta Regional Community Foundation (the Foundation) promotes philanthropy by connecting people who care with causes that matter.

Currently, the Foundation operates the following programs:

Asset Development and Grant Making: This program accepts, administers, and disburses funds to eligible recipients based upon donor wishes.

Leadership Redding: This program is a one-year program of day-long sessions intended to provide its participants with information and opportunities to promote community leadership and involvement.

Women's Fund: This program supports the efforts and organizations that improve the lives of women, children, and their families in the greater Redding area.

Ivy B. Horr Endowed Medical Education Loan Fund: This program provides low interest loans to students from Shasta, Lassen, Trinity, Tehama, Modoc, and Siskiyou Counties pursuing an education in medicine.

Basis of Presentation The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

The Foundation's financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. Under FASB ASC Topic 958, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets based upon the existence or absence of donor-imposed restrictions, as follows:

Unrestricted Net Assets: Represents resources over which the Board of Directors has discretionary control and that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily Restricted Net Assets: Represents resources whose use by the Foundation is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. When a donor restriction expires, that is, when a stipulated purpose is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets.

Permanently Restricted Net Assets: Represents resources whose use by the Foundation is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Foundation.

Shasta Regional Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Revenue Recognition Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and nature of grantor/donor restrictions, and are recognized in these financial statements when the likelihood of conditions not being met is remote.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and Cash Equivalents For purposes of the statement of cash flows, the Foundation considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments Investments in marketable securities with readily determinable fair values are stated at fair market value. Marketable securities without readily determinable fair values are stated at cost.

Contributions Receivable Contributions receivable are adjusted to net realizable value when they are determined to be delinquent based on historical experience. Losses on uncollectible receivables are recognized when such losses become known or indicated.

Property and Equipment Property and equipment are stated at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the depreciable assets. The estimated useful lives of current property and equipment range from five to seven years.

The Foundation capitalizes expenses for major improvements and acquisitions as additions to property and equipment, whereas ordinary maintenance, repairs, and renewals are charged to expense as incurred.

Donated Services Donated services are recognized as contributions in accordance with FASB ASC Subtopic 958-605, *Not-for-Profit Entities – Revenue Recognition*, if the services: (a) create or enhance nonfinancial assets; or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation.

The value of donated services meeting requirements for recognition in the financial statements was not material and has not been recorded. Volunteers also provided their time and performed a variety of tasks that assisted the Foundation with specific program services. These services did not meet the above requirement for recognition in these financial statements and, accordingly, have not been valued or recorded.

Income Taxes The Foundation has received tax-exempt status under Section 501(c)(3) of the *Internal Revenue Code* (IRC), and Section 23701(d) of the *California Revenue and Taxation Code*, and has been classified as an organization that is not a private foundation under Section 509(a) of the IRC. Accordingly, no provision for income taxes is included in the financial statements.

Shasta Regional Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Endowment Investment and Spending Policies The Foundation follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and its own governing documents. UPMIFA details the rules on spending from donor-restricted endowment funds. Donor intent is defined in the terms of the gift instrument or document accompanying the gift. The Foundation's endowment funds are entered into with the donor and Foundation signing a fund agreement. The Foundation's endowed fund agreements state the original gift, and any subsequent gifts, are to be preserved for the perpetuity of the endowed fund with the investment income and net appreciation available to spend for the restricted purpose of the fund. The Foundation classifies the original contributions made to the endowed fund as permanently restricted and the investment income and net appreciation as temporarily restricted for the amount calculated as available to spend.

The Foundation has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide funding to programs supported by its endowment while striving to maintain capital preservation and purchasing power of those endowment assets over the long term. The investment policy establishes an achievable return objective through diversification of asset classes. The current objective is to achieve an investment return to provide sufficient revenue to support an average annual distribution rate of 6% while maintaining the purchasing power of the portfolio. Actual returns may vary from this amount in any given year. To meet this rate of return objective over the long term, the Foundation targets a diversified asset allocation between equity-based and fixed-income investments within prudent risk factors. The spending policy calculates the amount of money annually available to be distributed from the Foundation's endowed funds for grant making. The current spending policy was calculated as an annual amount equal to 4% of a 12-quarter moving average of the fair value of the endowment funds. These funds must have sufficient cumulative investment income and net appreciation to cover the spending policy calculation. The excess income and appreciation is then available for additional growth of the endowed fund. During the current year, the Board of Directors approved a spending policy calculation for all endowed funds.

Evaluation of Subsequent Events Management has evaluated subsequent events through October 2, 2017, the date on which the financial statements were available to be issued.

Shasta Regional Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

2. CONCENTRATIONS OF CREDIT RISK

The Foundation has diversified its credit risk for cash by maintaining deposits in several financial institutions. There is no amount in excess of deposit insurance at June 30, 2017.

3. INVESTMENTS

The Foundation's investments consisted of the following:

June 30, 2017

Mutual funds	\$	13,236,416
Stocks		4,922,563
Bonds		2,511,684
Government securities		2,710,989
Money market funds		460,302
Total Investments	\$	23,841,954

The Foundation's investment return consisted of the following:

Year Ended June 30, 2017

Interest and dividends	\$	512,813
Realized gain on investments		156,910
Unrealized gain on investments		1,797,112
Total Investment Return	\$	2,466,835

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

June 30, 2017

Computer equipment and software	\$	91,505
Less: Accumulated depreciation		77,567
Total Property and Equipment	\$	13,938

Depreciation expense for the year ended June 30, 2017, is \$5,521.

Shasta Regional Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

5. CONTRIBUTIONS RECEIVABLE

Contributions receivable consisted of the following:

June 30, 2017

Amounts to be received in the future	\$	959,917
Less: Current portion		277,024
Total Contributions Receivable - Long-Term	\$	682,893

Amounts to be received in the future are unconditional promises to give to the Foundation. Under the terms of the underlying agreements, amounts will be made available as follows:

June 30, 2017

Less than one year	\$	277,024
One to five years		722,461
Subtotal		999,485
Less: Discount to net present value		39,568
Total Amounts to be Received in the Future	\$	959,917

No allowance for uncollectible contributions has been reflected at June 30, 2017, as management believes all amounts are fully collectible.

6. LOANS RECEIVABLE

The Ivy B. Horr Endowed Medical Education Loan Fund provides for loans to students pursuing medical careers. Loans ranging from \$2,000 to \$10,000 per loan cycle, not to exceed \$50,000 per student, are provided and repayment begins six months after the student's graduation and must be completed within ten years of graduation. Interest is charged at a rate of 2%. Loans receivable are carried at unpaid principal balances, less an allowance for expected loan losses. Management's evaluation of the adequacy of the allowance is based primarily on past loan experience and specific impaired loans. The allowance for loans receivable for the year ended June 30, 2017, was \$4,035.

Shasta Regional Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

7. BENEFICIAL INTEREST IN CHARITABLE TRUSTS

Charitable remainder trusts provide for the payment of distributions to designated beneficiaries over the trusts' terms. At the end of the trusts' terms, the remaining assets are available for the beneficiaries' use, subject to donor-imposed restrictions. Assets held in charitable remainder trusts are reported at fair value in the Foundation's statement of financial position. Changes in fair value of charitable remainder trusts are reflected as changes in temporarily restricted net assets in the Foundation's statement of activities.

The Foundation has been named as the irrevocable remainder beneficiary of two charitable remainder trusts that are administered by a third party. At June 30, 2017, the present value of the future benefits was calculated using a discount rate of 2.4%, estimated rate of return of 5.8%, and applicable mortality tables.

Assets held in all charitable remainder trusts at June 30, 2017, totaled \$1,569,118 and are reported at fair value in the Foundation's statement of financial position.

Shasta Regional Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

8. NET ASSETS

Contributions received, which are restricted to a specific program or are to be received in future periods, are recorded as temporarily restricted net assets and are released from restriction when program expenses meeting the grantor/donor requirements have been met, or when the time period has lapsed.

Contributions received, which are restricted by the donor as endowments, are recorded as permanently restricted net assets. The portion of the earnings on endowments, which are not considered permanently restricted, are recorded as temporarily restricted net assets and are released from restriction when program expenses meeting the grantor/donor requirements have been met.

Temporarily restricted net assets consisted of the following:

June 30, 2017

Amounts to be Received in Future Periods	
McConnell Foundation building grant	\$ 237,057
McConnell Foundation operating grant	696,186
Net beneficial interests in charitable trusts	1,566,631
Total Amounts to be Received in Future Periods	2,499,874
Amounts Restricted by Donor for Specific Purpose	
Patricia L. Kimball and David T. Kimball Fund	1,022,994
Mount Shasta Children's Fund	585,147
Ivy B. Horr Loan Fund	415,627
Red Bluff Bull Sale Committee Fund	180,424
Women's Fund	123,883
Andy Peek Livestock Scholarship Fund	106,524
First 5 Shasta Children and Families Fund	106,930
Betty A. Fitzpatrick Fund	100,000
Community Disaster Relief Fund	72,513
Treber-Duncan Fund	67,490
McConnell Fund	62,316
Other	1,125,112
Total Temporarily Restricted Net Assets	\$ 6,468,834

Shasta Regional Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Permanently restricted net assets consisted of the following:

June 30, 2017

Knodel Family Endowment Fund	\$ 4,225,109
Elmer H. Schmidt Christian Broadcasting Fund	2,684,706
Ivy B. Horr Medical Education Endowment Fund	1,303,074
Patricia L. Kimball Endowment Fund	1,293,465
Shasta County Board of Education Student Benefit Fund	1,238,253
Josephine Taylor Fund	1,039,130
Shasta Regional Community Foundation Stewardship Endowment	966,050
Harrington Fund	733,016
Dr. Donald and Ann Gleason Memorial Scholarship	614,745
Burney Regional Community Fund Endowment	607,322
Animal Welfare Endowment Fund	579,776
Clement Alan DeTourney Memorial Fund	571,348
Women's Endowment Fund	512,407
Siskiyou Family YMCA Endowment	414,368
Seamans Family Endowment Fund	383,744
Kohn Family Endowment	376,511
Tauhindauli Park Endowment Fund	327,639
Veteran's Cemetery Endowment Fund	309,688
Prudence Rose Kennedy Endowment Fund	206,529
Keep Our Flag Flying Fund	199,566
Community Arts Endowment	194,532
Mildred Lucille Driscoll Endowment Fund	185,334
Redding Rancheria Endowment Fund	185,208
Top of the State Scholarship Endowment Fund	153,273
Tri Counties Bank Endowed Scholarship Fund	137,214
Shasta Community Health Center Endowment for a Healthy Community	127,245
The Balma Family Scholarship Endowment Fund	114,729
Brennan Family Endowment Fund	115,482
Other	1,002,071
Total Permanently Restricted Net Assets	\$ 20,801,534

Shasta Regional Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Endowment net assets composition by type of fund is as follows:

June 30, 2017	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Donor-restricted endowment funds	\$ 73,970	\$ 1,261,582	\$ 20,801,534	\$ 22,137,086
Endowment Net Assets -				
Beginning of Year	\$ 54,296	\$ 1,154,263	\$ 18,393,381	\$ 19,601,940
Contributions	-	-	1,285,331	1,285,331
Investment income	-	1,768	477,910	479,678
Net appreciation (depreciation)	-	1,114,963	644,912	1,759,875
Amounts appropriated for expense	-	54,296	-	54,296
Other amounts released from restriction	19,674	(1,063,708)	-	(1,044,034)
Endowment Net Assets -				
End of Year	\$ 73,970	\$ 1,261,582	\$ 20,801,534	\$ 22,137,086

9. CONTRIBUTIONS

Contributions consisted of the following:

Year Ended June 30, 2017	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Grants	\$ -	\$ 894,728	\$ 1,137	\$ 895,865
Donations	17,761	1,977,681	976,649	2,972,091
Sponsorships	-	30,308	-	30,308
Total Contributions	\$ 17,761	\$ 2,902,717	\$ 977,786	\$ 3,898,264

10. PROGRAM SERVICE FEES

Program service fees consisted of the following:

Year Ended June 30, 2017	
Fund administration fees	\$ 479,649
Other program service fees	14,246
Total Program Service Fees	\$ 493,895

Shasta Regional Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

11. FUNCTIONAL EXPENSE ALLOCATION

The costs of providing various programs and activities have been summarized on a functional basis. Accordingly, the following is the allocation of certain costs among the programs and supporting services:

Year Ended June 30, 2017

EXPENSES

Program Services

Asset development and grant making	\$	2,922,795
Leadership Redding		60,942
Women's Fund		98,758
Ivy B. Horr Loan Fund		13,482
Other programs		74,434

Total Program Services Expenses		3,170,411
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Supporting Services

Management and general		214,512
Fundraising		239,018

Total Supporting Services Expenses		453,530
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TOTAL EXPENSES	\$	3,623,941
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12. OPERATING LEASES

The Foundation moved to a new office facility on January 1, 2006, under a five-year lease with The McConnell Foundation. The lease expired on December 31, 2011. A lease amendment was signed in August 2010 to extend the lease an additional five years with the lease expiring December 31, 2015. A second lease amendment was signed January 1, 2016, for five years with the lease expiring December 31, 2020. The lease is a market-rate lease. Lease expense totaled \$65,910 for the year ended June 30, 2017. These lease obligations are supported by a grant from The McConnell Foundation. Future lease obligations under the amended lease are as follows:

Years Ending June 30

2018	\$	67,890
2019		69,924
2020		72,024
2021		36,546

Total	\$	246,384
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Shasta Regional Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

13. SHASTA REGIONAL COMMUNITY REAL ESTATE FOUNDATION

Shasta Regional Community Real Estate Foundation (CREF) is a nonprofit organization formed by Shasta Regional Community Foundation to receive and process gifts of real estate for charitable purposes. CREF is a separate 501(c)(3) supporting organization and is not controlled by the Foundation. Its nine-member board of directors is composed of three members of the Foundation's board and six outside members.

14. FAIR VALUE MEASUREMENTS

The Foundation accounts for certain assets and liabilities in accordance with FASB ASC 820, *Fair Value Measurements and Disclosures*, which establishes a framework for measuring fair value under generally accepted accounting principles.

The Foundation classifies its fair value assets and liabilities into a hierarchy of three levels based on the markets in which they are traded and the reliability of the assumptions used to determine fair value. The asset or liability measurement level within the hierarchy is based on the lowest level of any assumption that is significant to the measurement.

Valuations within the hierarchy levels are based upon the following:

Level 1 – Quoted market prices for identical instruments traded in active exchange markets.

Level 2 – Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.

Level 3 – Model-based techniques use at least one significant assumption not observable in the market. These unobservable assumptions reflect the Foundation's estimates of assumptions that market participants would use on pricing the asset or liability. Valuation techniques include management judgment and estimation, which may be significant.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used during the year ended June 30, 2017.

Money Market Funds: These assets are valued at the net asset value (NAV), generally \$1 per share, and are reported on the active market on which securities are traded.

Corporate Stocks, Corporate Fixed Income, and Government Securities: These assets are valued at the closing price reported on the active market on which the individual securities are traded.

Mutual Funds: These assets are valued at the NAV reported on the active market on which the securities are traded.

Shasta Regional Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

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

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

June 30, 2017	Fair Value	Level 1	Level 2	Level 3
Mutual funds:				
Large-cap value funds	\$ 480,730	\$ 480,730	\$ -	\$ -
Large-cap blended funds	4,392,304	4,392,304	-	-
Large-cap growth funds	2,079,852	2,079,852	-	-
Moderate allocation funds	389,190	389,190	-	-
Mid-cap value funds	504,656	504,656	-	-
Mid-cap blend funds	234,870	234,870	-	-
Mid-cap growth funds	497,251	497,251	-	-
Small-cap blend funds	822,040	822,040	-	-
Foreign large blend funds	1,877,953	1,877,953	-	-
Foreign large value funds	603,857	603,857	-	-
Short-term bond funds	880,485	880,485	-	-
Long-term bond funds	153,889	153,889	-	-
Intermediate-term bond funds	119,648	119,648	-	-
Foreign bond funds	199,691	199,691	-	-
Stocks:				
Basic materials	163,773	163,773	-	-
Communications	487,710	487,710	-	-
Consumer	1,274,467	1,274,467	-	-
Energy	1,171,376	1,171,376	-	-
Financial services	744,569	744,569	-	-
Industrials	474,425	474,425	-	-
Technology	345,581	345,581	-	-
Utilities	260,662	260,662	-	-
Bonds:				
Financial services	1,149,012	1,149,012	-	-
Industrials	1,277,360	1,277,360	-	-
Utilities	85,312	85,312	-	-
Government securities	2,710,989	2,710,989	-	-
Money market funds	460,302	460,302	-	-
Contribution receivable - beneficial interest in remainder trusts	1,566,631	-	-	1,566,631
Contribution receivable - beneficial interest in life insurance policy	2,487	-	-	2,487
Total	\$ 25,411,072	\$ 23,841,954	\$ -	\$ 1,569,118

Shasta Regional Community Foundation

NOTES TO THE FINANCIAL STATEMENTS

(Continued)

Assets measured at fair value on a recurring basis using significant, unobservable inputs (level 3):

Balance - July 1, 2016	\$ 1,638,947
Beneficial interests in life insurance policy	2,487
Total gains or losses (realized/unrealized)	(72,316)
Balance - June 30, 2017	\$ 1,569,118

The amount of total losses for the year ended June 30, 2017, was \$72,316 and included in net temporarily restricted net assets attributable to the change in unrealized gains or losses, relating to assets still held at the reporting date.

15. RETIREMENT PLAN

Effective February 1, 2014, the Foundation established a SIMPLE IRA plan (the Plan). The Plan is administered by American Funds and covers employees after they have earned at least \$5,000 per year during any two preceding years and who are expected to earn at least \$5,000 in the current year. Employees may make pre-tax contributions to their individual SIMPLE IRA accounts. The Foundation must match at least 1% of the eligible employees' annual salary up to the smaller of 3% of the employees' annual salary or actual employee contributions made during the fiscal year. For the year ended June 30, 2017, the Foundation made matching contributions of 3% of the annual salary of those participating in the Plan for a total of \$10,226.