FINANCIAL SECTION

Financial Section

INDEPENDENT AUDITORS' REPORT

Board of Directors
Mt. San Jacinto Community College Foundation
San Jacinto, California

We have audited the accompanying financial statements of Mt. San Jacinto Community College Foundation (the "Foundation"), which comprise the statements of financial position as of June 30, 2019 and 2018 and the related statements ET EMo6T330,o6T330,o6T3300800S (of Jua)2.5 (n compris)4.4 (e)-1972d 20

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, 2019 and 2018 and the changes in its net assets, its cash flows, and functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note 1, Mt. San Jacinto Community College Foundation began the implementation of the provisions of Financial Accounting Standards Board Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities as of fiscal year 2018-2019. The requirements of ASU 2016-14 have been retrospectively applied to all periods presented. Our opinion is not modified with respect to this matter.

San Diego, California
September 28, 2019

	2019	**2018**
ASSETS		

The notes to financial statements are an integral part of this statement.

MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 and 2018

June 30, 2019	Net assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUES			
Contributions	$ 106,136	629,930	$ 736,066
Fundraising and other income	161,021	200	161,221
Assets released from restrictions	558,519	(558,519)	-
Total Public Support and Revenues	825,676	71,611	897,287
EXPENSES			
Program expenses	650,250	-	650,250
Operating expenses	94,892	-	94,892
Fundraising expenses	86,321	-	86,321
Total Expenses	831,463	-	831,463
OTHER INCOME			
Interest and dividends	5,685	84,300	89,985
Unrealized gain on investments	2,792	40,340	43,132
Total Other Income	8,477	124,640	133,117
TRANSFERS	(4,094)	4,094	-
CHANGE IN NET ASSETS	(1,404)	200,345	198,941
NET ASSETS, BEGINNING OF YEAR	573,879	3,602,973	4,176,852
NET ASSETS, END OF YEAR	$ 572,475	$ 3,803,318	$ 4,375,793

The notes to financial statements are an integral part of this statement

MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2019 and 2018

June 30, 2018	Net assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUES			
Contributions	$ 203,179	$ 373,770	$ 576,949
Fundraising and other income	167,129	275	167,404
Assets released from restrictions	451,074	(451,074)	-
Total Public Support and Revenues	821,382	(77,029)	744,353
EXPENSES			
Program expenses	556,895	-	556,895
Operating expenses	117,936	-	117,936
Fundraising expenses	91,623	-	91,623
Total Expenses	766,454	-	766,454
OTHER INCOME			
Interest and dividends	4,388	65,719	70,107
Unrealized gain on investments	9,819	152,572	162,391
Total Other Income	14,207	218,291	232,498
TRANSFERS	8,677	(8,677)	-
CHANGE IN NET ASSETS	77,812	132,585	210,397
NET ASSETS, BEGINNING OF YEAR	496,067	3,470,388	3,966,455
NET ASSETS, END OF YEAR	$ 573,879	$ 3,602,973	$ 4,176,852

The notes to financial statements are an integral part of this statement

MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2019 and 2018

For the Year Ended June 30, 2019	Program	Operating	Fundraising	Total
Testing prog				

For the Year Ended June 30, 2018	Program	Operating	Fundraising	Total
Testing programs - RN	$ 2,147	$ -	$ -	$ 2,147
Non-Instructional Supplies	17,701	11,750	11,781	41,232
Uniforms, Clothing, Costumes	14,037	743	822	15,602
Food Expense	6,772	24,540	8,357	39,669
Bad Dept Expense	450	-	-	450
Postage	-	37	704	741
Contracted Services	33,007	50,208	44,058	127,273
Foundation Management Fee Expense	13,159	-	-	13,159
Entry Fee Expense	15,382	8,272	-	23,654
Mileage Expense	1,665	-	-	1,665
Other Travel Expense	440	-	-	440
Conferences	1,281	990	-	2,271
Student Travel Expenses	995	-	-	995
Dues Memberships Expense	2,372	230	-	2,602
Liability Insurance Expense	704	188	665	1,557
Miscellaneous	51	71	2,560	2,682
Equipment	-	579	-	579
Advertising	173	2,348	1,769	4,290
Rent Expense	1,741	-	-	1,741
Bank Charges	32,024	354	852	33,230
Prizes Awards Exens 0.0012 Tc00578 053 0 Twards Ex				

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fair Value Measurements

The fair value of equity and debt securities with readily determinable fair values approximates their respective quoted market prices. The fair value of investments in partnerships and real estate held as investments is estimated using private valuations of the securities or properties held. Because of the inherent uncertainty of valuation methods, those estimated values might differ significantly from those used had a market existed. All other financial instruments' fair values approximate their carry6 (m)2f (a(FI)(t)1.5 (e))-6 (apdutheo-6 (ape in6 (apsh FI)(t)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Underwater Endowment Funds

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NOTE 2 - INVESTMENT SECURITIES, continued

Investments in equity securities with readily determinable fair values and all debt securities are carried at fair value. Fair value is determined using quoted market prices (where available) or, if not available, estimated fair values are determined based on quoted market prices of financial instruments with similar characteristics. All other investments are carried at the lower of cost or market. Recognized gains and losses on investments are reflected in the statement of activities. Dividends and interest income are recorded during the period earned.

Summarized investments stated at fair value as of June 30, 2019:

	Adjusted Cost	Fair Value	Unrealized Gain
The Community Foundation			
Government securities	$ 3,261,848	$ 3,304,980	$ 43,132

Summarized investments stated at fair value as of June 30, 2018:

	Adjusted Cost	Fair Value	Unrealized Gain
The Community Foundation			
Government securities	$ 3,070,363	$ 3,232,754	$ 162,391

Investment activity for the year ended June 30, 2019, consisted of the following:

	Net assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Interest and dividends	$ 5,685	$ 84,300	$ 89,985
Unrealized gain	2,792	40,340	43,132
Total Investment Return	$ 8,477	$ 124,640	$ 133,117

Investment activity for the year ended June 30, 2018, consisted of the following:

	Net assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Interest and dividends	$ 4,388	$ 65,719	$ 70,107
Unrealized gain	9,819	152,572	162,391
Total Investment Return	$ 14,207	$ 218,291	$ 232,498

NOTE 3 - MARKET VALUE OF FINANCIAL ASSETS AND LIABILITIES, continued

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2018. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2018. The Foundation did not have any Level I or Level III investments.

	Level II
Investment Assets	
The Community Foundation	
Government securities	$ 3,232,754

NOTE 4 – CAPITAL ASSETS

Following is a summary of capital assets as of June 30, 2019 and 2018.

	2019	2018
Furniture and equipment	$ 29,346	$ 29,346
Less: Accumulated depreciation		

NOTE 6 - DONOR DESIGNATED ENDOWMENTS

The Foundation consists of various individual funds established for a variety of purposes. As required by generally accepted accounting principles (GAAP), net assets associated with endowments are classified and reported based on existence of donor-imposed restrictions as net assets with donor restrictions.

The Board of Directors has adopted the State Prudent Management of Institutional Funds Act (SPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation has classified as permanently restricted net assets (a) original value of gifts donated to permanent endowment (b) plus the original value of subsequent gifts to the endowments (c) plus accumulation to the net assets with donor restrictions.

In accordance with the State Prudent Management of Institutional Funds Act (SPMIFA), the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Endowment net asset composition by type of fund as of June 30, 2019, is as follows:

	With Donor Restriction Board Oversight	With Donor Restriction	Total Net Endowment Funds
Donor-restricted endowment funds	$ 2,565,394	$ 1,237,924	$ 3,803,318

Endowment net asset composition by type of fund as of June 30, 2018, is as follows:

	With Donor Restriction Board Oversight	With Donor Restriction	Total Net Endowment Funds
Donor-restricted endowment funds	$ 578,693	$ 1,237,924	$ 1,816,617

NOTE 7 – DONOR RESTRICTIONS ON NET ASSET BALANCES, continued

Net assets with donor restriction consist of the following at June 30, 2019:

Balance forward	$	1,039,560
McAtee Scholarship		24,096
McQueen Scholarship		174,973
Menifee Valley Medical Center		7,424
Mildred E. Hight Memorial		4,235
Mina P Pennick Scholarship		63,835
Murrietta Vly Scholarship		8,894
National Service Award		28,856
Nolur		25,211
Osher Scholarship		1,476
P&H Iverson Scholarship		196,433
Paul E Tibbetts Memorial		19,845
PEO Scholarship		2,975
PEO Scholarship - Transfers		825
Performing Arts		93,283
Perris Inspires Fund		403
Pledge for Success - Contributions		1,968
Presidents Pooled Scholarships		41,217
Riverside Fnd Book Loan		35,160
Riverside Fnd Book Loan - Transfers		4,164
Riverside Fnd Book Loan-other income		1,236
Riverside Fnd Grants Schol - Contributions		192,287
Riverside Fnd Grants School		(182,547)
RN Nursing Schol L Pond		(12,598)
RN Nursing Schol L Pond - Contributions		11,270
RN Nursing Schol L Pond -Transfers		1,328
Robert & Alma Burke Art		2,238
Robert & Alma Burke Music		2,238
Rohrabacher Memorial		17,969
Rotary Club Hemet		1,935
Rotary Club of San Jacinto		1,238
Roy Mason Sr Scholarship		10,725
San Gorgonio Pass Scholarship		2,600
San Jacinto High School		761
San Jacinto Lions Club		1,343
Sandi Saraydarian Memorial		8,121
Subtotal net assets with donor restriction	$	1,834,977

NOTE 7 – DONOR RESTRICTIONS ON NET ASSET BALANCES, continued

Net assets with donor restriction consist of the following at June 30, 2019:

Balance forward	$	1,834,977
SCE STEM Scholarship		32,000
Schlange Scholarship		112,854
Scholarships General		129,921
Scholarships General -Transfers		(1,080)

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