

**MT. SAN JACINTO  
COMMUNITY COLLEGE FOUNDATION**

**ANNUAL FINANCIAL REPORT  
WITH  
INDEPENDENT AUDITOR'S REPORT**

**June 30, 2016 and 2015**



**COSSOLIAS | WILSON  
DOMINGUEZ | LEAVITT**  
CERTIFIED PUBLIC ACCOUNTANTS

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION**

**TABLE OF CONTENTS**

**June 30, 2016 and 2015**

---

**FINANCIAL SECTION**

Independent Auditors' Report..... 1

Financial Statements

    Statements of Financial Position..... 3

    Statements of Activities..... 4

    Statements of Cash Flows..... 6

    Statements of Functional Expenses ..... 7

    Notes to Financial Statements ..... 9

---

---

## **Financial Section**

---

---



COSSOLIAS | WILSON  
DOMINGUEZ | LEAVITT  
CERTIFIED PUBLIC ACCOUNTANTS

**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, 2016 and 2015, and the related statements of activities, cash flows, functional expenses for the years 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.

**Auditor's 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 of 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 auditor's 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 entity'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 entity'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.

## 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, 2016 and 2015, 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.

*CWDL, Certified Public Accountants*

San Diego, California  
November 18, 2016

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2016 and 2015**

---

	2016	2015
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents		
Unrestricted	\$ 802,243	\$ 775,915
Restricted	14,987	14,972
Student loan receivables - net	2,000	1,500
Accounts receivable	883	12,366
Prepaid expenses	9,436	3,150
Total Current Assets	<u>829,549</u>	<u>807,903</u>
Noncurrent Assets		
Investments - restricted	2,787,394	2,888,016
Total Assets	<u>\$ 3,616,943</u>	<u>\$ 3,695,919</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities		
Accounts payable and other current liabilities	\$ -	\$ 12,359
Due to Mt. San Jacinto Community College District	73,331	51,009
Total Current Liabilities	<u>73,331</u>	<u>63,369</u>
 <b>NET ASSETS</b>		
Unrestricted	447,352	490,127
Temporary restricted	1,858,328	1,904,499
Permanently restricted	1,237,924	1,237,924
Total Net Assets	<u>3,543,604</u>	<u>3,632,550</u>
Total Liabilities and Net Assets	<u>\$ 3,616,935</u>	<u>\$ 3,695,919</u>

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, 2016 and 2015**

---

**June 30, 2016**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>PUBLIC SUPPORT AND REVENUES</b>				
Contributions	\$ 57,495	\$ 475,708	\$ -	\$ 533,203
Fundraising income	104,374	405	-	104,779
Assets released from restrictions	463,879	(463,879)	-	-
Total Public Support and Revenues	625,748	12,234	-	637,982
<b>EXPENSES</b>				
Program expenses	490,055	-	-	490,055
Operating expenses	37,364	-	-	37,364
Fundraising expenses	125,144	-	-	125,144
Total Expenses	652,563	-	-	652,563
<b>OTHER INCOME</b>				
Interest and dividends	4,480	66,368	-	70,848
Unrealized loss on investments	(8,992)	(136,220)	-	(145,212)
Total Other Income	(4,512)	(69,852)	-	(74,364)
TRANSFERS	(11,447)	11,447	-	-
CHANGE IN NET ASSETS	(42,774)	(46,171)	-	(88,945)
NET ASSETS, BEGINNING OF YEAR	490,126	1,904,499	1,237,924	3,632,549
NET ASSETS, END OF YEAR	\$ 447,352	\$ 1,858,328	\$ 1,237,924	\$ 3,543,604

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, 2016 and 2015**

**June 30, 2015**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>PUBLIC SUPPORT AND REVENUES</b>				
Contributions	\$ 44,702	\$ 360,582	\$ -	\$ 405,284
Fundraising income	117,105	237	-	117,342
Assets released from restrictions	351,327	(351,327)	-	-
Total Public Support and Revenues	513,134	9,492	-	522,626
<b>EXPENSES</b>				
Program expenses	366,792	-	-	366,792
Operating expenses	70,148	-	-	70,148
Fundraising expenses	98,056	-	-	98,056
Total Expenses	534,996	-	-	534,996
<b>OTHER INCOME</b>				
Interest and dividends	3,419	49,032	-	52,452
Realized gain on sale of investment	3,006	41,712	-	44,718
Total Other Income	6,425	90,744	-	97,170
TRANSFERS	(2,375)	2,375	-	-
CHANGE IN NET ASSETS	(17,812)	102,612	-	84,800
NET ASSETS, BEGINNING OF YEAR	507,939	1,801,887	1,237,924	3,547,750
NET ASSETS, END OF YEAR	\$ 490,127	\$ 1,904,499	\$ 1,237,924	\$ 3,632,550

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, 2016 and 2015**

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (88,945)	\$ 84,800
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities		
Depreciation	-	-
Unrealized (gain)/loss on investments	145,212	(44,718)
Contributions restricted for long-term purposes	(475,708)	(360,582)
Changes in Assets and Liabilities		
(Increase)/decrease in accounts receivable	11,483	(11,175)
Decrease in student loans	(500)	792
Increase/(decrease) in prepaid expenses	6,286	150
Increase/(decrease) in accounts payable and other current liabilities	(12,359)	12,089
Increase in due to other related entities	22,322	38,686
Net Cash Flows from Operating Activities	<u>(392,210)</u>	<u>(279,958)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (Purchase)/sale of investments	418,553	(290,236)
Decrease in restricted cash and cash equivalent	(15)	832,060
Net Cash Flows from Investing Activities	<u>418,538</u>	<u>541,824</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	26,328	261,866
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	775,915	514,049
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 802,243</u>	<u>\$ 775,915</u>

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

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED June 30, 2016 and 2015**

<b>For the Year Ended 6/30/2016</b>	Program	Operating	Fundraising	Total
Salaries	\$ -	\$ -	\$ -	\$ -
Employee Benefits	-	-	-	-
Non-Instructional Supplies	8,330	18,972	17,519	44,821
Uniforms, Clothing, Costumes	1,012	-	-	1,012
Food Expense	4,837	3,287	13,275	21,399
Bad Dept Expense	(500)	-	-	(500)
Postage	-	4,440	299	4,739
Contracted Services	7,545	3,420	60,284	71,249
Foundation Management Fee Expense	(3,789)	-	-	(3,789)
Entry Fee Expense	-	500	-	500
Other Travel Expense	544	940	-	1,484
Conferences	-	1,516	-	1,516
Dues Memberships Expense	-	1,435	-	1,435
Liability Insurance Expense	-	-	-	-
Rents or Leases	2,472	1,131	-	3,603
Miscellaneous	4,104	1,177	8,751	14,032
Equipment	2,094	166	-	2,260
Advertising	-	-	2,499	2,499
Donation Expense	-	-	124	124
Bank Charges	25,233	107	653	25,993
Prizes Awards Expense	2,214	-	139	2,353
Credit Charges	75	273	851	1,199
Student Financial Scholarship Exp	435,884	-	20,750	456,634
Total Expenses	<b>\$ 490,055</b>	<b>\$ 37,364</b>	<b>\$ 125,144</b>	<b>\$ 652,563</b>

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

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED June 30, 2016 and 2015**

<b>For the Year Ended 6/30/2015</b>	Program	Operating	Fundraising	Total
Salaries	\$ -	\$ 8,978	\$ -	\$ 8,978
Employee Benefits	-	3,380	-	3,380
Non-Instructional Supplies	905	2,577	11,515	14,998
Uniforms, Clothing, Costumes	331	-	404	735
Food Expense	2,199	10,920	3,447	16,566
Bad Dept Expense	714	-	-	714
Postage	-	4,748	-	4,748
Contracted Services	10,415	6,873	44,124	61,411
Foundation Management Fee Expense	7,531	-	-	7,531
Entry Fee Expense	-	-	895	895
Other Travel Expense	-	218	460	678
Conferences	-	948	50	998
Dues Memberships Expense	-	896	-	896
Liability Insurance Expense	-	-	1,074	1,074
Rents or Leases	420	-	-	420
Miscellaneous	875	505	2,101	3,481
Advertising	-	-	1,591	1,591
Donation Expense	-	30,000	14,900	44,900
Prizes Awards Expense	769	-	-	769
Credit Charges	-	105	745	850
Student Financial Scholarship Exp	342,633	-	16,750	359,383
Total Expenses	\$ 366,792	\$ 70,148	\$ 98,056	\$ 534,996

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

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016 and 2015**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Mt. San Jacinto Community College Foundation (the Foundation) is a California nonprofit auxiliary organization of Mt. San Jacinto Community College District (the District), a California public community college located in San Jacinto, California. The Foundation's main purpose is to support the students and educational programs of the District. The Foundation was incorporated in the State of California in April 1998, and is a Voluntary Health and Welfare Organization.

**Financial Statement Presentation**

The Foundation prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements include the accounts maintained by and directly under the control of the Foundation.

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Foundation is required to present a statement of cash flows. The Foundation does not use fund accounting. Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting.

The Foundation and the District are financial interrelated organizations as defined by *Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others*. The Foundation reflects contributions received for the benefit of the District as revenue in its financial statements. The expenses related to these contributions are accounted for under program and supporting services.

**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 carrying amounts due to the short maturities of these instruments.

**Support and Expenses**

Contributions are measured at their fair value at the date of contribution and are reported as an increase in net assets. The Foundation reports gifts of cash or other assets in the category designated by the donor. The Foundation reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulation about where the contributions are to be spent, the Foundation reports these contributions as unrestricted.

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016 and 2015**

---

***NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued***

**Capital Assets**

Capital assets are stated at cost, or if donated, at estimated fair value on the date of donation. Routine maintenance and repairs are charged to expense as incurred. Depreciation is computed on the straight-line method based on the assets' estimated useful lives ranging from three to five years. Depreciation expense was \$0 and \$0, for the years ended June 30, 2016 and 2015, respectively.

**Comparative Financial Information**

Comparative financial information for the prior year has been presented for additional analysis; certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**Donated Services and Goods**

A substantial number of volunteers have donated their time and experience to the Foundation's program services and fundraising campaigns during the year. However, these donated services are not reflected in the financial statements since there is no readily determined method of valuing the services.

**Use of Estimates**

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

**Cash and Cash Equivalents**

Cash and cash equivalents consist of unrestricted cash held in checking and money market accounts with maturities of less than 90 days. The Foundation maintains its bank accounts at three financial institutions. The Federal Deposit Insurance Corporation (FDIC) insures accounts up to \$250,000. As of June 30, 2016, all deposits were fully insured.

**Allowance for Bad Debts**

The Foundation management has renewed the collectability of the outstanding accounts receivable and has established an allowance for doubtful accounts of approximately 25 percent of outstanding student loans receivable.

**Income Taxes**

The Foundation is exempt from Federal income and California franchise taxes under Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions. Accordingly, no provision for income taxes has been recorded in the financial statements. The Foundation annually files Forms 990, 199, and RRF-1 with the appropriate agencies, as well as Forms 990T and 109, when applicable. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a).

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016 and 2015**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

The Foundation has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740 that clarifies the accounting for uncertainty in tax positions taken, or expected to be taken, on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Management believes that all tax positions taken to date are highly certain and, accordingly, no accounting adjustment has been made to the financial statements. Interest and penalties related to uncertain tax positions are recorded as part of income tax expense.

The Foundation's Federal informational tax returns for the years ended June 30, 2013, 2014, and 2015, are open to audit by the Federal authorities. California State informational returns for the years ended June 30, 2012, 2013, 2014, and 2015, are open to audit by State authorities.

**Allocation of Functional Expenses**

The costs of providing the various programs have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs.

**NOTE 2 - INVESTMENT SECURITIES**

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, 2016:

	Adjusted Cost	Fair Value	Unrealized Loss
The Community Foundation			
Government securities	\$ 2,932,606	\$ 2,787,394	\$ (145,212)

Summarized investments stated at fair value as of June 30, 2015:

	Adjusted Cost	Fair Value	Unrealized Gain
Merrill Lynch Funds			
Government securities	\$ 2,843,298	\$ 2,888,016	\$ 44,718

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016 and 2015**

---

**NOTE 2 - INVESTMENT SECURITIES, continued**

Investments activity for the year ended June 30, 2016, consisted of the following:

	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 4,480	\$ 66,368	\$ 70,848
Unrealized loss	(8,992)	(136,220)	(145,212)
Total Investment Return	<u>\$ (4,512)</u>	<u>\$ (69,852)</u>	<u>\$ (74,364)</u>

Investments activity for the year ended June 30, 2015, consisted of the following:

	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 3,419	\$ 49,032	\$ 52,451
Unrealized gain	3,006	41,712	44,718
Total Investment Return	<u>\$ 6,425</u>	<u>\$ 90,744</u>	<u>\$ 97,169</u>

**Investment Policies**

*Return Objectives and Risk Parameters*

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. In order to meet its needs, the investment strategy of the Foundation is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested to meet or exceed the market index, or blended market index, selected and agreed upon by the Finance Committee that most closely corresponds to the style of investment management. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately four percent annually. Actual returns in any given year may vary from this amount.

*Strategies Employed for Achieving Objectives*

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

*Spending Policy and How the Investment Objectives Relate to Spending Policy*

The Foundation may distribute up to 40 percent of accrued interest annually from scholarship endowments for intended scholarship awards. In establishing this policy, the Foundation considered the long-term expected return on its endowment and the need to maintain some investment income in reserve to plan for the potential of scholarship awards exceeding investment income.

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016 and 2015**

---

**NOTE 3 - MARKET VALUE OF FINANCIAL ASSETS AND LIABILITIES**

The Foundation determines the fair market values of certain financial instruments based on the fair value hierarchy established in Statement of Financial Accounting Standards, *Fair Value Measurements*, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

The following provides a summary of the hierarchical levels used to measure fair value:

Level I - Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level II - Observable inputs other than Level I prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; 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 III - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level III assets include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

**Assets and Liabilities Recorded at Fair Value on a Recurring Basis**

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2016. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2016. The Foundation did not have any Level I or Level III investments.

	<u>Level II</u>
Investment Assets	
The Community Foundation	
Government securities	<u>\$ 2,787,394</u>

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2015. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2015. The Foundation did not have any Level I or Level III investments.

	<u>Level II</u>
Investment Assets	
Merrill Lynch	
Government securities	<u>\$ 2,888,016</u>



**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016 and 2015**

---

**NOTE 4 – CAPITAL ASSETS**

Following is a summary of capital assets as of June 30, 2016 and 2015:

	2016	2015
Furniture and equipment	\$ 29,346	\$ 29,346
Less: Accumulated depreciation	(29,346)	(29,346)
Total	<u>\$ -</u>	<u>\$ -</u>

**NOTE 5 - 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 either unrestricted, temporarily restricted, or permanently restricted.

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 permanent endowment made in accordance with the direction of the applicable donor gift. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure.

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.

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016 and 2015**

---

**NOTE 5 - DONOR DESIGNATED ENDOWMENTS, continued**

Endowment net asset composition by type of fund as of June 30, 2016, is as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Funds
Donor-restricted endowment funds	\$ 392,543	\$ 1,237,924	\$ 1,630,467

Endowment net asset composition by type of fund as of June 30, 2015, is as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Funds
Donor-restricted endowment funds	\$ 456,439	\$ 1,237,924	\$ 1,694,363

Changes in endowment net assets as of June 30, 2016, are as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Funds
Balance at June 30, 2015	\$ 456,439	\$ 1,237,924	\$ 1,694,363
Additions/net earnings and (losses)	(32,249)	-	32,249
Amounts appropriated for expenditures	(31,647)	-	(31,647)
Balance at June 30, 2016	\$ 392,543	\$ 1,237,924	\$ 1,694,965

Changes in endowment net assets as of June 30, 2015, are as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Funds
Balance at June 30, 2014	\$ 415,263	\$ 1,237,924	\$ 1,653,187
Additions/earnings	56,736	-	56,736
Amounts appropriated for expenditures	(15,560)	-	(15,560)
Balance at June 30, 2015	\$ 456,439	\$ 1,237,924	\$ 1,694,363

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016 and 2015**

---

**NOTE 6 – RESTRICTIONS ON NET ASSET BALANCES**

Temporarily restricted net assets consist of the following at June 30, 2016:

Heffner Memorial Fund	\$ 292,157.00
Wm Billion Scholarship	220,222
P&H Iverson Scholarship	167,509
Hemet Valley Hospital	127,190
McQueen Scholarship	120,828
Emma J Hammagren Schol	116,646
Scholarships General	97,125
Coverdill Memorial Scholarship	84,890
Performing Arts	75,512
Riverside Fnd Grants Schol - Contributions	67,835
Mina P Pennick Scholarship	40,917
Presidents Pooled Scholarships	33,880
J Simpson Memorial	29,981
Riverside Fnd Book Loan	28,839
SCE STEM Scholarship	25,000
National Service Award	22,887
Glenn Steinback Scholarship	20,812
McAtee Scholarship	19,174
Dr Johnson Scholarship	18,936
William W Pemberton	16,635
Nolur	16,145
Harold Heller Scholarship	16,038
Paul E Tibbetts Memorial	15,797
Valerie A. Sidlin Memorial	15,490
Doyle Memorial Endowment	15,459
Rohrabacher Memorial	15,444
Zena Sharp Memorial Schol	14,714
Temecula Valley Womans Club	14,362
Dr E Stoddard Music	12,219
Brottrud Memorial Schol	10,446
All Other Accounts	85,242
Total Temporarily Restricted Accounts	<u>\$ 1,858,331</u>

**NOTE 6 – RESTRICTIONS ON NET ASSET BALANCES, continued**

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2016 and 2015**

---

Permanently restricted net assets consist of the following at June 30, 2016:

Mina P Pennick Scholarship	\$ 67,114
Weinstein Perpetual Scholarship	100,998
Charles & Norma Opie Endowment	25,000
Sylvia Shirko Estate	10,000
Waterhouse Edwards	136,046
Robert & Alma Burke Music	10,792
Robert & Alma Burke Art	10,792
Doyle Memorial Endowment	30,115
GL Tyler Memorial	10,000
Nolur	40,000
J Simpson Memorial	40,000
Harold Heller Scholarship	25,000
McQueen Scholarship	199,451
Emma J Hammagren Scholarship	327,233
Sandi Saraydarian Memorial	9,072
Wm Sprowl Memorial Scholarship	2,500
William W Pemberton	52,359
Alice Jean Turner Scholarship	91,452
Allied Health Programs	50,000
Total Permanently Restricted Accounts	<u>\$ 1,237,924</u>

**NOTE 7 – RELATED PARTY TRANSACTIONS**

The Foundation provides various levels of monetary support and service to the District departments and programs, as well as scholarships for students. The District provides office space and other support to the Foundation. The District support is not recognized in the statement of activities, as there is no basis for the noncash contributions. The Foundation provided \$435,884 to the District for student scholarships and \$20,750 for program support during the year ended June 30, 2016.

**NOTE 8 – SUBSEQUENT EVENTS**

The Foundation's management has evaluated subsequent events for recognition and disclosure through November 18, 2016, which is the date the financial statements were available to be issued. Management has determined there are no subsequent events or transactions that have a material impact on the current year financial statements.