

**MT. SAN JACINTO
COMMUNITY COLLEGE FOUNDATION**

**ANNUAL FINANCIAL REPORT
WITH
INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2018 and 2017



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

MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
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Financial Section



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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, 2018 and 2017 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, 2018 and 2017 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
September 21, 2018

MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 and 2017

June 30,	2018	2017
ASSETS		
Current Assets		
Cash and cash equivalents		
Unrestricted	\$ 962,541	\$ 805,610
Restricted	-	15,002
Student loan receivables - net	750	1,200
Accounts receivable	18,971	33,269
Prepaid expenses	-	2,150
Total Current Assets	<u>982,262</u>	<u>857,231</u>
Noncurrent Assets		
Investments - restricted	3,232,754	3,142,119
Total Assets	<u>\$ 4,215,016</u>	<u>\$ 3,999,350</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and other current liabilities	\$ 566	\$ 360
Due to Mt. San Jacinto Community College District	37,598	32,535
Total Liabilities	<u>38,164</u>	<u>32,895</u>
 NET ASSETS		
Unrestricted	573,879	496,067
Temporary restricted	2,365,049	2,232,464
Permanently restricted	1,237,924	1,237,924
Total Net Assets	<u>4,176,852</u>	<u>3,966,455</u>
Total Liabilities and Net Assets	<u>\$ 4,215,016</u>	<u>\$ 3,999,350</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, 2018 and 2017**

June 30, 2018	Unrestricted	Temporarily Restricted	Permanently Restricted	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	<u>821,382</u>	<u>(77,029)</u>	<u>-</u>	<u>744,353</u>
EXPENSES				
Program expenses	556,895	-	-	556,895
Operating expenses	117,936	-	-	117,936
Fundraising expenses	91,623	-	-	91,623
Total Expenses	<u>766,454</u>	<u>-</u>	<u>-</u>	<u>766,454</u>
OTHER INCOME				
Interest and dividends	4,388	65,719	-	70,107
Unrealized gain on investments	9,819	152,572	-	162,391
Total Other Income	<u>14,207</u>	<u>218,291</u>	<u>-</u>	<u>232,498</u>
TRANSFERS	<u>8,677</u>	<u>(8,677)</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	<u>77,812</u>	<u>132,585</u>	<u>-</u>	<u>210,397</u>
NET ASSETS, BEGINNING OF YEAR	<u>496,067</u>	<u>2,232,464</u>	<u>1,237,924</u>	<u>3,966,455</u>
NET ASSETS, END OF YEAR	<u>\$ 573,879</u>	<u>\$ 2,365,049</u>	<u>\$ 1,237,924</u>	<u>\$ 4,176,852</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, 2018 and 2017**

June 30, 2017	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUES				
Contributions	\$ 122,271	\$ 408,742	\$ -	\$ 531,013
Fundraising and other income	156,076	119	-	156,195
Assets released from restrictions	446,024	(446,024)	-	-
Total Public Support and Revenues	<u>724,371</u>	<u>(37,163)</u>	<u>-</u>	<u>687,208</u>
EXPENSES				
Program expenses	520,335	-	-	520,335
Operating expenses	113,904	-	-	113,904
Fundraising expenses	108,268	-	-	108,268
Total Expenses	<u>742,507</u>	<u>-</u>	<u>-</u>	<u>742,507</u>
OTHER INCOME				
Interest and dividends	3,954	58,376	-	62,330
Unrealized gain on investments	23,080	349,273	-	372,353
Total Other Income	<u>27,034</u>	<u>407,649</u>	<u>-</u>	<u>434,683</u>
TRANSFERS	39,817	3,650	-	43,467
CHANGE IN NET ASSETS	48,715	374,136	-	422,851
NET ASSETS, BEGINNING OF YEAR	447,352	1,858,328	1,237,924	3,543,604
NET ASSETS, END OF YEAR	<u>\$ 496,067</u>	<u>\$ 2,232,464</u>	<u>\$ 1,237,924</u>	<u>\$ 3,966,455</u>

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, 2018 and 2017**

June 30,	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 210,397	\$ 422,851
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities		
Unrealized (gain)/loss on investments	162,391	372,353
Contributions restricted for long-term purposes	(373,770)	(408,742)
Changes in Assets and Liabilities		
(Increase)/decrease in accounts receivable	14,298	(32,386)
Decrease in student loans	450	800
Increase/(decrease) in prepaid expenses	2,150	7,278
Increase/(decrease) in accounts payable and other current liabilities	206	360
Increase in due to other related entities	5,063	(40,796)
Net Cash Flows from Operating Activities	<u>21,185</u>	<u>321,718</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (Purchase)/sale of investments	120,744	(318,366)
Increase/(decrease) in restricted cash and cash equivalents	15,002	15
Net Cash Flows from Investing Activities	<u>135,746</u>	<u>(318,351)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	156,931	3,367
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	805,610	802,243
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 962,541</u>	<u>\$ 805,610</u>

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2018 and 2017**

For the Year Ended June 30, 2018	Program	Operating	Fundraising	Total
Tests: 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 Expense	4,790	8,710	1,147	14,647
Credit Charges	1,055	766	708	2,529
Student Financial Scholarship Expense	406,949	8,150	18,200	433,299
Total Expenses	\$ 556,895	\$ 117,936	\$ 91,623	\$ 766,454

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2018 and 2017**

For the Year Ended June 30 2017	Program	Operating	Fundraising	Total
Non-Instructional Supplies	\$ 11,372	\$ 13,947	\$ 6,204	\$ 31,523
Uniforms, Clothing, Costumes	13,438	1,246	-	14,684
Food Expense	9,943	24,559	9,799	44,301
Bad Dept Expense	500	-	-	500
Postage	-	2,261	269	2,530
Contracted Services	20,090	25,577	52,220	97,887
Foundation Management Fee Expense	1,400	-	-	1,400
Entry Fee Expense	9,016	12,005	-	21,021
Mileage Expense	674	-	-	674
Other Travel Expense	432	236	541	1,209
Conferences	199	2,224	-	2,423
Student Travel Expenses	8,317	-	-	8,317
Dues Memberships Expense	906	9,360	-	10,266
Liability Insurance Expense	-	-	463	463
Miscellaneous	150	547	26	723
Equipment	-	636	-	636
Advertising	688	8,303	2,586	11,577
Donation Expense	911	10,000	-	10,911
Bank Charges	29,522	318	766	30,606
Prizes Awards Expense	931	2,215	1,027	4,173
Credit Charges	36	470	605	1,111
Student Financial Scholarship Expense	411,810	-	27,109	438,919
Other Services	-	-	6,653	6,653
Total Expenses	\$ 520,335	\$ 113,904	\$ 108,268	\$ 742,507

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017**

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, 2018 and 2017

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, for the year ended June 30, 2018 and 2017, 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 may 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, 2018, all deposits were fully insured.

Allowance for Bad Debts

The Foundation management has reviewed 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, 2018 and 2017

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, 2015, 2016, and 2017, are open to audit by the Federal authorities. California State informational returns for the years ended June 30, 2014, 2015, 2016, and 2017, 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

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.

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.

MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

NOTE 2 - INVESTMENT SECURITIES, continued

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

	<u>Level II</u>
Investment Assets	
The Community Foundation	
Government securities	<u>\$ 3,232,754</u>

Summarized investments stated at fair value as of June 30, 2017:

	<u>Level II</u>
Investment Assets	
The Community Foundation	
Government securities	<u>\$ 3,142,119</u>

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

		Temporarily		
	Unrestricted	Restricted		Total
Interest and dividends	\$ 4,388	\$ 65,719		\$ 70,107
Unrealized gain	9,819	152,572		162,391
Total Investment Return	<u>\$ 14,207</u>	<u>\$ 218,291</u>		<u>\$ 232,498</u>

Investment activity for the year ended June 30, 2017, consisted of the following:

		Temporarily		
	Unrestricted	Restricted		Total
Interest and dividends	\$ 3,954	\$ 58,376		\$ 62,330
Unrealized gain	23,080	349,273		372,353
Total Investment Return	<u>\$ 27,034</u>	<u>\$ 407,649</u>		<u>\$ 434,683</u>

MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

NOTE 2 - INVESTMENT SECURITIES, continued

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.

NOTE 3 - MARKET VALUE OF FINANCIAL ASSETS AND LIABILITIES

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, 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.

	<u>Level II</u>
Investment Assets	
The Community Foundation	
Government securities	<u>\$ 3,232,754</u>

MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

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, 2017. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2017. The Foundation did not have any Level I or Level III investments.

	<u>Level II</u>
Investment Assets	
The Community Foundation	
Government securities	<u>\$ 3,142,119</u>

NOTE 4 – CAPITAL ASSETS

Following is a summary of capital assets as of June 30, 2018 and 2017.

	<u>2018</u>	<u>2017</u>
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, 2018 and 2017

NOTE 5 - DONOR DESIGNATED ENDOWMENTS, continued

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

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Funds
Donor-restricted endowment funds	\$ 578,693	\$ 1,237,924	\$ 1,816,617

Endowment net asset composition by type of fund as of June 30, 2017, is as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Funds
Donor-restricted endowment funds	\$ 618,165	\$ 1,237,924	\$ 1,856,089

Changes in endowment net assets as of June 30, 2018, are as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Funds
Balance at June 30, 2017	\$ 618,165	\$ 1,237,924	\$ 1,856,089
Additions/earnings	384,514	-	384,514
Amounts appropriated for expenditures	(423,986)	-	(423,986)
Balance at June 30, 2018	\$ 578,693	\$ 1,237,924	\$ 1,816,617

Changes in endowment net assets as of June 30, 2017, are as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Funds
Balance at June 30, 2016	\$ 392,543	\$ 1,237,924	\$ 1,630,467
Additions/earnings	247,562	-	247,562
Amounts appropriated for expenditures	(21,940)	-	(21,940)
Balance at June 30, 2017	\$ 618,165	\$ 1,237,924	\$ 1,856,089

MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

NOTE 6 – RESTRICTIONS ON NET ASSET BALANCES

Temporarily restricted net assets consist of the following at June 30, 2018:

Heffner Memorial Fund	\$	343,826
Wm Billion Scholarship		259,822
P&H Iverson Scholarship		197,109
Emma J Hammagren Schol		185,543
McQueen Scholarship		178,067
Riverside Fnd Grants Schol - Contributions		148,613
Scholarships General		141,403
Hemet Valley Hospital		120,071
Coverdill Memorial Scholarship		102,595
Performing Arts		90,613
Mina P Pennick Scholarship		60,001
J Simpson Memorial		43,495
Presidents Pooled Scholarships		40,029
Riverside Fnd Book Loan		35,312
William W Pemberton		29,251
Waterhouse Edwards		27,979
SCE STEM Scholarship		25,500
Nolur		24,255
Glenn Steinback Scholarship		24,045
Harold Heller Scholarship		23,825
Doyle Memorial Endowment		23,669
McAtee Scholarship		23,359
Dr Johnson Scholarship		22,966
Brottrud Memorial Schol		22,902
Weinstein Perpetual Schol		21,785
National Service Award		21,112
Alice Jean Turner Scholarship		19,779
Paul E Tibbetts Memorial		19,239
Zena Sharp Memorial Schol		17,852
Rohrabacher Memorial		17,496
Temecula Valley Womans Club		14,708
Dr E Stoddard Music		13,766
Assistance League Hemacinto		11,500
Allied Health		10,515
All Other Accounts		3,048
Total Temporarily Restricted Net Assets	\$	2,365,049

MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018 and 2017

NOTE 6 – RESTRICTIONS ON NET ASSET BALANCES, continued

Permanently restricted net assets consist of the following at June 30, 2018:

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		30,114
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		91,453
Allied Health Programs		50,000
Total Permanently Restricted	\$	1,237,924

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 \$406,949 to the District for student scholarships and \$18,200 for program support during the year ended June 30, 2018.

NOTE 8 – SUBSEQUENT EVENTS

The Foundation's management has evaluated subsequent events for recognition and disclosure through September 21, 2018, 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.