

**MT. SAN JACINTO
COMMUNITY COLLEGE FOUNDATION
(A California Nonprofit Auxiliary Organization)**

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

JUNE 30, 2014 AND 2013

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
(A California Nonprofit Auxiliary Organization)**

JUNE 30, 2014 AND 2013

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Mt. San Jacinto Community College Foundation (a California Nonprofit Auxiliary Organization) which comprise the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, cash flows, and 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 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 Mt. San Jacinto Community College Foundation as of June 30, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Vaurvik, Dine, Day & Co. LLP

Riverside, California
November 26, 2014

MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
(A California Nonprofit Auxiliary Organization)

STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2014 AND 2013

	2014	2013
ASSETS		
Current Assets		
Cash and cash equivalents		
Unrestricted	\$ 514,049	\$ 479,009
Restricted	847,032	734,844
Student loan receivables - net	2,292	3,503
Accounts receivable	1,191	1,772
Prepaid expenses	3,000	-
Total Current Assets	1,367,564	1,219,128
Noncurrent Assets		
Investments - restricted	2,192,779	2,271,114
Capital assets (net of accumulated depreciation)	-	367
Total Assets	\$ 3,560,343	\$ 3,490,609
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts payable and other current liabilities	\$ 270	\$ 2,325
Due to Mt. San Jacinto Community College District	12,323	1,929
Total Current Liabilities	12,593	4,254
 NET ASSETS		
Unrestricted	507,939	455,496
Temporarily restricted	1,801,887	1,792,935
Permanently restricted	1,237,924	1,237,924
Total Net Assets	3,547,750	3,486,355
Total Liabilities and Net Assets	\$ 3,560,343	\$ 3,490,609

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

MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
(A California Nonprofit Auxiliary Organization)

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
PUBLIC SUPPORT AND REVENUES				
Contributions	\$ 53,783	\$ 292,916	\$ -	\$ 346,699
Fundraising income	77,179	-	-	77,179
Assets released from restrictions	352,260	(352,260)	-	-
Total Public Support and Revenues	483,222	(59,344)	-	423,878
EXPENSES				
Program expenses	366,183	-	-	366,183
Operating expenses	17,040	-	-	17,040
Fundraising expenses	56,262	-	-	56,262
Total Expenses	439,485	-	-	439,485
OTHER INCOME (LOSSES)				
Other income	25,535	118	-	25,653
Interest and dividends	4,002	55,999	-	60,001
Unrealized loss on investments	(331)	(8,321)	-	(8,652)
Total Other Income (Losses)	29,206	47,796	-	77,002
TRANSFERS	(20,500)	20,500	-	-
CHANGE IN NET ASSETS	52,443	8,952	-	61,395
NET ASSETS, BEGINNING OF YEAR	455,496	1,792,935	1,237,924	3,486,355
NET ASSETS, END OF YEAR	\$ 507,939	\$ 1,801,887	\$ 1,237,924	\$ 3,547,750

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

2013

Unrestricted	Temporarily Restricted	Permanently Restricted	Total
\$ 84,257	\$ 305,218	\$ 21,584	\$ 411,059
59,285	160	-	59,445
282,651	(282,651)	-	-
<u>426,193</u>	<u>22,727</u>	<u>21,584</u>	<u>470,504</u>
298,003	-	-	298,003
19,843	-	-	19,843
74,923	-	-	74,923
<u>392,769</u>	<u>-</u>	<u>-</u>	<u>392,769</u>
56,839	-	-	56,839
3,798	53,285	-	57,083
(8,563)	(135,513)	-	(144,076)
<u>52,074</u>	<u>(82,228)</u>	<u>-</u>	<u>(30,154)</u>
<u>(104,631)</u>	<u>104,631</u>	<u>-</u>	<u>-</u>
85,498	(59,501)	21,584	47,581
369,998	1,852,436	1,216,340	3,438,774
<u>\$ 455,496</u>	<u>\$ 1,792,935</u>	<u>\$ 1,237,924</u>	<u>\$ 3,486,355</u>

MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
(A California Nonprofit Auxiliary Organization)

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014 AND 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 61,395	\$ 47,581
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities		
Depreciation	367	878
Unrealized loss on investments	8,652	144,076
Contributions restricted for long-term purposes	(292,916)	(303,462)
Changes in Assets and Liabilities		
(Increase) decrease in accounts receivable	581	(1,012)
Decrease in student loans	1,211	1,459
(Increase) decrease in prepaid expenses	(3,000)	1,500
Increase (decrease) in accounts payable	(2,055)	1,132
Increase (decrease) in due to Mt. San Jacinto Community College District	10,394	(36,352)
Net Cash Flows From Operating Activities	(215,371)	(144,200)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net (purchase) sales of investments	78,335	(91,785)
Increase (decrease) in restricted cash and cash equivalent	(120,840)	(192,302)
Net Cash Flows From Investing Activities	(42,505)	(284,087)
CASH FLOWS FROM FINANCING ACTIVITIES		
Collections of contributions restricted for long-term purposes	292,916	303,462
Net Cash Flows From Financing Activities	292,916	303,462
NET CHANGE IN UNRESTRICTED CASH AND CASH EQUIVALENTS	35,040	(124,825)
UNRESTRICTED CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	479,009	603,834
UNRESTRICTED CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 514,049	\$ 479,009

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

MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
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STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2014 AND 2013

	2014			Total
	Program	Operating	Fundraising	
Non-instructional supplies	\$ 2,336	\$ 6,188	\$ 5,989	\$ 14,513
Hospitality	-	1,589	7,424	9,013
Bad debt expense	1,121	-	1,050	2,171
Depreciation	-	367	-	367
Postage	-	3,950	781	4,731
Contracted services	7,029	3,485	30,654	41,168
Foundation management fee expense	24,736	-	-	24,736
Entry fee expense	-	-	-	-
Dues/Memberships expense	115	185	-	300
Travel/Conference expenses	513	-	-	513
Miscellaneous	1,370	9	853	2,232
Equipment expenses	6,209	-	-	6,209
Advertising	-	-	2,488	2,488
Donation expense	-	-	100	100
Prizes/Awards expense	-	1,000	1,310	2,310
Credit charges/Bank charges	-	267	312	579
Student financial scholarship expenditures	319,684	-	750	320,434
Student travel expense	3,070	-	4,551	7,621
Total Expenses	\$ 366,183	\$ 17,040	\$ 56,262	\$ 439,485

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

2013

Program	Operating	Fundraising	Total
\$ 2,166	\$ 4,821	\$ 11,010	\$ 17,997
212	2,423	9,622	12,257
498	-	-	498
-	878	-	878
175	3,189	1,400	4,764
7,249	7,918	42,322	57,489
4,219	-	-	4,219
500	-	-	500
638	75	-	713
2,676	-	99	2,775
682	31	759	1,472
4,567	-	-	4,567
-	-	495	495
2,683	362	908	3,953
-	-	-	-
-	146	378	524
271,738	-	7,930	279,668
-	-	-	-
<u>\$ 298,003</u>	<u>\$ 19,843</u>	<u>\$ 74,923</u>	<u>\$ 392,769</u>

MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
(A California Nonprofit Auxiliary Organization)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

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
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

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 \$367 and \$878, for the years ended June 30, 2014 and 2013, 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, 2014, 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).

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

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, 2011, 2012, and 2013, are open to audit by the Federal authorities. California State informational returns for the years ended June 30, 2010, 2011, 2012, and 2013, 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.

Investments are stated at fair value and are summarized as of June 30, 2014:

	<u>Adjusted Cost</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>
Merrill Lynch Funds			
Government securities	<u>\$ 2,201,431</u>	<u>\$ 2,192,779</u>	<u>\$ (8,652)</u>

Investments are stated at fair value and are summarized as of June 30, 2013:

	<u>Adjusted Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain</u>
Merrill Lynch Funds			
Government securities	<u>\$ 2,415,190</u>	<u>\$ 2,271,114</u>	<u>\$ (144,076)</u>

MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

Investment activity for the year ended June 30, 2014, consisted of the following:

	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 4,002	\$ 55,999	\$ 60,001
Unrealized loss	(331)	(8,321)	(8,652)
Total Investment Return	<u>\$ 3,671</u>	<u>\$ 47,678</u>	<u>\$ 51,349</u>

Investment activity for the year ended June 30, 2013, consisted of the following:

	Unrestricted	Temporarily Restricted	Total
Interest and dividends	\$ 3,798	\$ 53,285	\$ 57,083
Unrealized loss	(8,563)	(135,513)	(144,076)
Total Investment Return	<u>\$ (4,765)</u>	<u>\$ (82,228)</u>	<u>\$ (86,993)</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.

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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

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, 2014. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2014. The Foundation did not have any Level I or Level III investments.

	<u>Level II</u>
Investment Assets	
Merrill Lynch	
Government securities	<u>\$ 2,192,779</u>

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2013. The Foundation did not have any liabilities measured at fair value on a recurring basis as of June 30, 2013. The Foundation did not have any Level I or Level III investments.

	<u>Level II</u>
Investment Assets	
Merrill Lynch	
Government securities	<u>\$ 2,271,114</u>

MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 4 - CAPITAL ASSETS

The following is a summary of capital assets as of June 30, 2014:

	2014	2013
Furniture and equipment	\$ 29,346	\$ 29,346
Less: Accumulated depreciation	(29,346)	(28,979)
Total	\$ -	\$ 367

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
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

Endowment net asset composition by type of fund as of June 30, 2014, is as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Funds
Donor-restricted endowment funds	<u>\$ 415,263</u>	<u>\$ 1,237,924</u>	<u>\$ 1,653,187</u>

Endowment net asset composition by type of fund as of June 30, 2013, is as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Funds
Donor-restricted endowment funds	<u>\$ 405,307</u>	<u>\$ 1,237,924</u>	<u>\$ 1,643,231</u>

Changes in endowment net assets as of June 30, 2014, are as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Funds
Balance at June 30, 2013	\$ 405,307	\$ 1,237,924	\$ 1,643,231
Current year additions/earnings	9,956	-	9,956
Balance at June 30, 2014	<u>\$ 415,263</u>	<u>\$ 1,237,924</u>	<u>\$ 1,653,187</u>

Changes in endowment net assets as of June 30, 2013, are as follows:

	Temporarily Restricted	Permanently Restricted	Total Net Endowment Funds
Balance at June 30, 2012	\$ 477,046	\$ 1,216,340	\$ 1,693,386
Current year earnings	33,306	21,584	54,890
Amounts appropriated for current year expenditures	(105,045)	-	(105,045)
Balance at June 30, 2013	<u>\$ 405,307</u>	<u>\$ 1,237,924</u>	<u>\$ 1,643,231</u>

MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION
(A California Nonprofit Auxiliary Organization)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014 AND 2013

NOTE 6 - RESTRICTIONS ON NET ASSET BALANCES

Temporarily restricted net assets consist of the following at June 30, 2014:

Heffner Memorial Fund	\$ 296,946
Wm Billion Scholarship	225,199
P&H Iverson Scholarship	170,780
McQueen Scholarship	126,234
Emma J. Hammagren Scholarships	123,451
Coverdill Memorial Scholarship	88,414
Scholarship General	85,337
Performing Arts	75,493
Mina P. Pennick Scholarship	42,422
Presidents Pooled Scholarship	34,285
J. Simpson Memorial	31,034
Riverside Fnd Book Loan	30,844
Glenn Steinback Scholarship	21,545
National Service Award	20,112
SCE STEM Scholarship	20,000
McAtee Scholarship	19,492
Dr. Johnson Scholarship	19,162
William W. Pemberton	17,787
Harold Heller Scholarship	17,476
Nolur	17,078
Allied Health	16,933
Paul E. Tibbetts Memorial	16,019
Doyle Memorial Endowment	16,013
Rohrabacher Memorial	15,542
Assistance League Hemacinto	15,417
Zena Sharp Memorial Scholarships	14,827
Temecula Valley Womans Club	14,781
Soboba Casino Scholarship	13,055
Dr. E. Stoddard Music	12,274
Valerie A. Sidlin Memorial	12,065
Village Scholarship	11,625
PEO Scholarship	10,520
Brottrud Memorial Scholarships	10,446
Hemet Valley Hospital	7,619
Murrieta Vly Scholarship	7,294
Kennadine Turner Nursing	7,242
Citizens Scholarship	6,790
Menifee Valley Medical Center	5,984
Rancho Vista High School	5,832
Roy Mason Sr. Scholarship	5,825
Waterhouse Edwards	5,501
GL Tyler Memorial	5,487
Mildred E. Hight Memorial	5,485
Sun City Womans Club	5,231
Sandi Saraydarian Memorial	5,104
Warren and Olga Schultz Memorial	5,005
All Other Accounts	60,880
Total Temporarily Restricted Accounts	<u>\$ 1,801,887</u>

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NOTES TO FINANCIAL STATEMENTS
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Permanently restricted net assets consist of the following at June 30, 2014:

Emma J. Hammagren Perpetual Scholarship	\$ 327,233
McQueen Scholarship	199,451
Raymond and Leila Marie Waterhouse	136,046
Weinstein Perpetual Scholarship	100,998
Alice Jezan Turner Perpetual Scholarship	91,453
Mina Pennick Perpetual Scholarship	67,114
William Pemberton Endowed Scholarship	52,359
Allied Health Programs	50,000
James Simpson Memorial Scholarship	40,000
Nolur Scholarship	40,000
Doyle Memorial Endowment	30,114
Charles and Norma Opie Endowment	25,000
Harold Heller Endowment Scholarship	25,000
Robert and Alma Burke Memorial	21,584
GL Tyler Memorial	10,000
Sylvia Shirko Endowment	10,000
Sandra J. Saraydarian Scholarship	9,072
William Sprowl Memorial Book Scholarship	2,500
	<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 \$319,955 to the District for student scholarships and \$22,704 for program support during the year ended June 30, 2014.

NOTE 8 - SUBSEQUENT EVENTS

The Foundation's management has evaluated subsequent events for recognition and disclosure through November 26 2014, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.