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## MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION

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### **AUDIT REPORT**

JUNE 30, 2025 AND 2024

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION****TABLE OF CONTENTS****JUNE 30, 2025 AND 2024**

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## INDEPENDENT AUDITORS' REPORT

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

### **Report on Audit of Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Mt. San Jacinto Community College Foundation (the "Foundation"), as of and for the years ended June 30, 2025, and 2024, and the related notes to financial statements, which collectively comprise the Foundation's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foundation as of June 30, 2025, and 2024, and the changes to 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.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*CWDL, Certified Public Accountants*

San Diego, California  
January 8, 2026

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## **FINANCIAL STATEMENTS**

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**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2025 AND 2024**

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	2025	2024
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 2,099,039	\$ 1,783,586
Accounts receivable	87,910	15,343
Unconditional promises to give, current portion	88,889	88,889
Due from other funds	168,258	-
Total current assets	<u>2,444,096</u>	<u>1,887,818</u>
Non-current assets		
Beneficial interest in assets held by the Inland Empire Community Foundation	4,659,071	4,168,541
Unconditional promises to give, non-current portion	594,872	680,342
Total non-current assets	<u>5,253,943</u>	<u>4,848,883</u>
<b>TOTAL ASSETS</b>	<b>\$ 7,698,039</b>	<b>\$ 6,736,701</b>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	\$ -	\$ 580
Due to District	343,602	67,178
Total current liabilities	<u>343,602</u>	<u>67,758</u>
<b>NET ASSETS</b>		
Without donor restrictions	1,645,801	1,466,935
With donor restrictions	5,708,636	5,202,008
Total net assets	<u>7,354,437</u>	<u>6,668,943</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 7,698,039</b>	<b>\$ 6,736,701</b>

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 235,260	\$ 890,080	\$ 1,125,340
Other income	140,281	205,452	345,733
Net assets released from restrictions	1,048,200	(1,048,200)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>1,423,741</b>	<b>47,332</b>	<b>1,471,073</b>
<b>EXPENSES</b>			
Program	1,131,904	-	1,131,904
Management and general	80,568	-	80,568
Fundraising	140,572	-	140,572
<b>TOTAL EXPENSES</b>	<b>1,353,044</b>	<b>-</b>	<b>1,353,044</b>
<b>OTHER INCOME</b>			
Interest and dividends	6,440	101,150	107,590
Change in value of beneficial interest in assets held by the Inland Empire Community Foundation	25,959	422,146	448,105
<b>TOTAL OTHER INCOME</b>	<b>32,399</b>	<b>523,296</b>	<b>555,695</b>
<b>NET TRANSFERS</b>	<b>75,770</b>	<b>(64,000)</b>	<b>11,770</b>
<b>CHANGES IN NET ASSETS</b>			
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>178,866</b>	<b>506,628</b>	<b>685,494</b>
<b>NET ASSETS - END OF YEAR</b>	<b>1,466,935</b>	<b>5,202,008</b>	<b>6,668,943</b>
	<b>\$ 1,645,801</b>	<b>\$ 5,708,636</b>	<b>\$ 7,354,437</b>

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION  
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE</b>			
Contributions	\$ 1,169,316	\$ 753,987	\$ 1,923,303
In-kind contributions	4,691	-	4,691
Fundraising	49,389	-	49,389
Miscellaneous income	20,607	-	20,607
Net assets released from restrictions	984,316	(984,316)	-
<b>TOTAL SUPPORT AND REVENUE</b>	<b>2,228,319</b>	<b>(230,329)</b>	<b>1,997,990</b>
<b>EXPENSES</b>			
Program	920,603	-	920,603
Management and general	166,226	-	166,226
Fundraising	215,979	-	215,979
<b>TOTAL EXPENSES</b>	<b>1,302,808</b>	<b>-</b>	<b>1,302,808</b>
<b>OTHER INCOME</b>			
Interest income	195	-	195
Change in value of beneficial interest in assets held by the Inland Empire Community Foundation	27,425	462,164	489,589
<b>TOTAL OTHER INCOME</b>	<b>27,620</b>	<b>462,164</b>	<b>489,784</b>
<b>CHANGES IN NET ASSETS</b>			
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>953,131</b>	<b>231,835</b>	<b>1,184,966</b>
<b>NET ASSETS - END OF YEAR</b>	<b>513,804</b>	<b>4,970,173</b>	<b>5,483,977</b>
	<b>\$ 1,466,935</b>	<b>\$ 5,202,008</b>	<b>\$ 6,668,943</b>

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2025**

	<b>Management</b>						
	<b>Program</b>	<b>and General</b>	<b>Fundraising</b>			<b>Total</b>	
Non-instructional supplies	\$ 30,329	\$ 3,159	\$ 1,934			35,422	
Uniforms, clothing, costumes	58,626	195	31,391			90,212	
Food expense	(3,600)	146	501			(2,953)	
Postage	-	12	64			76	
Catering	3,515	11,625	3,493			18,633	
Contracted services	(2,367)	53,540	52,098			103,271	
Entry fee expense	52,680	-	13,133			65,813	
Other travel expense	-	-	-			-	
Conferences	-	-	1,272			1,272	
Student travel expense	3,650	-	935			4,585	
Due memberships expense	4,227	220	260			4,707	
Liability insurance expense	-	387	470			857	
Advertising	-	5,000	26,028			31,028	
Equipment expense	1,569	3,988	1,428			6,985	
Donation expense	-	-	-			-	
Rent expense	-	-	-			-	
Bank charges	41,749	511	1,231			43,491	
Prizes awards expense	-	-	-			-	
Other services	(397)	(75)	-			(472)	
Credit card charges	5,626	1,834	334			7,794	
Transaction fees	289	-	-			289	
Student financial scholarship expense	936,008	-	6,000			942,008	
Miscellaneous	-	26	-			26	
<b>TOTAL EXPENSES</b>	<b>\$ 1,131,904</b>	<b>\$ 80,568</b>	<b>\$ 140,572</b>			<b>\$ 1,353,044</b>	

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2024**

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	<b>Management</b>						
	<b>Program</b>	<b>and General</b>	<b>Fundraising</b>			<b>Total</b>	
Non-instructional supplies	\$ 22,211	\$ 5,034	\$ -	\$ 27,245			
Uniforms, clothing, costumes	69,823	4,298	4,469		78,590		
Food expense	9,085	4,707	-		13,792		
Postage	-	38	-		38		
Contracted services	96,025	131,008	166,673		393,706		
Other travel expense	1,671	-	240		1,911		
Conferences	-	2,340	252		2,592		
Student travel expense	232	-	-		232		
Due memberships expense	10,447	320	-		10,767		
Advertising	335	14,248	23,047		37,630		
Bank charges	36,421	430	-		36,851		
Other services	879	229	-		1,108		
Credit card charges	4,561	1,440	258		6,259		
Transaction fees	138	12	-		150		
Student financial scholarship expense	667,149	-	14,461		681,610		
In-kind contributions	-	-	4,691		4,691		
Miscellaneous	1,626	2,122	1,888		5,636		
<b>TOTAL EXPENSES</b>	<b>\$ 920,603</b>	<b>\$ 166,226</b>	<b>\$ 215,979</b>		<b>\$ 1,302,808</b>		

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024**

	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 685,494	\$ 1,184,966
Adjustments to reconcile changes in net assets to net cash provided by/(used in) operating activities:		
Distributions from beneficial interest in assets held by the Inland Empire Community Foundation	64,936	76,051
Change in beneficial interest in assets held by the Inland Empire Community Foundation	(555,466)	(489,590)
Contributions restricted for long-term purposes	(890,080)	(753,987)
Changes in operating assets and liabilities:		
Accounts receivable	(72,567)	157
Unconditional promises to give	85,470	(769,231)
Due from other funds	(168,258)	-
Accounts payable	(580)	580
Due to District	276,424	2,717
<b>NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>	<b>(574,627)</b>	<b>(748,337)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Collections of contributions restricted for long-term purposes	890,080	753,987
<b>NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITY</b>	<b>890,080</b>	<b>753,987</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>315,453</b>	<b>5,650</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>1,783,586</b>	<b>1,777,936</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 2,099,039</b>	<b>\$ 1,783,586</b>

# **MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2025 AND 2024**

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### **NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Organization and Nature of Activities**

The Mt. San Jacinto Community College Foundation (the "Foundation") is a California nonprofit auxiliary organization of the 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 accompanying financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-210-50. Under ASC 958-210-50, the Foundation is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. 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 financially interrelated organizations as defined by Accounting Standards Codification (ASC) Topic 958-605, *Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others*. Under ASC Topic 958-605, 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.

#### **Net Asset Accounting**

To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset types established according to their nature and purpose. Separate accounts are maintained for each net asset type; however, in the accompanying financial statements, net asset types that have similar characteristics have been combined into groups as follows:

- *Net Assets without Donor Restrictions* - Net assets available for general operations and not subject to donor restrictions. Net assets without donor restrictions represents all resources over which the Board of Directors has discretionary control for use in operating the Foundation.

# MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

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### NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

#### **Net Asset Accounting, continued**

- *Net Assets with Donor Restrictions* - Net assets that are contributions and endowment investment earnings subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions. The Foundation reports conditional contributions restricted by donors as increases in net assets without donor restrictions if the restrictions and conditions expire simultaneously in the reporting period.

#### **Revenue Recognition**

Contributions are recognized when cash, securities or other assets, unconditional promises to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. The Foundation records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference. In the years ended June 30, 2025 and 2024, the Foundation did not receive any conditional promises to give.

#### **Donated Services and In-Kind Contributions**

Donated services include the value of the Foundation's salaries and benefits paid for by the District. Donated services are recorded as contributions at the estimated fair value that the Foundation would have otherwise paid for the same service. Volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Additional disclosures of donated services and in-kind contributions are included in Note 9.

#### **Cash and Cash Equivalents**

All cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, are considered to be cash and cash equivalents. As of June 30, 2025 and 2024, the Foundation's bank balance was fully insured and/or collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the Foundation.

## **MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION**

### **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2025 AND 2024**

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#### **NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

##### **Accounts Receivable**

Accounts receivable consist primarily of noninterest-bearing amounts due for services performed. The Foundation does not consider that the allowance for doubtful accounts is necessary as management believes all receivables are collectible. Uncollectible receivable will be written off in the year it deemed uncollectible. As of June 30, 2025 and 2024, no amounts were written off.

##### **Property and Equipment**

For equipment, the Foundation capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life of greater than one year. Depreciation for equipment and leasehold improvements is computed on a straight-line basis over an estimated useful life of three to five years.

The carrying values of capital assets are reviewed for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2025 and 2024.

##### **Unconditional Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional.

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are initially recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

The Foundation uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. At June 30, 2025, management has determined that all promises to give are fully collectible.

# **MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2025 AND 2024**

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### **NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

#### **Beneficial Interest in Assets Held by the Community Foundation**

During 2015, the Foundation established an endowment fund that is perpetual in nature (the Fund) under a community foundation's (the CF) Agency Endowment Funds program and named the Foundation as beneficiary. The Foundation granted variance power to the CF, which allows the CF to modify any condition or restriction on its distributions for any specified charitable purpose or to any specified organization if, in the sole judgment of the CF's Board of Directors, such restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community. The fund is held and invested by the CF for the Foundation's benefit and is reported at fair value in the statements of financial position, with distributions and changes in fair value recognized in the statements of activities and changes in net assets.

#### **Allocation of Functional Expenses**

The costs of providing various programs and activities have been summarized on a functional basis in the statements of activities and changes in net assets. The statements of functional expenses present the natural classification detail of expenses by function. The expenses are generally directly attributable to a functional category with no significant allocations between program and supporting services activities occurring.

#### **Management Fee**

Endowments received by the Foundation are subject to an initial ten percent administrative fee, then five percent annually of the value of the endowed asset. The fee will come from the interest earned off of the endowment. All subsidiary accounts are subject to a five percent administrative fee annually based on funds received during the fiscal year. Endowment earnings are released from restriction when appropriated in accordance with the management fee policy and used to support ongoing operations.

#### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

#### **Income Taxes**

The Foundation is a charitable, not-for-profit, tax-exempt organization qualified under provisions of Section 501(c)(3) of the *Internal Revenue Code* and corresponding California provisions. Accordingly, no provision for income taxes has been provided in the financial statements. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(A)(vi). The Foundation annually files information returns, Forms 990, 199, and RRF-1, with the appropriate agencies. Management believes there was no unrelated business activity income.

# **MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION**

## **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2025 AND 2024**

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### **NOTE 1 – NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued**

#### **Income Taxes, continued**

The Foundation has adopted FASB 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. The Foundation would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

#### **Advertising Costs**

Costs associated with advertising are expensed as incurred. At June 30, 2025 and 2024, total advertising costs were \$31,028 and \$37,630, respectively.

#### **Subsequent Events**

The Foundation's management has evaluated events or transactions from June 30, 2025 through January 8, 2026, which is the date the financial statements were available to be issued. The Foundation has determined that there were no subsequent events or transactions that require additional disclosure in the financial statements.

### **Note 2 – LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position comprise of the following:

	<b>2025</b>	<b>2024</b>
Cash and cash equivalents	\$ 2,099,039	\$ 607,701
Accounts receivable	87,910	15,343
<b>Total financial assets available within one year</b>	<b>\$ 2,186,949</b>	<b>\$ 623,044</b>

To manage liquidity, the Foundation structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. District staff on behalf of the Foundation management monitor daily cash balances, expenditures, and the budget.

# MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

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### NOTE 3 – FAIR VALUE MEASUREMENTS AND DISCLOSURES

Certain assets are reported at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

The fair value of the beneficial interest in assets held by The Community Foundation is based on the fair value of fund investments as reported by The Community Foundation. These are considered to be Level 3 measurements.

#### Assets 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, 2025.

	Level 3	Total
Beneficial interest in assets held by the Inland Empire Community Foundation	\$ 4,659,071	\$ 4,659,071

The following table presents the balances of the assets measured at fair value on a recurring basis as of June 30, 2024.

	Level 3	Total
Beneficial interest in assets held by the Inland Empire Community Foundation	\$ 4,168,541	\$ 4,168,541

**MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2025 AND 2024**

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**NOTE 4 – UNCONDITIONAL PROMISES TO GIVE**

The Foundation's unconditional promises to give consisted of the following at June 30:

	2025	2024
Unconditional promises to give	\$ 711,111	\$ 800,000
Less: Discount to net present value	(27,350)	(30,769)
<b>Total unconditional promises to give</b>	<b>\$ 683,761</b>	<b>\$ 769,231</b>

Unconditional promises to give are estimated to be collected as following at June 30, 2025 and 2024:

	2025	2024
Due within one year	\$ 88,889	\$ 88,889
Due within one to five years	622,222	711,111
	711,111	800,000
Less: Discount to net present value at 4.00%	(27,350)	(30,769)
<b>Total unconditional promises to give</b>	<b>\$ 683,761</b>	<b>\$ 769,231</b>

At June 30, 2025, one donor accounted for 100 percent of total promises to give. One contributor accounted for approximately 52 percent of total contribution revenue for the year ended June 30, 2025.

At June 30, 2025, management has determined that all promises to give are fully collectible.

**NOTE 5 – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of June 30:

	2025	2024
Furniture and equipment	\$ 29,346	\$ 29,346
Less: Accumulated depreciation	(29,346)	(29,346)
<b>Total property and equipment</b>	<b>\$ -</b>	<b>\$ -</b>

Depreciation expense for the years ended June 30, 2025 and 2024, was nil.

# MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

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### NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Donor-restricted net assets consists of the following as of June 30:

	2025	2024
Subject to the Passage of Time or Expenditure for Specified Purpose		
Endowments - accumulated and unspent earnings	\$ 1,447,646	\$ 1,193,955
Scholarships	3,023,066	2,770,129
	<hr/>	<hr/>
Perpetual in Nature		
Endowed scholarships	1,237,924	1,237,924
	<hr/>	<hr/>
	\$ 5,708,636	\$ 5,202,008

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose as follows for the years ended June 30:

	2025	2024
Satisfaction of purpose restrictions		
Scholarships	\$ 747,852	\$ 791,880
Educational programs	300,348	192,436
	<hr/>	<hr/>
	\$ 1,048,200	\$ 984,316

### NOTE 7 – ENDOWMENTS

The Foundation's endowment consists of approximately 103 individual funds established by donors to provide annual funding for specific activities and general operations. Its endowment includes both donor-restricted endowment funds that the Foundation must hold in perpetuity, or for a donor-specified period, as well as funds designated by the Board of Directors to function as endowments (funds designated). As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Funds designated consist of non-endowed, donor-restricted gifts that are unable to be spent in the near term and have been designated by the Board of Directors to be treated as endowments.

The Board of Directors has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the date of the donor-restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2025 and 2024, there were no such donor stipulations. As a result of this interpretation, the Foundation retains in perpetuity (a) the original value of initial and subsequent gift amounts donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

# MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

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### NOTE 7 – ENDOWMENTS, continued

The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

As of June 30, 2025, endowment net asset composition by type of fund is as follows:

	With Donor Restrictions
Board-designated endowment funds	\$ 4,470,712
Donor-restricted endowment funds	1,237,924
	<hr/>
	\$ 5,708,636

As of June 30, 2024, endowment net asset composition by type of fund is as follows:

	With Donor Restrictions
Board-designated endowment funds	\$ 3,964,084
Donor-restricted endowment funds	1,237,924
	<hr/>
	\$ 5,202,008

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). In accordance with accounting principles generally accepted in the United States of America, there were no deficiencies of this nature reported as of June 30, 2025, and 2024, respectively.

Changes in endowment net assets for the year ended June 30, 2025 are as follows:

	With Donor Restrictions
Endowment net assets, beginning of year	\$ 5,202,008
Contributions	890,080
Other income	205,452
Investment income	523,296
Management fee	(64,000)
Amounts appropriated for expenditures	(1,048,200)
Endowment net assets, end of year	<hr/> <hr/> \$ 5,708,636

# MT. SAN JACINTO COMMUNITY COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

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### NOTE 7 – ENDOWMENTS, continued

Changes in endowment net assets for the year ended June 30, 2024 are as follows:

	With Donor Restrictions
Endowment net assets, beginning of year	\$ 4,970,173
Contributions	753,987
Investment income	462,164
Management fee	(39,291)
Amounts appropriated for expenditures	(945,025)
Endowment net assets, end of year	<u>\$ 5,202,008</u>

### Risk 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 as well as board-designated funds. 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

The Foundation may distribute up to 40% 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, 2025 AND 2024

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### NOTE 8 – RELATED PARTY TRANSACTIONS

#### Mt. San Jacinto Community College District

The Foundation provides various levels of monetary support and service to the District departments and programs, as well as scholarships for students. The Foundation provided \$942,008 to the District for student scholarships during the year ended June 30, 2025. The Foundation provided \$681,610 to the District for student scholarships and \$192,436 for program support during the year ended June 30, 2024. Additionally, the District charges the Foundation for services related to fundraising and operational activities. The District charged \$127,156 during the year ended June 30, 2025. At June 30, 2025 and 2024, the Foundation owed the District \$342,602 and \$67,178 for all services, respectively.

### NOTE 9 – IN-KIND CONTRIBUTIONS

Contributed non-financial assets recognized within the statements of activities and changes in net assets included for the years ended June 30:

	2025	2024
Donated services without donor restrictions		
Pledge for Success Program - donated items	\$ -	\$ 4,691
Donated salaries	- -	-
<b>Total donated services without donor restrictions</b>	<b>\$ -</b>	<b>\$ 4,691</b>

Donated items consists of in-kind gifts that were passed through to the college for various departments. All donated assets received during the year ended June 30, 2024 were unrestricted and allocated to program activities. The donated items are recognized at fair value using estimated U.S. wholesale prices of similar products. There we no in-kind gifts during 2025.