

MT. SAN ANTONIO COLLEGE FOUNDATION  
STATEMENT OF ASSETS, LIABILITIES,  
AND NET ASSETS - CASH BASIS  
JUNE 30, 2005

ASSETS

ASSETS:

Cash	\$ 34,241
Restricted cash	224,362
Investments	920,168
Other donated assets	<u>16,635</u>

Total assets	<u>\$1,195,406</u>
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LIABILITIES AND NET ASSETS

LIABILITIES:

Note payable	\$ <u>98,610</u>
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NET ASSETS:

Unrestricted	(110,140)
Temporarily restricted	997,346
Permanently restricted	<u>209,590</u>
	<u>1,096,796</u>

Total liabilities and net assets	<u>\$1,195,406</u>
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See Independent Auditors' Report and the accompanying notes which are  
an integral part of this financial statement

MT. SAN ANTONIO COLLEGE FOUNDATION  
STATEMENT OF REVENUES, EXPENSES, AND  
OTHER CHANGES IN NET ASSETS - CASH BASIS  
FOR THE YEAR ENDED JUNE 30, 2005

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
<b>REVENUES:</b>				
Contributions, gifts and grants	\$ 26,292	\$ 466,811	\$ 54,781	\$ 547,884
Grants and allocations	81,372	-	-	81,372
Membership fees	994	-	-	994
Management fees	214	-	-	214
Golf tournament	58,090	-	-	58,090
Blues and Jazz	55,770	-	-	55,770
Casino Night	19,610	-	-	19,610
Small Business Center	-	2,083	-	2,083
Other Revenues	24,614	-	-	24,614
Net Assets released from restrictions				
Satisfaction of purpose restriction	117,739	(117,739)	-	-
Donated to related party	398,050	-	(398,050)	-
Total revenues and reclassifications	<u>782,745</u>	<u>351,155</u>	<u>(343,269)</u>	<u>790,631</u>
<b>EXPENSES:</b>				
Program services and fundraising-				
Scholarship and grants	234,242	-	-	234,242
Donation of collection	398,050	-	-	398,050
Fundraising				
Golf tournament	34,830	-	-	34,830
Blues and Jazz	29,615	-	-	29,615
Casino Night	15,886	-	-	15,886
Other	4,018	-	-	4,018
Total program services and fundraising	<u>716,641</u>	<u>-</u>	<u>-</u>	<u>716,641</u>
Support services-				
General and administrative	<u>84,326</u>	<u>-</u>	<u>-</u>	<u>84,326</u>
Other income -				
Investment (income) expense	(7,456)	(29,736)	-	(37,192)
(Gain) loss on investment, net	-	(25,175)	-	(25,175)
Total other income	<u>(7,456)</u>	<u>(54,911)</u>	<u>-</u>	<u>(62,367)</u>
Total expenses	<u>793,511</u>	<u>(54,911)</u>	<u>-</u>	<u>738,600</u>
Excess of revenues over expenses	<u>(10,766)</u>	<u>406,066</u>	<u>(343,269)</u>	<u>52,031</u>
NET ASSETS, beginning of year	<u>(99,374)</u>	<u>591,280</u>	<u>552,859</u>	<u>1,044,765</u>
NET ASSETS, end of year	<u>\$ (110,140)</u>	<u>\$ 997,346</u>	<u>\$ 209,590</u>	<u>\$ 1,096,796</u>

See Independent Auditors' Report and the accompanying notes which are  
an integral part of this financial statement

MT. SAN ANTONIO COLLEGE FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2005

CASH FLOWS PROVIDED BY (USED FOR)

OPERATING ACTIVITIES:

Excess of revenues over expenses	\$ 52,031
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities -	
Realized and unrealized gain on investments	(25,175)
Donation of collection	<u>398,050</u>
Net cash provided by operating activities	<u>424,906</u>

CASH FLOWS PROVIDED BY (USED FOR)

INVESTING ACTIVITIES:

Proceeds from sale of marketable securities	301,687
Purchase of marketable securities	<u>(677,030)</u>
Net cash used for investing activities	<u>(375,343)</u>

CASH FLOWS PROVIDED BY (USED FOR)

FINANCING ACTIVITIES:

Repayment of note payable	<u>(45,190)</u>
Net increase in cash	4,373

CASH, beginning of year	<u>254,230</u>
CASH, end of year	<u><u>\$ 258,603</u></u>

See Independent Auditors' Report and the accompanying notes which are  
an integral part of this financial statement

MT. SAN ANTONIO COLLEGE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

The Mt. San Antonio College Foundation (Foundation) was formed as a nonprofit corporation for the purpose of receiving and expending funds for assisting in the achievement and maintenance of superior public education at Mt. San Antonio College. It acts as custodian for funds, receiving and expending those funds in accordance with the respective agreements under which those funds were received.

Basis of Accounting

The financial statements of the Foundation have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Accordingly, revenue and related assets are recorded when received rather than earned and certain expenses are recognized when paid rather than when obligations are incurred. Modifications to the cash basis of accounting include recording investments at fair market value.

Sources of Support

The Foundation receives contributions from donors on a voluntary basis and organizes various events to raise funds.

Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restriction.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

See Independent Auditors' Report

MT. SAN ANTONIO COLLEGE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report 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.

Unrestricted net assets generally result from revenues from unrestricted contributions and dividend and interest income, less expenses incurred in raising contributions and performing administrative functions. The only limits on the use of unrestricted net assets are the broad limits resulting from the Foundation's mission as defined in its articles of incorporation and bylaws.

Temporarily restricted net assets are those whose use by the Foundation has been limited by donors to a specific time period or purpose. When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently restricted net assets have been restricted by donors to be maintained in perpetuity, the income from which is expendable to support program activities of the Foundation.

The following is a brief description of the Foundation's temporarily and permanently restricted net assets:

Scholarship Fund

This fund consists of gifts received by the Foundation, which are temporarily and permanently restricted for scholarships for students in need. The permanently restricted endowments as of June 30, 2005 amounted to \$209,590.

See Independent Auditors' Report

MT. SAN ANTONIO COLLEGE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Title V Challenge Grant Fund

This fund is temporarily restricted for scholarships for students in need. The fund of \$50,000 was invested under federal guidelines and neither the principal nor the interest can be used for the next nineteen years. The foundation also invested \$50,000 as a match to the grant. The match principal cannot be used for nineteen years; however, the interest can be used for scholarships for students in need.

Planetarium Fund

This fund is temporarily restricted for capital improvements to College's planetarium. The total amount restricted at June 30, 2005 was \$283,427.

E.L.A. Small Business Center Fund

This fund is temporarily restricted for receipts and disbursements made on behalf of the Small Business Center. The balance of this fund (\$42,640) was expended during the year ended June 30, 2005.

Income Taxes

The Foundation is organized as a California nonprofit public benefit corporation exempt from income tax under Section 501(c) (3) of the Internal Revenue Code and California Franchise Tax Code sections. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

Investments

Investments are recorded at fair value based on quoted market prices. Details of the fair value of the investments as of June 30, 2005 are included in Note 3 of this report. All investments relate to temporarily or permanently restricted net assets. Donated investments are recorded at fair value at the date of gift.

See Independent Auditors' Report

MT. SAN ANTONIO COLLEGE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

The Foundation utilizes Statement of Financial Accounting Standards (SFAS) No. 124, "Accounting for Certain Investments held by Not-for Profit Organizations." Generally, the Statement prescribes that organizations report investments in equity securities with readily determinable fair values and all investments in debt securities in the statement of financial position at fair value and report realized and unrealized gains and losses in the statement of activities.

2. CONCENTRATION OF CREDIT RISK:

The Foundation maintains deposits in excess of federally insured limits.

3. INVESTMENTS:

The fair values of the Foundation's investments at June 30, 2005 are as follows:

	<u># of Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Intermediate/Long Term			
High Quality Bond	116,177.587	\$ 46,748	\$ 47,868
Asset Allocation/Balanced	63,075.031	243,311	248,091
Money Fund MMP	87,116.500	86,938	87,114
Large Capitalization Growth			
U.S. Stock	2,628.547	49,439	52,495
Large Capitalization Value			
U.S. Stock	1,942.197	67,874	94,114
Small Capitalization Growth			
U.S. Stock	462.993	15,693	19,955
Small Capitalization Value			
U.S. Stock	2,213.425	27,864	28,487
Small Capitalization			
Emerging Markets	858.917	16,065	19,308
Dividend Capital Fund	45,104	45,104	45,105
Prime Obligation Fund	1,019.530	1,020	1,020
Fixed Income Fund	14,729.077	161,002	159,587
Inland Retail Real Estate Trust	10,552.697	<u>105,295</u>	<u>117,024</u>
Total Investments		<u>\$866,353</u>	<u>\$920,168</u>

See Independent Auditors' Report

MT. SAN ANTONIO COLLEGE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004

4. OTHER DONATED ASSETS:

Other donated assets consists of land valued at date of donation (\$4,000), a guitar valued at date of donation (\$5,000) and jewelry recorded at current appraisal value (\$7,635).

5. NOTE PAYABLE:

Note payable to Mt. SAC Auxiliary Corp., unsecured, no-interest loan due in quarterly payments ranging from \$1,298 to \$2,595 due beginning November 2004, through February 2016.

\$ 98,610

As of June 30, 2005, annual maturities of the notes payable are as follows:

June 30, 2006	\$ 3,893
June 30, 2007	7,526
June 30, 2008	8,304
June 30, 2009	9,861
June 30, 2010 and after	<u>69,026</u>
	<u>\$ 98,610</u>

6. RELATED PARTY CONTRIBUTION:

During the year ended June 30, 2005, a collection valued at \$398,050 was donated to Mt. San Antonio College.