

MT. SAN ANTONIO COLLEGE FOUNDATION
STATEMENT OF ASSETS, LIABILITIES,
AND NET ASSETS - CASH BASIS
JUNE 30, 2006

ASSETS

ASSETS:

Cash	\$ 77,333
Restricted cash	271,375
Money market funds held for investment	46,439
Investments	924,558
Other donated assets	<u>16,635</u>

Total assets	<u>\$1,336,340</u>
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LIABILITIES AND NET ASSETS

LIABILITIES:

Note payable	<u>\$ 93,420</u>
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NET ASSETS:

Unrestricted	7,635
Temporarily restricted	977,255
Permanently restricted	<u>258,030</u>
	<u>1,242,920</u>

Total liabilities and net assets	<u>\$1,336,340</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, 2006

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>PERMANENTLY RESTRICTED</u>	<u>TOTAL</u>
REVENUES:				
Contributions, gifts and grants	\$ 4,201	\$ 109,191	\$ 48,440	\$ 161,832
Grants and allocations	5,500	-	-	5,500
Membership fees	7,436	-	-	7,436
Golf tournament	51,295	-	-	51,295
Blues and Jazz	49,791	-	-	49,791
Casino Night	21,186	-	-	21,186
60th Anniversary Gala	61,200	-	-	61,200
Other Revenues	44,251	-	-	44,251
Net Assets released from restrictions				
Satisfaction of purpose restriction	<u>152,313</u>	<u>(152,313)</u>	<u>-</u>	<u>-</u>
Total revenues and reclassifications	<u>397,173</u>	<u>(43,122)</u>	<u>48,440</u>	<u>402,491</u>
EXPENSES:				
Program services and fundraising-				
Scholarship and grants	89,597	-	-	89,597
Management fees	5,706	-	-	5,706
Fundraising				
Golf tournament	19,718	-	-	19,718
Blues and Jazz	26,039	-	-	26,039
Casino Night	7,686	-	-	7,686
60th Anniversary Gala	3,630	-	-	3,630
Other	<u>88,029</u>	<u>-</u>	<u>-</u>	<u>88,029</u>
Total program services and fundraising	<u>240,405</u>	<u>-</u>	<u>-</u>	<u>240,405</u>
Support services-				
General and administrative	<u>80,477</u>	<u>-</u>	<u>-</u>	<u>80,477</u>
Other income -				
Investment (income) expense	(41,484)	(9,071)	-	(50,555)
(Gain) loss on investment, net	<u>-</u>	<u>(13,960)</u>	<u>-</u>	<u>(13,960)</u>
Total other income	<u>(41,484)</u>	<u>(23,031)</u>	<u>-</u>	<u>(64,515)</u>
Total expenses	<u>279,398</u>	<u>(23,031)</u>	<u>-</u>	<u>256,367</u>
Excess of revenues over expenses	<u>117,775</u>	<u>(20,091)</u>	<u>48,440</u>	<u>146,124</u>
NET ASSETS, beginning of year	<u>(110,140)</u>	<u>997,346</u>	<u>209,590</u>	<u>1,096,796</u>
NET ASSETS, end of year	<u>\$ 7,635</u>	<u>\$ 977,255</u>	<u>\$ 258,030</u>	<u>\$ 1,242,920</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, 2006

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, 2006

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:

Planetarium Fund

This fund is temporarily restricted for capital improvements to College's planetarium. The total amount restricted at June 30, 2006 was \$216,446.

See Independent Auditors' Report

MT. SAN ANTONIO COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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, 2006 amounted to \$258,030. The temporarily restricted endowments as of June 30, 2006 amounted to \$702,744.

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 eighteen years. The balance as of June 30, 2006 is \$58,065. 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. This amount is board restricted and as such, is included in the unrestricted net assets.

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, 2006 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, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Cash and Cash Equivalents

Cash and cash equivalents are considered to be all cash available for immediate use and cash held for investment.

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, 2006 are as follows:

	<u># of Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Common Stocks	104,643	\$513,660	\$553,614
Bonds	114,000	24,098	\$ 28,143
SEI Private Trust	13,127.606	124,733	127,950
Collateralized Notes	50,000	50,000	50,000
Dividend Capital Fund	45,104	45,104	45,104
Inland Retail Real Estate Trust	10,885.993	108,417	119,747
Total Investments		<u>\$866,012</u>	<u>\$924,558</u>

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).

See Independent Auditors' Report

MT. SAN ANTONIO COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2006

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.

\$ 93,420

As of June 30, 2006, annual maturities of the notes payable are as follows:

June 30, 2007	\$ 8,304
June 30, 2008	8,304
June 30, 2009	10,380
June 30, 2010	10,380
June 30, 2011 and after	<u>56,052</u>
	<u>\$ 93,420</u>

See Independent Auditors' Report