

GREAT VALLEY MUSEUM FOUNDATION
SCHEDULE OF REVENUE, EXPENDITURES,
AND CHANGES IN NET ASSETS
For the year ended June 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Great Valley Museum Foundation
Modesto, California

Opinion

We have audited the accompanying schedule of revenue, expenditures, and changes in net assets (the "Schedule") of Great Valley Museum Foundation (the "Foundation") for the year ended June 30, 2022, and the related notes to the Schedule.

In our opinion, the accompanying schedule of revenue, expenditures, and changes in net assets presents fairly, in all material respects, the activity of Great Valley Museum Foundation for the year ended June 30, 2022, 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 Auditor's Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of the 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 Schedule

Management is responsible for the preparation and fair presentation of the Schedule 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 a Schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 Schedule.

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 Schedule, 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 Schedule.
- 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 Schedule.

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.


Crowe LLP

Sacramento, California
November 17, 2022

GREAT VALLEY MUSEUM FOUNDATION
SCHEDULE OF REVENUE, EXPENDITURES,
AND CHANGES IN NET ASSETS
Year ended June 30, 2022

Net assets without donor restriction

Revenue:

Contributions	\$ 45,546
Nature shop	14,323
Fundraising events, net	13,250
Other revenue	201
Investment income, net	<u>129,182</u>
Total revenues and other support	<u>202,502</u>

Functional expenses:

Program services	53,790
Management and general	<u>48,613</u>
Total functional expenses	<u>102,403</u>

Revenue over expenses 100,099

Transfer of net assets to related party (Note 1) 449,546

Change in net assets without donor restriction (349,447)

Net assets without donor restriction, beginning of year 349,447

Net assets without donor restriction, end of year \$ -

See accompanying notes to the Schedule
and independent auditor's report.

GREAT VALLEY MUSEUM FOUNDATION
NOTES TO THE SCHEDULE
Year ended June 30, 2022

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Great Valley Museum Foundation (the “Foundation”) is a nonprofit public benefit corporation whose specific and primary purpose is the procurement and extension of financial support toward the maintenance and modification of the Great Valley Museum of Natural History’s (the “Museum’s”) facilities which includes a nature gift shop. The Museum is an enterprise fund of Modesto Junior College (“MJC”), part of Yosemite Community College District (the “District”).

The accompanying Schedule has been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

In February 2022, the Board resolved that the Foundation would transfer all investments to MJC Foundation, and the remaining assets would be transferred to MJC (District). During the year ended June 30, 2022, assets totaling \$207,821 and \$241,725 were transferred to MJC Foundation and MJC, respectively.

Basis of Presentation: The Foundation has adopted the provisions of Codification Topic 958-605, *Accounting for Contributions Received and Contributions Made*, and Codification Topic 958-205, *Financial Statements of Not-for-Profit Organizations*. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

- *Net Assets Without Donor Restrictions* – Net assets not subject to donor-imposed stipulations.
- *Net Assets With Donor Restrictions* – Net assets 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 donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of June 30, 2022, there were no net assets with donor restrictions.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restriction on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Contributions: Contributions are recognized as revenues in the period received. Unconditional promises to give (pledges) are recognized as revenue when the commitment is communicated to the Foundation. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met or explicitly waived by the donor.

Functional Allocation of Expenses: The costs of providing the various activities have been summarized on a functional basis in the schedule of revenue, expenditures, and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(Continued)

GREAT VALLEY MUSEUM FOUNDATION
NOTES TO THE SCHEDULE
Year ended June 30, 2022

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Income Taxes: The Foundation is exempt from income taxes under Section 501(c)(3) of the *Internal Revenue Code* and Section 23701(d) of the *California Revenue and Taxation Code*. The Foundation has been classified as an organization that is not a private foundation under Section 509(a)(2). The Foundation has not entered into any activities that would jeopardize its tax-exempt status. Accordingly, no provision for income taxes is required.

The Foundation files exempt organization returns in the U.S. federal and California jurisdictions. The federal returns for tax years 2019 and beyond, and the California returns for tax years 2018 and beyond, remain subject to examination by the taxing authorities.

The Foundation adopted FASB ASC 740, *Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in the Foundation's Schedule and prescribes a recognition threshold and measurement attribute for the Schedule recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC 740 also provides guidance on derecognition and measurement of a tax position taken or expected to be taken in a tax return.

The Foundation believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the Schedule. The Foundation does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

Interest and penalties on tax assessments are classified as income tax expense when incurred. For the year ended June 30, 2022, the Foundation did not incur any interest or penalties.

Estimates: The preparation of the Schedule in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – ADMINISTRATIVE EXPENSES

The District provides certain administrative and fiscal services to the Foundation in a service and advisory capacity.

For the fiscal year ending June 30, 2022, the Foundation has a financial agreement with the District to cover operating costs of the Museum. This agreement requires the Foundation to reimburse \$78,000 to the District, payable in semi-annual installments of \$39,000. The \$78,000 is an estimate of the expenses required to operate the Museum.

(Continued)

GREAT VALLEY MUSEUM FOUNDATION
NOTES TO THE SCHEDULE
Year ended June 30, 2022

NOTE 3 – FUNCTIONAL EXPENSES

Expenses are presented below by functional classification. Expenditures directly benefitting one program , such as cost of goods sold and repairs and maintenance, are recorded directly to that program. Salaries and other expenses are allocated based on estimates of time and effort.

	<u>Program Services</u>		<u>Total</u>	<u>Management</u> <u>and General</u>	<u>Total</u> <u>Expenses</u>
	<u>Museum</u>	<u>Nature Shop</u>	<u>Program</u> <u>Services</u>		
Salaries	\$ 14,040	\$ 17,160	\$ 31,200	\$ 46,800	\$ 78,000
Cost of goods sold	-	5,374	5,374	-	5,374
Repair and maintenance	-	5,497	5,497	1,763	7,260
Other expenses	11,719	-	11,719	50	11,769
	<hr/>				
Total	<u>\$ 25,759</u>	<u>\$ 28,031</u>	<u>\$ 53,790</u>	<u>\$ 48,613</u>	<u>\$ 102,403</u>

NOTE 4 - SUBSEQUENT EVENTS

Management has performed an analysis of the activities and transactions subsequent to June 30, 2022 to determine the need for any adjustments or disclosures to the audited Schedule for the year ended June 30, 2022. Management has performed their analysis through November 17, 2022, the date the Schedule was available to be issued.