

MODESTO JUNIOR COLLEGE FOUNDATION

FINANCIAL STATEMENTS

June 30, 2020 and 2019

MODESTO JUNIOR COLLEGE FOUNDATION

FINANCIAL STATEMENTS
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Modesto Junior College Foundation
Modesto, California

Report on the Financial Statements

We have audited the accompanying financial statements of Modesto Junior College Foundation (the "Foundation") which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and cash flows 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 audit 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.

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Modesto Junior College Foundation as of June 30, 2020 and 2019, 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Foundation has adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.



Crowe LLP

Sacramento, California
January 19, 2021

MODESTO JUNIOR COLLEGE FOUNDATION
 STATEMENTS OF FINANCIAL POSITION
 June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash and cash equivalents	\$ 1,157,275	\$ 1,055,298
Other receivables	122,487	127,829
Prepaid expenses	4,597	7,031
Investments	<u>11,426,079</u>	<u>12,590,357</u>
Total assets	<u>\$ 12,710,438</u>	<u>\$ 13,780,515</u>
 LIABILITIES		
Accounts payable	\$ 126,889	\$ 81,842
Unearned revenue	-	50,300
Amounts held in trust for others	29,094	29,094
Other liabilities	<u>9</u>	<u>451</u>
Total liabilities	<u>155,992</u>	<u>161,687</u>
 NET ASSETS		
Without donor restrictions	271,121	246,002
With donor restrictions	<u>12,283,325</u>	<u>13,372,826</u>
Total net assets	<u>12,554,446</u>	<u>13,618,828</u>
Total liabilities and net assets	<u>\$ 12,710,438</u>	<u>\$ 13,780,515</u>

See accompanying notes to the financial statements.

MODESTO JUNIOR COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
Year ended June 30, 2020

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Support and revenue:			
Contributions	\$ 91,714	\$ 318,895	\$ 410,609
Investment income (loss), net	5,591	(708,150)	(702,559)
Fundraising events	103,289	66,885	170,174
Other income	4,340	132,151	136,491
Net assets released from restrictions	<u>899,282</u>	<u>(899,282)</u>	<u>-</u>
 Total support and revenue	 <u>1,104,216</u>	 <u>(1,089,501)</u>	 <u>14,715</u>
 Functional expenses:			
Program services	515,787	-	515,787
Management and general	493,265	-	493,265
Fundraising	<u>70,045</u>	<u>-</u>	<u>70,045</u>
 Total functional expenses	 <u>1,079,097</u>	 <u>-</u>	 <u>1,079,097</u>
 Change in net assets	 25,119	 (1,089,501)	 (1,064,382)
 Net assets, beginning of year	 <u>246,002</u>	 <u>13,372,826</u>	 <u>13,618,828</u>
 Net assets, end of year	 <u>\$ 271,121</u>	 <u>\$ 12,283,325</u>	 <u>\$ 12,554,446</u>

See accompanying notes to the financial statements.

MODESTO JUNIOR COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
Year ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue:			
Contributions	\$ 124,936	\$ 980,309	\$ 1,105,245
Investment income, net	4,093	490,977	495,070
Fundraising events	99,072	100,445	199,517
Other income	-	217,007	217,007
Net assets released from restrictions	<u>939,105</u>	<u>(939,105)</u>	<u>-</u>
 Total support and revenue	 <u>1,167,206</u>	 <u>849,633</u>	 <u>2,016,839</u>
 Functional expenses:			
Program services	464,667	-	464,667
Management and general	465,785	-	465,785
Fundraising	<u>89,959</u>	<u>-</u>	<u>89,959</u>
 Total functional expenses	 <u>1,020,411</u>	 <u>-</u>	 <u>1,020,411</u>
 Change in net assets	 146,795	 849,633	 996,428
 Net assets, beginning of year	 <u>99,207</u>	 <u>12,523,193</u>	 <u>12,622,400</u>
 Net assets, end of year	 <u>\$ 246,002</u>	 <u>\$ 13,372,826</u>	 <u>\$ 13,618,828</u>

See accompanying notes to the financial statements.

MODESTO JUNIOR COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Change in net assets	\$ (1,064,382)	\$ 996,428
Reconciliation of change in net assets to net cash provided by operating activities:		
Net realized and unrealized loss (gain) on investments	1,030,896	(148,529)
Donated investments	-	(328,680)
Contributions with donor restrictions for endowment	(127,422)	(934,638)
Changes in:		
Other receivables	5,342	15,159
Prepaid expenses	2,434	(1,984)
Accounts payable	45,047	12,237
Unearned revenues	(50,300)	(4,062)
Other liabilities	(442)	(274)
	(158,827)	(394,343)
Net cash used in operating activities		
Cash flows from investing activities:		
Purchases of investments	(5,743,005)	(6,985,749)
Proceeds from sale of investments	5,876,387	7,026,340
	133,382	40,591
Net cash used in investing activities		
Cash flows from financing activities:		
Contributions with donor restrictions for endowment	127,422	934,638
	101,977	580,886
Net change in cash and cash equivalents		
Cash and cash equivalents – beginning of year	1,055,298	474,412
	\$ 1,157,275	\$ 1,055,298
Cash and cash equivalents – end of year		

See accompanying notes to the financial statements.

MODESTO JUNIOR COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: The Modesto Junior College Foundation (the Foundation), formed on January 8, 1968, is a nonprofit public benefits organization whose mission is to generate financial support for and increase community awareness of students, programs, and activities of Modesto Junior College. Modesto Junior College is a part of the Yosemite Community College District (the District), and provides higher education instruction in Modesto, California, and the surrounding area.

Basis of Presentation: Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions: Net assets that are subject to stipulations imposed by donors. Some donor restrictions are temporary in nature while others are perpetual in nature.

Cash and Cash Equivalents: The Foundation considers cash and cash equivalents to include cash in commercial checking accounts and demand deposits in money market funds that are used for operational purposes with original maturity dates of three month or less. The Foundation at times may include in its depository account cash that has been restricted as to its use by donors. Cash and cash equivalent balances, at times, may be in excess of the Federal Deposit Insurance Corporation insurance limit of \$250,000. At June 30, 2020 and 2019, cash exceeded federally insured limits by \$665,007 and \$101,928 respectively.

Investments: Investments are carried at fair value. Net change in the fair value of investments, which consists of realized gains or losses and the unrealized appreciation (depreciation) of those investments, is reported in the statement of activities as a component of investment income. Investment income is accrued as earned.

Endowment Assets: The Foundation accounts for its endowments in accordance with Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to and Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and Enhanced Disclosures for All Endowment Funds (Codification Topic 958-205). The Foundation's endowment currently consists of 98 individual funds established for the purpose of supporting education at the District. All endowments are donor-restricted endowment funds. There are no funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted UPMIFA 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 classifies as net assets with donor restrictions (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions held in perpetuity is classified as net assets with donor restrictions restricted by purposes or passage of time until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard prudence prescribed by UPMIFA.

(Continued)

MODESTO JUNIOR COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Foundation follows adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain purchasing power of the endowment assets. Endowment assets are those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specific period(s).

The investment objective is to optimize earnings on all invested funds, while maintaining the preservation of capital. The Foundation targets a diversified asset allocation that places an emphasis on money market funds, bond funds and equity-based investments to achieve its long-term return objective within prudent risk parameters.

Other Receivables: The Foundation utilizes the allowance method of accounting for uncollectible accounts receivable. No allowance was necessary at June 30, 2020 and 2019, respectively.

Net Assets With Donor Restrictions and Without Donor Restrictions Revenue and Support: Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions support, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in donor-restricted depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restrictions are accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities 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. Event revenues received in advance are deferred and recognized in the period as the events occur.

Management Fee Income: The Foundation assessed a 1.8% management fee on all restricted and temporarily restricted endowments, unless there are restrictions from the donor specific to management fees, based on the fund balances in each endowment as of December 31 of each year. Income from this fee is released from restriction and is used to support the Foundation's operations and mission.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses: The costs of providing the various activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Program services and supporting services expenses are the allocated directly as incurred.

Income Taxes: The Foundation, as a nonprofit organization, 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 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 2014 and beyond, and the California returns for tax years 2013 and beyond, remain subject to examination by the taxing authorities.

(Continued)

MODESTO JUNIOR COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Foundation adopted FASB ASC 740, *Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in the Foundation's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC 740 also provides guidance on de-recognition 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 financial statements. 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 years ended June 30, 2020 and 2019, the Foundation did not incur any interest or penalties.

Accounting pronouncements adopted: In June 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, Not-for-Profit Entities (Topic 958): *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this Update provide a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance (for example, Topic 606). The amendments also provide additional guidance about how to determine whether a contribution is conditional. The Foundation adopted this ASU during the year ended June 30, 2020. The Foundation implemented ASU 2018-08 using a full retrospective method of application. There were no material changes to the recognition or presentation of revenue as a result of the application of ASU 2018-08. As a result, no cumulative effect adjustment was recorded upon adoption.

Subsequent Events: In December 2019, a novel strain of coronavirus surfaced, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and investment results of the Foundation could be adversely affected. The extent to which the coronavirus may impact Foundation activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus or treat its impact, among others.

NOTE 2 - INVESTMENTS

Following is a summary of investments held for the years ended June 30 as follows:

	<u>2020</u>	<u>2019</u>
Mutual funds	\$ 461,947	\$ 1,571,625
Equity securities	6,117,357	7,622,266
Debt and fixed income securities	<u>4,846,775</u>	<u>3,396,466</u>
Total investments	<u>\$ 11,426,079</u>	<u>\$ 12,590,357</u>

The Foundation accounts for certain assets and liabilities in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements*. The Foundation measures some assets at fair value on a recurring basis. The Foundation may be required, from time to time, to measure certain assets and liabilities at fair value on a non-recurring basis. The Foundation had no assets or liabilities that were required to be measured on a non-recurring basis as of June 30, 2020 and 2019.

(Continued)

MODESTO JUNIOR COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 2 – INVESTMENTS (Continued)

The Foundation classifies its fair value assets and liabilities into a hierarchy of three levels based on the markets in which they are traded and the reliability of the assumptions used to determine fair value. The asset or liability measurement level within the hierarchy is based on the lowest level of any assumption that is significant to the measurement. All of the Foundation's assets recorded at fair value at June 30, 2020 and 2019 were Level 1 and level 2 assets.

Valuations within the hierarchy levels are based upon the following:

Level 1: Quoted market prices for identical instruments traded in active exchange markets.

Level 2: Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the methods that market participants would use in pricing an asset or liability.

The Foundation is required or permitted to record the following assets at fair value on a recurring basis:

		June 30, 2020		
<u>Description</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investment securities:				
Mutual funds	\$ 461,947	\$ 461,947	\$ -	\$ -
Equity securities	6,117,357	6,117,357	-	-
Debt and fixed income securities	4,846,775	1,728,047	3,118,728	-
	<u>\$ 11,426,079</u>	<u>\$ 8,307,351</u>	<u>\$ 3,118,728</u>	<u>\$ -</u>
Total investments				
	<u>\$ 11,426,079</u>	<u>\$ 8,307,351</u>	<u>\$ 3,118,728</u>	<u>\$ -</u>
		June 30, 2019		
<u>Description</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investment securities:				
Mutual funds	\$ 1,571,625	\$ 1,571,625	\$ -	\$ -
Equity securities	7,622,266	7,622,266	-	-
Debt and fixed income securities	3,396,466	983,997	2,412,469	-
	<u>\$ 12,590,357</u>	<u>\$ 10,177,888</u>	<u>\$ 2,412,469</u>	<u>\$ -</u>
Total investments				
	<u>\$ 12,590,357</u>	<u>\$ 10,177,888</u>	<u>\$ 2,412,469</u>	<u>\$ -</u>

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used during the years ended June 30, 2020 and 2019.

Mutual Funds – Each investor in a mutual fund will typically receive units of participation or shares in the mutual fund. These shares are valued daily, based on the underlying securities owned by the mutual fund, and are usually publicly traded equity securities (Level 1).

Equity Securities – Equity securities are valued at the closing price reported on the active market on which the individual securities are traded (Level 1).

(Continued)

MODESTO JUNIOR COLLEGE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2020 and 2019

NOTE 2 – INVESTMENTS (Continued)

Debt and Fixed Income Securities – Corporate and municipal bonds and other debt and fixed income securities are generally valued by a computerized pricing service or, for less actively traded issues, by utilizing a yield-based matrix system to arrive at an estimated market value (Level 2). These investments also include securities priced and traded on a daily basis and offer full liquidity and availability (Level 1).

Following is a summary of investment income for the years ended June 30 as follows:

	<u>2020</u>	<u>2019</u>
Dividends and interest	\$ 328,337	\$ 346,541
Net realized/unrealized (loss) gain	<u>(1,030,896)</u>	<u>148,529</u>
Total	<u>\$ (702,559)</u>	<u>\$ 495,070</u>

NOTE 3 – ENDOWMENTS

The Foundation accounts for endowments under the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as enacted in California and its own governing documents. All endowments are net assets with donor restriction endowment funds. See Note 1, Net Assets for more details on the use and investment of those funds. All endowments are Donor-restricted.

The endowment net asset composition as of June 30, 2020 and 2019, and the related activity during the year then ended consists of the following:

	<u>2020</u>	<u>2019</u>
Endowment net assets, beginning of year	\$ 9,701,479	\$ 8,852,170
Change in fair value of investments and investment (losses) gains	(438,215)	340,829
Contributions	127,422	934,648
Appropriation of endowment assets for expenditure	<u>(519,418)</u>	<u>(426,168)</u>
Endowment net assets, end of year	<u>\$ 8,871,268</u>	<u>\$ 9,701,479</u>

From time to time, the fair value of assets associated with individual net assets with donor restrictions endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There was one individual endowment fund with such deficiency as of June 30, 2020 and 2019.

(Continued)

MODESTO JUNIOR COLLEGE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2020 and 2019

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

The net assets with donor restrictions restricted by purpose or passage of time as of June 30, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Scholarships ⁽¹⁾	\$ 3,457,954	\$ 4,314,450
Academic programs	932,545	1,180,468
Departmental fundraising	114,994	116,024
Other	<u>417,872</u>	<u>529,346</u>
 Total subject to expenditure for a specific purpose	 <u>\$ 4,923,365</u>	 <u>\$ 6,140,288</u>

⁽¹⁾Includes \$1,631,001 and \$2,468,941 endowment net assets restricted for a specific purpose as of June 30, 2020 and 2019, respectively.

The Foundation's net assets with donor restrictions restricted in perpetuity at June 30, 2020 and 2019 were as follows:

	<u>2020</u>	<u>2019</u>
Scholarships	\$ 5,366,150	\$ 5,263,728
Academic programs	1,708,310	1,708,310
Other	<u>285,500</u>	<u>260,500</u>
 Total held in perpetuity	 <u>\$ 7,359,960</u>	 <u>\$ 7,232,538</u>

NOTE 5 – ADMINISTRATIVE EXPENSES

The Foundation's Statements of Activities include an amount donated from the District totaling \$220,829 for the year ended June 30, 2020 and \$198,805 for the year ended June 30, 2019. This consisted of accounting and management support services as provided by the District.

The valuation of such services is determined based upon the cost of the employee's salaries and benefits.

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MODESTO JUNIOR COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 6 – FUNCTIONAL EXPENSE ALLOCATIONS

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses, such as travel and meeting expense, depreciation and amortization, and rent, are charged to supporting administrative expenses and program administrative expenses directly as incurred.

	2020			
	Program Services	Management and General	Fundraising	Total
Scholarships	\$ 437,941	\$ -	\$ 70,045	\$ 507,986
Investment management fee	73,141	-	-	73,141
Other fees for services	-	51,490	-	51,490
Advertising and promotion	-	3,385	-	3,385
Other office expenses	3,230	16,507	-	19,737
Travel	-	7,808	-	7,808
Insurance	-	5,069	-	5,069
Reimbursement salaries and benefits	-	199,317	-	199,317
Printing and duplicating	-	31,360	-	31,360
Transfer to other funds	-	145,920	-	145,920
Dues/subscription/membership	-	23,225	-	23,225
All other expenses	1,475	9,184	-	10,659
Total expenses	\$ 515,787	\$ 493,265	\$ 70,045	\$ 1,079,097

	2019			
	Program Services	Management and General	Fundraising	Total
Scholarships	\$ 378,291	\$ -	\$ 89,959	\$ 468,250
Investment management fee	76,277	-	-	76,277
Other fees for services	-	13,200	-	13,200
Advertising and promotion	-	578	-	578
Other office expenses	8,600	20,318	-	28,918
Travel	-	5,948	-	5,948
Insurance	-	5,062	-	5,062
Reimbursement salaries and benefits	-	270,343	-	270,343
Printing and duplicating	-	36,435	-	36,435
Transfer to other funds	-	70,583	-	70,583
Dues/subscription/membership	-	15,013	-	15,013
All other expenses	1,499	28,305	-	29,804
Total expenses	\$ 464,667	\$ 465,785	\$ 89,959	\$ 1,020,411

(Continued)

MODESTO JUNIOR COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

NOTE 7 - LIQUIDITY

	<u>2020</u>	<u>2019</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,157,275	\$ 1,055,298
Accounts receivable	122,487	127,829
Investments	<u>11,426,079</u>	<u>12,590,357</u>
 Total financial assets	 <u>12,705,841</u>	 <u>13,773,484</u>
 Less amounts not available to be used for general expenditures:		
Donor restricted net assets	<u>(12,283,325)</u>	<u>(13,372,826)</u>
 Total financial assets available to meet cash needs for general expenditures	 <u>\$ 422,516</u>	 <u>\$ 400,658</u>

The Foundation structures its financial assets to be available for its general expenditures, grant disbursements and other operational obligations as they arise.