



MODESTO
JUNIOR COLLEGE
FOUNDATION

Board of Directors

Regular Meeting

December 8, 2009

Please Note Time Change!

LOCATION:

***YCCD, Conference Room B
2201 Blue Gum Avenue, Modesto***

***7:30 - 8:30 a.m. Closed Session
8:30 a.m. - 9:30 a.m. Regular Meeting
Breakfast available at 7:30 a.m.***

Modesto Junior College Foundation

Board of Directors

Bi-Monthly Board Meeting

Tuesday, December 8, 2009

7:30 – 8:30 a.m. Closed Session

8:30 – 9:30 a.m. Regular Meeting

Breakfast will be served at 7:30 a.m.

YCCD Conference Room B

2201 Blue Gum Avenue

Agenda

Introduction of Guests

Approval of Agenda i

Consent Agenda

1. Approve October 20, 2009 Minutes 1

Correspondence

Discussion/Action Agenda

1. Auditors 2008-09 Findings.....Brice Gibbs.....5
Matsom & Isom
2. Addition of Interim President to Board.....Jon Zagaris
3. Addition of Alumni President to Board.....Jon Zagaris
4. Board Member Resignation.....Jon Zagaris
5. Committee Sign Ups.....Jon Zagaris
6. Additional Major Fundraising Events.....Gene Hill.....21
7. Policy for Sponsorships.....Gene Hill

Reports

1. District Report.....Dr. Roe Darnell
2. College ReportDr. Ken White
3. Finance Committee Report.....Gene Hill
4. Investment Report.....Ron Ramont
5. Budget ReportGary Whitfield.....23
6. Year End Appeal.....Gene Hill

Other Business/Announcements/Events

1. Transfer of MJC Foundation Board Officers
2. Holiday Social, Thursday, December 10, 6 – 8 p.m., McHenry Museum
3. Foundation Office closed for Holidays, December 24 through January 3, 2010
4. Institute Day, Friday, January 8, 2010, 8 a.m. – Noon, MJC Auditorium

Next Board Meeting: February 9, 2010

Location: YCCD, Conference Room B

Adjournment

Modesto Junior College Foundation
Board of Directors Meeting/Retreat
Unapproved Minutes
October 20, 2009
Appetez Restaurant

Regular Meeting 8:30 am -10:30 am/Workshop 10:30 am- 2:00 pm

Board Members Present: Mathew Bryant, Rocki Cohen, Steve Collins, Jerry Cooper, Sabrina Enevoldsen, Eileen Faria, Geoffrey Hutcheson, Amy Neumann, Paul Neumann, Michael Pimentel, Ron Ramont, Mike Riley, Richard Rose, Babette Wagner, Gary Watts, Jim West, Gary Whitfield, Jon Zagaris

Board Members Absent: Colleen Preston

Staff Present: Amy Bethel, Sandy DeWalt, Gene Hill, Gigi Sherriffe

Guests: Bryan Justin Marks, Michael Wagschal

Review of Minutes

August 11, 2009 minutes were reviewed. There were no corrections. After a motion by Paul Neumann and a second by Jim West, the minutes were approved with a unanimous aye vote.

Correspondence

The correspondence binder was circulated.

Discussion/Action Agenda

Action item #7 – Fall President’s Circle/ Holiday Social was moved to the top of the agenda to allow input from all board members. Gene Hill led a discussion on the Fall President’s Circle and Foundation Holiday Social. Gene announced he met with Dr. Rose to discuss the budget and after discussion they recommended they we not have the two events as we have in the past, but do something different this year. Gene suggested maybe a coffee hour held on campus with the President. The budget of the President’s Circle event and Holiday Social were reviewed and discussed (p. 9 in board packet). Paul Neumann strongly disagreed with the suggestion to change or not have the two events. He commented that the holiday social is very well attended each year and that it is a wonderful opportunity to network and to thank MJC’s donors and supporters. He added that once you break tradition, they are often difficult to bring back. Babette Wagner agreed with Paul’s comments and concerns. Babette added that the events are a way to showcase the Foundation and encourage new community members to get involved and hopefully join the President’s Circle membership. It is a perfect way to say “thank you” to the donors. The budget of both events (President’s Circle and the Holiday Social) was reviewed. It was suggested we combine the two events to honor the President’s Circle members during the Holiday Social. Eileen Faria agreed and added that the events such as these are so important to the success of the Foundation. Many MJC Retiree’s also attend the Holiday Social and these are individuals that love and support the college. Amy Neumann asked if it would be possible to have the events at the college

which may save money. Sabrina Enevoldsen offered to loan the Foundation tables, chairs and linens (she has about 100). Gene agreed that he is personally in agreement of having the two events but realizes we need to focus on the budget this year. Babette Wagner suggested that some might be willing to help underwrite the event to help with cost. Gary Watts stated the importance of connecting with the community in an effort to continue to fundraise. After a lengthy discussion, Paul Neumann made a motion to move forward and plan a holiday social which will combine the President's Circle. The board and staff will work to solicit donations to help keep the budget down. A sub-committee was formed to help solicit for donations/underwriters which include: Sabrina Enevoldsen, Jon Zagaris, Babette Wagner, and Paul Neumann. Mike Pimentel seconded the motion. The motion passed with a unanimous aye vote.

Alumni Association Presentation

Bryan Justin Marks continued a Power Point presentation which he had begun at the August 11th board meeting. The presentation provided information on the Alumni Association history, current status, and future goals. The membership levels were reviewed and discussed and new Alumni Association brochures were distributed. After the presentation there was an opportunity for questions and feedback from the board. Amy Neumann questioned the non-profit status of the Association. Bryan clarified that the Alumni Association is not a standalone non-profit. The Alumni Association is under the umbrella of the MJC Foundation. Eileen Faria asked how Bryan became involved with the Foundation and the Alumni Association. Bryan let the board know he is a full time employee of MJC (working with the Bridge program under EOP&S). Bryan volunteers with the Alumni Association and was approached by George Retamoza and the Foundation board to volunteer and accept the role of Alumni President. After discussion, Jon Zagaris announced he will sign up for a Lifetime Membership with the MJC Alumni Association!

Election of Officers - 2010

The following board members accepted nominations and the role of officer positions for 2010:

Gary Watts – President

Paul Neumann – President Elect

Jerry Cooper – First Vice-President

Babette Wagner – Second Vice-President (Eileen Faria nominated Babette during the meeting, Babette accepted)

Eileen Faria – Secretary/Treasurer

Jim West made a motion to accept the slate of new officers and Jerry Cooper seconded the motion. The motion passed with a unanimous aye vote. The new officers will assume their positions at the December Board Meeting.

Election of New Directors

Mike Riley from the YCCD Board of Trustees was introduced. His application for the MJC Foundation Board of Directors was reviewed and discussed. Matthew Bryant was introduced and his application for the MJC Foundation Board of Directors was reviewed and discussed. After a motion by Amy Neumann

and a second by Gary Watts, the motion to accept both Mike and Matthew to the Foundation Board of Directors passed with a unanimous aye vote. Mike and Matthew were welcomed to the Foundation Board of Directors. Rocki Cohen was previously voted in as a new board member and was introduced and welcomed by the board.

Amendment of Bylaws: Ex-Officio and Liaison Position

There was a discussion led by Jon Zagaris that if approved would add the Alumni Association President as a Liaison position to the MJC Foundation Board. The board discussed if the position would be an Ex-Officio (non-voting) position and if the bylaws would need an amendment to add the position. Amy Neumann asked why the position would need to be an Ex-Officio and not a regular voting Board Member. Jon announced that regular Board Members are expected to sign a contract which involves a financial commitment. There was discussion that this volunteer position if meeting the goals of the Association, would be bringing donations to the college, which would satisfy the financial commitment. There was more discussion on whether or not the position should be a voting position. Babette asked about making the position more of an advisory position. Mike Pimentel commented that it is a voting position at CSU Stanislaus. A sub-committee was formed which includes Geoffrey Hutcheson, Babette Wagner, and Amy Neumann. The committee will discuss it more and will make a recommendation at the December Board Meeting.

Policy for Sponsorships, Foundation Representation, Meals and Reimbursements

Gene Hill presented a list of organizations that have solicited the Foundation for sponsorships. Due to the current budget, the Foundation will need to develop a clear policy to decide which events we will support. There isn't really a policy in place to make these decisions which directly affect the budget. The Board will look at all of the sponsorship opportunities and make those decisions. Babette Wagner commented that due to safety reasons she feels it is important that if a staff member is asked to attend a community event, and another staff member will not be attending, they be offered two tickets to the event. Babette added that this is common practice with other organizations. For the sake of time, discussion on this topic will be resumed at the December Board Meeting.

Policy for Expenditure/Requests between Board Meetings

Gene Hill asked about a policy regarding expenditures and requests between board meetings. It was suggested a policy be proposed at the next board meeting and Eileen Faria suggested requests be made by email. There were no objections to the email correspondence between meetings.

Summer Sonata 2010

Babette Wagner and Eileen Faria worked with the Foundation staff to prepare a *Sonata Team Report* to the board (report found on p. 10 of board packet). At the top of the report it was announced Gallo Performing Arts Center was chosen by email vote by the Foundation Board of Directors. A new venue will help add to excitement and the marketing will hopefully add to sponsorships and ticket sales. The date selected is Thursday, July 15, 2010. A site visit and meeting with the Center took place on 9/4/09. The area (the Terrazzo floored lobby area) can seat 250-300 for dinner. The contract and deposit is in

process. Logistics, volunteers, decorations, auction, and details are being worked out. We will need to get the support of the Chancellor and College President to encourage Staff and Faculty to volunteer and maybe even offer release time since the date is a Thursday (a work day). Catering for the Sonata was discussed. The Foundation staff has talked with Appetez Restaurant and they are available on the date selected. Babette suggested to the board we go with Appetez since the Gallo Center only allows certain restaurants to cater within the facility – Appetez is one of the restaurants allowed. Steve Collins made a motion to hire Appetez to cater the Sonata. Amy Neumann seconded the motion. The motion passed with a unanimous aye vote. Amy Bethel will work with Sarah Mara of Appetez to begin a formal contract.

Additional Major Fundraising Ideas

Due to time, Action Agenda Item #9 was tabled to the December 8, 2009 Board Meeting.

Reports

Due to time, the District, College, Investment and Budget Reports were tabled. Full reports will be given at the December 8, 2009 Board Meeting.

Web Status/Student Demographic Info

Sandy DeWalt encouraged the board to test the new online giving option available on the Foundation's website. The new giving feature is available on the Foundation's main page as well as on the main Business and Community section on MJC's website. The Foundation worked with MJC's web developer to choose the best solution for our needs. The Foundation is using the NetWork for Good – Give Now software solution to accept and process the donations. The process is simple for the donor and the Foundation. Sandy announced the paperwork has been completed and sent to the I.T. Department requesting a database with Alumni Information be created. The District is supporting the request. The Foundation is now waiting to hear from I.T. what the timeframe will be for completion of the database. The Foundation will keep the board informed on the progress of the project.

Adjournment of Regular Meeting: 10:30 am

Retreat Workshop

Ron Ramont introduced Guest Presenter, Michael Wagshal, from Merrill Lynch. Michael Wagshal gave a very informative overview of Merrill Lynch Center for Philanthropy and Nonprofit Management. Mr. Wagshal also presented Trends in Philanthropy, Community Representation, Board Responsibilities and Expectations, Planned Giving Techniques and Training, Marketing, and Goal Setting.

Other Business/Announcements/Events

Planned Giving Workshop, 7:00 p.m., October 20, 2009, Science 213, MJC East Campus

Next Board Meeting: Tuesday, December 8, 2009

Location: YCCD Conference Room B

DRAFT

**MODESTO JUNIOR
COLLEGE FOUNDATION**

Modesto, California

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT**

June 30, 2009 and 2008

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June 30, 2009 and 2008

Modesto Junior College Foundation

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Modesto Junior College Foundation
Modesto, California

We have audited the accompanying statements of financial position of Modesto Junior College Foundation (the Foundation), a California non-profit corporation, as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. 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 audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting standards generally accepted in the United States of America.

November 16, 2009

STATEMENTS OF FINANCIAL POSITION

Modesto Junior College Foundation

June 30	2009	2008
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 714,432	\$ 1,179,118
Accrued interest receivable	21,211	20,638
Other receivables	14,031	20,373
Prepaid expenses	4,989	2,099
Student book loans	30,000	30,000
Total Current Assets	<u>784,663</u>	<u>1,252,228</u>
NONCURRENT ASSETS		
Investments	4,919,034	5,725,949
Total Assets	<u>\$ 5,703,697</u>	<u>\$ 6,978,177</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 79,336	\$ 74,822
Unearned revenue	30,512	14,887
Amounts held in trust for others	191,256	164,917
Other liabilities	5,066	6
Total Liabilities	<u>306,170</u>	<u>254,632</u>
NET ASSETS		
Unrestricted	(231,720)	127,418
Temporarily restricted	163,509	1,155,889
Permanently restricted	5,465,738	5,440,238
Total Net Assets	<u>5,397,527</u>	<u>6,723,545</u>
Total Liabilities and Net Assets	<u>\$ 5,703,697</u>	<u>\$ 6,978,177</u>

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF ACTIVITIES

Modesto Junior College Foundation

Page 1 of 2

June 30, 2009	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE				
Contributions	\$ 64,346	\$ 46,125	\$ 25,500	\$ 135,971
Investment income (loss)	(27,123)	(701,183)	-	(728,306)
Fundraising events	116,777	-	-	116,777
Net assets released from restriction	604,309	(604,309)	-	-
Total Support and Revenue	<u>758,309</u>	<u>(1,259,367)</u>	<u>25,500</u>	<u>(475,558)</u>
EXPENSES				
Program expenses:				
Program development grants	5,518	-	-	5,518
Scholarships	31,974	-	-	31,974
Investment administration	73,771	-	-	73,771
Supplies and duplicating	3,382	-	-	3,382
Institutional support	499,064	-	-	499,064
Total Program Expenses	<u>613,709</u>	<u>-</u>	<u>-</u>	<u>613,709</u>
Supporting services:				
Fundraising	46,076	-	-	46,076
Administrative	190,676	-	-	190,676
Total Support Expenses	<u>236,752</u>	<u>-</u>	<u>-</u>	<u>236,752</u>
Total Expenses	<u>850,460</u>	<u>-</u>	<u>-</u>	<u>850,460</u>
Change in Net Assets	(92,151)	(1,259,367)	25,500	(1,326,018)
Transfers	(266,987)	266,987	-	-
Net Assets - Beginning of Year	<u>127,418</u>	<u>1,155,889</u>	<u>5,440,238</u>	<u>6,723,545</u>
Net Assets - End of Year	<u>\$ (231,720)</u>	<u>\$ 163,509</u>	<u>\$ 5,465,738</u>	<u>\$ 5,397,527</u>

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF ACTIVITIES

Modesto Junior College Foundation

Page 2 of 2

June 30, 2008	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
SUPPORT AND REVENUE				
Contributions	\$ 89,390	\$ 195,975	\$ -	\$ 285,365
Investment income	(1,986)	(151,121)	-	(153,107)
Fundraising events	212,660	-	-	212,660
Net assets released from restriction	284,229	(495,360)	211,131	-
Total Support and Revenue	584,293	(450,506)	211,131	344,918
EXPENSES				
Program expenses:				
Program development grants	34,285	-	-	34,285
Scholarships	48,705	-	-	48,705
Investment administration	222,514	-	-	222,514
Supplies and duplicating	2,998	-	-	2,998
Membership costs	1,407	-	-	1,407
Capital asset contributions	8,420	-	-	8,420
Total Program Expenses	318,329	-	-	318,329
Supporting services:				
Fundraising	46,727	-	-	46,727
Administrative	164,158	-	-	164,158
Total Support Expenses	210,885	-	-	210,885
Total Expenses	529,214	-	-	529,214
Change in Net Assets	55,079	(450,506)	211,131	(184,296)
Transfers	(65,131)	65,131	-	-
Net Assets - Beginning of Year	137,470	1,541,264	5,229,107	6,907,841
Net Assets - End of Year	\$ 127,418	\$ 1,155,889	\$ 5,440,238	\$ 6,723,545

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

Modesto Junior College Foundation

Years Ended June 30	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,326,018)	\$ (184,296)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Net realized and unrealized loss on investments	919,628	384,857
Changes in:		
Accrued interest	(573)	(455)
Other receivables	6,342	122,625
Prepaid expenses	(2,890)	152
Accounts payable	4,514	74,822
Unearned revenue	15,625	11,978
Amounts held in trust for others	26,339	(12,722)
Other liabilities	5,060	(56)
Net Cash (Used) Provided by Operating Activities	(351,973)	396,905
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(112,713)	(286,760)
Net Increase (Decrease) in Cash	(464,686)	110,145
Cash and Cash Equivalents - Beginning of Year	1,179,118	1,068,973
Cash and Cash Equivalents - End of Year	\$ 714,432	\$ 1,179,118

The accompanying notes are an integral part of these financial statements.

June 30, 2009 and 2008

Level 3 – Model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the Foundation's estimates of assumptions that market participants would use on pricing the asset or liability. Valuation techniques include management judgment and estimation which may be significant.

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 year ending June 30, 2009.

Money market funds: Amounts are interest-bearing deposit accounts, which at times may be in excess of the Federal Deposit Insurance Corporation insurance limit.

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.

Investment and Spending Policies The Foundation follows the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and its own governing documents. UPMIFA requires the historical dollar amount of a donor-restricted endowment fund to be preserved. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable under UPMIFA. The Foundation's donors have not placed restrictions on the use of the investment income or net appreciation resulting from the donor-restricted endowment funds.

The Foundation has adopted an investment policy 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 these endowment assets over the long-term. The investment policy establishes an achievable return objective through diversification of asset classes. 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 an emphasis on money market funds, bond funds, and equity based investments to achieve its long-term return objective within prudent risk parameters.

Accounts Receivable The Foundation utilizes the allowance method of accounting for uncollectible accounts receivable. No allowance was necessary at June 30, 2009 and 2008, respectively.

Amounts Held in Trust for Others The Foundation administers funds for certain college related organizations. The liability represents the amount of funds held for these organizations.

Restricted and Unrestricted Revenue and Support Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. 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 restrictions are accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

NOTES TO THE FINANCIAL STATEMENTS*Modesto Junior College Foundation*

June 30, 2009 and 2008

Estimates The preparation of financial statements in conformity with generally accepted accounting principles 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.

Income Taxes The Foundation, as a non-profit 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*.

Reclassifications Certain amounts in the 2008 financial statements have been reclassified for comparative purposes to conform with presentation in the current-year financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Modesto Junior College Foundation

June 30, 2009 and 2008

2. INVESTMENTS

Following is a summary of investments held at June 30 as follows:

	2009	2008
Equity securities	\$ 2,140,236	\$ 3,020,763
Mutual funds	-	49,106
Certificates of deposit	597,809	647,980
Corporate debt securities	1,076,975	673,757
U.S. government securities	1,104,014	1,334,343
Total Investments	\$ 4,919,034	\$ 5,725,949

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

2009	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Dividends and interest	\$ 5,497	\$ 185,825	\$ -	\$ 191,322
Net realized/unrealized gain (loss)	(33,068)	(853,492)	-	(886,560)
Total	\$ (27,571)	\$ (667,667)	\$ -	\$ (695,238)

2008	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Dividends and interest	\$ 4,173	\$ 227,577	\$ -	\$ 231,750
Net realized/unrealized gain (loss)	(6,159)	(378,698)	-	(384,857)
Total	\$ (1,986)	\$ (151,121)	\$ -	\$ (153,107)

All of the Foundation's investments are considered Level 1 under the Fair Value Measurement. Of these investments, \$597,809 are certificates of deposit and \$4,321,225 are debt and fixed income securities, both of which are included in investments. The Foundation does not own any assets or liabilities that are measured with level 2 or 3 valuation methods.

3. RESTRICTED NET ASSETS

The Foundation's temporarily restricted net assets at June 30, 2009 and 2008, were as follows:

	2009	2008
Carolyn Purdy Memorial	\$ -	\$ 7,427
Howard Huxtable Scholarship	554	1,660
Georgia Triplett Scholarship	-	955
Woodward Friends of Music Scholarship	198	2,631
Caudle Alumni Scholarship	-	919
Desire and E. Peron Scholarship	9,082	25,119
Lena and Jules Peron Scholarship	4,883	13,630
Jeannie Cowan and Lena Peron Scholarship	4,903	13,480
Orlena Hawkins and Lena Peron Scholarship	4,490	13,787
ESL Literature and Language Arts	3,792	4,337
Bartlett Memorial	-	4,404
Carol Savage Memorial	3,255	62,289
Savage Memorial Cultural Program	-	22,540
Alys Misho Trust	2,072	10,641
Malcolm Holmberg Memorial	-	426
Romain Stewart Memorial	-	1,064
Arabelle Lyon Scholarship	268	1,056
Foundation Book Loans	524	3,911
Jim and Caliopi Stavrakakis	49	278
Lieb/Miller Scholarship	-	1,071
Edmund Feichtmeir Scholarship	-	4,690
Opera Musical Theater	701	2,133
Opera Musical Theater/Production	-	-
Lee Ehrler Wrestling	-	1,006
Katherine Holmberg	100	859
Modesto Institute for Continued Learning	6,611	11,788
Ernest Gallo	-	499,065
Olsen Library Endowment	1,554	8,373
Ken Bradley Baseball Equipment/Scholarship	1,194	8,977
Caritas Foundation Nursing Scholarship	195	6,610
Bright/Job Skills Academy	14,579	25,902
Edmund Feichtmeir Book Loan Fund	13,455	23,008
Memorial Gift Fund	-	-
Moorad	71	238
Central Valley Association Realtors	-	4,112
Sam Rutherford Memorial	-	79
Balance Forward	\$ 72,530	\$ 788,465

NOTES TO THE FINANCIAL STATEMENTS

Modesto Junior College Foundation

June 30, 2009 and 2008

	2009	2008
Balance Brought Forward	\$ 72,530	\$ 788,465
Agriculture Custodial Fund	944	10,940
Dean Sensenbaugh Wrestling Scholarship	150	2,128
Jane Vilas Scholarship	-	461
Bob Dexter Memorial Scholarship	-	1,967
Roy Johnson Agriculture Scholarship	-	649
Mance and Lester Wilson Scholarship	472	1,315
MJC Agriculture Faculty Emeritus Scholarship	-	597
Juanita Cronkite Scholarship	4,051	12,849
Bob Cordoza Excellence in Teaching Award	-	-
Dwight C. Kelley Endowment	722	3,696
Rich Hickman	449	2,550
Joey King Scholarship	-	15
Kaiser - Allied Health Building Fund	-	-
Kaiser Nursing Endowment	-	4,696
Eichoff Criminal Justice Training Program Scholarship	3,509	63,953
Eichoff Criminal Justice Training Program Equipment and Supply Fund	4,450	65,970
Eichoff Nurses Training Scholarship	207	50,816
Eichoff Nurses Training Equipment and Supply Fund	-	51,016
Paul and Charlotte Couture Alumni Agriculture Scholarship	-	-
Shirley Woodward Piano Scholarship	175	1,014
Dorothy Tormey Vlach Scholarship	156	896
Gladys Burke Endowed Choral Scholarship	643	3,606
George McGowen Memorial Scholarship	199	1,300
Robert Beck Scholarship	-	12,107
Brouwer Weersing Scholarship	-	1,281
PMZ Community Foundation Scholarship	-	319
Friends of Guitar	-	-
Olsen Auditorium Maintenance	-	5,012
Olsen Re-Entry Women's	-	1,275
Fran Nunes Memorial Fund	-	355
Raymond and Vivian Olsen Arts and Agriculture Program Endowment	-	7,389
William O. and Metta B. Mashek Endowed Scholarship	-	-
Dorothy Dudley Memorial Scholarship	-	-
Ernest Gallo Memorial Scholarship Fund	-	-
Dudley Property, LLC	59,252	59,252
Georgia Pappas Stardust Farms Scholarship	-	-
Jo W. Ewin Scholarship	-	-
Stanislaus County Veteran's Advisory Council Scholarship	-	-
Careers in Advance Manufacturing	15,600	-
Raymond Bates Scholarship	-	-
The Marsh Memorial Scholarship for Nursing Students	-	-
County Bank Scholarships	-	-
Otis Vlach Agriculture Scholarship Endowment	-	-
R.G. Williams Scholarship	-	-
Jann and Jim Williams Scholarship	-	-
Marty Johnson Nursing Scholarship	-	-
Homer Bowen Memorial Scholarship	-	-
Total Temporarily Restricted Net Assets	\$ 163,509	\$ 1,155,889

NOTES TO THE FINANCIAL STATEMENTS

Modesto Junior College Foundation

June 30, 2009 and 2008

The Foundation's permanently restricted net assets at June 30, 2009 and 2008, were as follows:

	2009	2008
Carolyn Purdy Memorial	\$ 70,000	\$ 70,000
Howard Huxtable Scholarship	7,155	7,155
Georgia Triplett Scholarship	8,000	8,000
Woodward Friends of Music Scholarship	17,409	17,409
Caudle Alumni Scholarship	13,979	13,979
Desire and E. Peron Scholarship	102,650	102,650
Lena and Jules Peron Scholarship	56,060	56,060
Jeannie Cowan and Lena Peron Scholarship	54,850	54,850
Orlena Hawkins and Lena Peron Scholarship	60,280	60,280
Bartlett Memorial	33,213	33,213
Carol Savage Memorial	408,054	408,054
Savage Memorial Cultural Program	136,018	136,018
Alys Misho Trust	47,630	47,630
Malcolm Holmberg Memorial	5,000	5,000
Romain Stewart Memorial	10,475	10,475
Arabelle Lyon Scholarship	5,225	5,225
Foundation Book Loans	40,500	40,500
Jim and Caliopi Stavrakakis	1,284	1,284
Lieb/Miller Scholarship	9,284	9,284
Edmund Feichtmeir Scholarship	42,703	42,703
Opera Musical Theater	9,956	9,956
Opera Musical Theater/Production	7,866	7,866
Lee Ehrler Wrestling	20,400	20,400
Katherine Holmberg	5,185	5,185
Olsen Library Endowment	38,000	38,000
Ken Bradley Baseball Equipment/Scholarship	51,500	51,500
Caritas Foundation Nursing Scholarship	44,501	44,501
Bright/Job Skills Academy	51,100	51,100
Edmund Feichtmeir Book Loan Fund	41,957	41,957
Memorial Gift Fund	21,208	21,208
Moorad Endowment	1,094	1,094
Central Valley Association Realtors	37,000	37,000
Sam Rutherford Memorial	5,671	5,671
Agriculture Custodial Fund	57,035	57,035
Dean Sensenbaugh Wrestling Scholarship	13,545	13,545
Jane Vilas Scholarship	49,899	49,899
Bob Dexter Memorial Scholarship	25,357	25,357
Roy Johnson Agriculture Scholarship	5,750	5,750
Mance and Lester Wilson Scholarship	5,400	5,400
MJC Agriculture Faculty Emeritus Scholarship	16,505	16,505
Juanita Cronkite Scholarship	50,000	50,000
Bob Cordoza Excellence in Teaching Award	15,100	15,100
Dwight C. Kelley Endowment	20,000	20,000
Rich Hickman	18,540	18,540
Joey King Scholarship	12,401	12,401
Kaiser Allied Health Building Fund	21,827	21,827
Kaiser Nursing Endowment	33,375	33,375
Balance Forward	\$ 1,809,941	\$ 1,809,941

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2009 and 2008

Modesto Junior College Foundation

	<u>2009</u>	<u>2008</u>
Balance Brought Forward	\$ 1,809,941	\$ 1,809,941
Eichoff Criminal Justice Training Program Scholarship	364,669	364,669
Eichoff Criminal Justice Training Program Equipment and Supply Fund	352,393	352,393
Eichoff Nurses Training Scholarship	352,393	352,393
Eichoff Nurses Training Equipment and Supply Fund	364,669	364,669
Paul and Charlotte Couture Alumni Agriculture Scholarship	9,682	9,682
Shirley Woodward Piano Scholarship	5,664	5,664
Dorothy Torme Vlach Scholarship	5,000	5,000
Gladys Burke Endowed Choral Scholarship	20,000	20,000
George McGowen Memorial Scholarship	7,472	7,472
Robert Beck Scholarship	100,846	100,846
Brouwer Weersing Scholarship	10,000	10,000
PMZ Community Foundation Scholarship	7,100	7,100
Friends of Guitar	8,790	8,790
Olsen Auditorium Maintenance	100,000	100,000
Olsen Re-Entry Women's	25,000	25,000
Modesto Institute for Continued Learning	8,135	8,135
Fran Nunes Memorial Fund	20,000	20,000
Raymond and Vivian Olsen Arts and Agriculture Program Endowment	427,341	427,341
William O. and Metta B. Mashek Endowed Scholarship	100,000	100,000
Dorothy Dudley Memorial Scholarship	865,755	865,755
Ernest Gallo Memorial Scholarship Fund	269,315	269,315
Georgia Pappas - Stardust Farms Scholarship	11,000	11,000
Jo W. Ewin Scholarship	5,110	5,110
Stanislaus County Veteran's Advisory Council Scholarship	20,000	20,000
Careers in Advance Manufacturing	29,928	29,928
Raymond Bates Scholarship	20,000	20,000
The Marsh Memorial Scholarship for Nursing Students	49,880	49,880
County Bank Scholarships	50,000	50,000
Otis Vlach Agriculture Scholarship Endowment	5,000	5,000
R.G. Williams Scholarship	5,000	5,000
Marty Johnson Nursing Scholarship	5,000	5,000
Homer Bowen Memorial Scholarship	5,155	5,155
Jann and Jim Williams Scholarship	20,500	-
Child Development	5,000	-
Total Permanently Restricted Net Assets	<u>\$ 5,465,738</u>	<u>\$ 5,440,238</u>

4. ADMINISTRATIVE EXPENSES

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

5. GOING CONCERN CONSIDERATIONS

The Foundation has experienced a decrease in net assets for the last two years due to the decline in the economy and investment markets. To mitigate the effect of these conditions, the Foundation is searching for new sources of revenue and looking for ways to reduce program and supporting expenses. The ability of the Foundation to continue as a going concern is dependent on the success of these actions. The financial statements do not include any adjustments that might be necessary if the Foundation is unable to continue as a going concern.

Good Afternoon,

As of January 1, 2009, the State of California adopted The Uniform Prudent Management of Institutional Funds Act (UPMIFA). The purpose of UPMIFA is to; define and endowment, clarify how a charity can invest an endowment, and regulate how much of an endowment a charity can spend.

In addition to the above regulation; FASB Staff Position 117-1 sets forth guidelines for reporting endowments and the disclosure of Foundation's spending and investment policies.

We have drafted a new investment disclosure that addresses the above topics. Please review and let us know if your investment and spending policy agree. In addition, please update the highlighted areas with the correct percentages; as set forth by your spending and investment policies and please forward a current copy of those policies to us for our files.

Investment and Spending Policies The Foundation follows the Uniform Prudent Management of Institutional Funds Act of 2008 (UPMIFA) and its own governing documents. UPMIFA requires the historical dollar amount of a donor-restricted endowment fund to be preserved. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable under UPMIFA. The Foundation's donors have not placed restrictions on the use of the investment income or net appreciation resulting from the donor-restricted endowment funds.

The Foundation has adopted investment and spending policies, approved by the Board of Trustees, 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 these endowment assets over the long-term. The Foundation's spending and investment policies work together to achieve this objective. The investment policy establishes and achievable return objective through diversification of asset classes. The current long-term return objective is a rate of ___%. Actual returns in any given year may vary from this amount. 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 an emphasis on money market funds, bond funds, and equity based investments to achieve its long-term return objective within prudent risk parameters.

The spending policy calculates the amount of money distributed annually from the Foundation's various endowment funds for grant making and administration. The current spending policy is to distribute an amount at least equal to ___% of a moving four-year average of the fair value of the endowment funds. Accordingly, over the long term, the Foundation expects its current spending policy to allow its objective to maintain the purchasing power of endowment assets as well as to provide additional real growth through investment return.

If you have any questions regarding either of these topics, please do not hesitate to either call me or Jenette Vanella.

Thank you,

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Fundraising Ideas

Excerpted from April 3, 2009 Foundation Board Minutes

Discussion/Action Agenda

1. Foundation Strategic Planning

The following suggestions for future fundraising was a result of a brainstorming session by the board:

Amy Neumann suggested the board focus on the 30-40 something age group which is our next leaders within the community. She thought we could reach out to this demographic by offering more family-oriented events. Amy takes her family to the MAPS series and both she and her children love them. We need more events like this on campus which could be a fundraiser for the Foundation. Paul Neumann added that this age group also has a real connection to MJC. These are the individuals that we need to keep in contact with and remind how much MJC has to offer.

Eileen Faria suggested a way to get more retiree's to attend the Summer Sonata might be to offer a buy one ticket/ get the other for free option. She commented that \$300 for one couple might be too much.

Ron Ramont suggested we take a close look at our resources and maybe form partnerships with other departments on campus – such as the Ag Department.

Jerry Cooper suggested both Golf Tournaments and Crab Feeds.

Babette Wagner suggested we use the MJC Performing Arts Center (Auditorium) to have high school and junior high schools participate in contests (singing, dancing, musicians, etc). Sponsorships could provide prizes for the winners. Babette also suggested offering events for adults while offering child care on site for a small fee. Babette commented that she recently attended a Doo-Wop concert which was very well attended. Maybe we could have a "Doo-Wop or Lounge Act Night".

Geoffrey Hutcheson suggested the Foundation organize an event similar to Modesto's X-Fest (which is well attended). Geoffrey suggested more events aimed more to the college-age crowd.

Steve Collins suggested the Foundation seek more Board Members in the 30-40 age range. Steve also suggested adding some non-native board members (to get some fresh ideas). Steve mentioned the Kiwanis Annual Car Show and suggested the Alumni Association get involved. Steve added that we have the Summer Sonata which is a higher end event and that maybe we needed something more inexpensive (such as a flea market or booths at fairs).

Jim West suggested lunch with the MJC President (at Del Rio Country Club) and Modesto Nuts – College Night.

Gary Whitfield mentioned that most of the Student Center on the MJC east campus will be closed from May through about January 2010 due to a HVAC project. This could pose some space issues on both campuses due to the relocation of all of those offices during the construction. No events will be scheduled in the Mary Stuart Rogers Student Center until the project is complete.

Gene Hill shared a fundraising idea which has been very successful with other non-profits throughout the U.S. The fundraiser is usually called *Festival of Trees* or *Symphony of Trees* and is a weeklong festival Thanksgiving week. Trees will be sponsored, decorated and auctioned. The area will be created into a winter wonderland which could include Santa Claus, a Sweet Shop, face painting, musicians, dancers, performers, etc. There will be an inexpensive fee to the community to view the trees throughout the week and partake in family-centered festivities. The entire college and surrounding community will be invited and volunteers/partnerships will be sought. The Foundation will talk with non-profits that have been successful with the fundraiser to get more idea/suggestions. A location will need to be explored soon since the Mary Stuart Rogers Building will not be available. More info on this fundraiser will be shared with the board. Gene encouraged the board to contact him if there are any questions.

Gene asked for the Board's permission to write a Direct Mail/Solicitation Letter. The board shared no objections to the request.

Gene mentioned the MJC Employee Campaign will be launched in September 2009.

Gene would like to distribute a Foundation Newsletter (in the past it was called Foundation Focus).

Modesto Junior College

Foundation Balance Sheet October 2009

Assets

Due To/From Fund 11		
Due To/From Fund 12		
Cash On Hand		200.00
Cash in Checking-BOFA		266,467.03
Cash in Checking-Cash/Money Account	433,400.93	
Cash In Checking-Fixed Income		
Cash In Checking-Acc. Interest		
Cash In Checking-Market Value Adjustments		433,400.93
Investment At the Market-ING Inv Mgmt-Cash/Money Fund	107,935.79	
Investment At the Market-ING-Inv Mgmt Taxable Fixed	2,180,988.97	
Investment At the Market-ING Inv Mgmt-Acc. Interest	24,442.35	
Investment At the Market-ING Inv Mgmt-M.V. Adj.	26,607.74	2,339,974.85
Investment At the Market-Blackrock CDP-Cash/Money Fund	44,328.26	
Investment At the Market-Blackrock CDP-Equities	960,034.17	
Investment At the Market-Blackrock CDP-Market Value Adj.	145,661.76	1,150,024.19
Investment At the Market-Allianz Multi CDP-Cash/Money Fund	45,438.01	
Investment At the Market-Allianz Multi CDP-Equities	1,180,202.03	
Investment At the Market-Allianz Multi CDP-Market Value Adj.	176,763.35	1,402,403.39
Certificate of Deposits		363,321.70
Accounts Receivable		5,714.64
Accounts Receivable-Recital Hall Seats		2,547.84
Accounts Receivable-Prime Shine		3,338.28
Due from Other Funds		30,000.00
Other Assets		1,166.18

Total Assets

5,998,559.03

Liabilities

Due To/From Fund 11	22,502.90	
Due To/From Fund 12	1,488.24	23,991.14
Accounts Payable		
Sales Tax Payable		
Student Loans		5,000.00
Suspense		
Deferred Income		
Custodial Accounts		195,257.17

Total Liabilities

224,248.31

Modesto Junior College

Foundation Balance Sheet October 2009

Fund Balances

Begin Balance-Unrestricted	100,590.47
Inc(Dec) In Fund Balance	(10,425.97)
Total Unrestricted Fund Balance	<u>90,164.50</u>

Restricted

Begin Balance-Restricted	5,298,144.21
Fund Balance Reserved	(15,951.59)
Inc(Dec) in Fund Balance	386,729.61
Total Restricted Endowment Fund Balance	<u>5,668,922.23</u>

Temporarily Restricted

 Gallo

MICL Fund

MICL Fund-Begin Balance	14,747.34
Inc(Dec) In Fund Balance	476.65
Total MICL Fund Balance	<u>15,223.99</u>

Total Liabilities/F.B.

5,998,559.03
<u>5,998,559.03</u>
0.00

Expenditures from Checking Account
 October 2009
 Statement

October	8679	Elise Kennedy	\$ 250.00	Williams Endowment	Scholarship
	8695	Keith Fulan	\$ 500.00	CAM Endowment	Scholarship
	8705	Melissa Stegall	\$ 1,000.00	CAM Endowment	Scholarship
	8723	YCCD	\$ 300.00	Other Liabilities/Unre	Program Support
	8738	Amy Bethel	\$ 17.20	Summer Sonata	Ice Cream Social for Basket Donors
	8739	Ellen Brumley	\$ 250.00	Other Liabilities	Plant/Crop Science Scholarship
	8748	John Crowe	\$ 1,000.00	Nursing Alumni	Scholarship
	8749	Tina Giron	\$ 105.89	Alumni	Reimbursement for Homecoming Supplies
	8750	Suzie Johnson	\$ 434.64		
	8751	Shauna Krajewski	\$ 1,000.00	Nursing Alumni	Scholarship
	8752	ABS Presort	\$ 746.85	Unrestricted	Summer Appeal
	8753	Amy Bethel	\$ 60.40	Alumni	Supplies and Volunteer Meal Homecoming
	8754	Business Services	\$ 8.67	Unrestricted	Coffee for Board Meeting
	8755	Modesto Bee	\$ 479.11	Unrestricted	Advertising/Reimbursed by Arts Div
	8756	Modesto Rotary	\$ 100.00	Unrestricted	Fine for Advertising
	8758	Ward Promotional	\$ 318.85	Alumni	Table Cover
	8759	YCCD	\$ 33,711.70	Unrestricted	Due To/Due From reimbursements to YCCD
	8760	MJC Athletics	\$ 538.44	Other Liabilities	Men's Basketball per Donor Designation
	8761	Gene Hill	\$ 320.70	Unrestricted	Student Book Loan, Supplies and Lunches