

SAN JUAN COLLEGE FOUNDATION, INC.
FINANCIAL STATEMENTS
Years Ended
JUNE 30, 2010 and 2009
WITH
INDEPENDENT AUDITORS' REPORT

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INTRODUCTORY SECTION

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SAN JUAN COLLEGE FOUNDATION, INC.
ANNUAL FINANCIAL REPORT
June 30, 2010 and 2009

OFFICIAL ROSTER

Marjorie Black	President
Beverly Taylor	Vice President
Charles Clouthier	Treasurer
Len Scalzi	Secretary
Tucker Bayless	Member
Norman Benally	Member
Danny Beyhan	Member
Scott Bird	Member
Dr. Robert J. Burns	Member
David Cardiff	Member
Del Craddock	Member
Gayle Dean	Member
Richard Fraley	Member
Kerwin Gober	Member
Curtis Gurley	Member
Dr. James C. Henderson	Member
Jeff Howle	Member
Russell Huffman	Member
Danny Jaap	Member
Kenneth Leach	Member
Richard Ledbetter	Member
T. Greg Merrion	Member
Jason Sandel	Member
Gregory Smith	Member
Dr. Carol J. Spencer	Member
Myron Taylor	Member
Jan Tucker	Member
Craig Walling	Member

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**SAN JUAN COLLEGE FOUNDATION, INC.
ANNUAL FINANCIAL REPORT
June 30, 2009 and 2008**

TABLE OF CONTENTS

	<u>Page</u>
Introduction Section:	
Official Roster	i
Table of contents.....	iii
Financial Section:	
Independent Auditors' Report	3
Financial Statements:	
Statements of Financial Position	5
Statement of Activities – Year ended June 30, 2010.....	6
Statement of Activities – Year ended June 30, 2009.....	7
Statements of Cash Flows.....	8
Notes to Financial Statements	9
Supplemental Information:	
Schedules of General and Administrative Expenses	21
Schedule of Individual Deposits and Investment Accounts	22
Budget Comparison Report	23
Government Audit Section:	
Report on Internal Control over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	27
Required Disclosures	30

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INDEPENDENT AUDITORS' REPORT

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CERTIFIED PUBLIC ACCOUNTANTS

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Farmington, NM 87401

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INDEPENDENT AUDITORS' REPORT

Hector H. Balderas, State Auditor, and
The Board of Directors of
San Juan College Foundation, Inc.

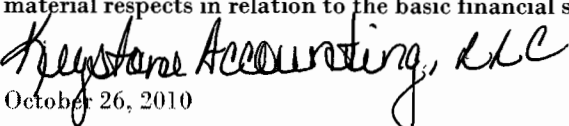
We have audited the accompanying statements of financial position of San Juan College Foundation, Inc. (a nonprofit organization)(a component unit of San Juan College), as of and for the year ended June 30, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on the audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 San Juan College Foundation, Inc. as of June 30, 2010 and 2009, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standard, we have also issued our report dated October 26, 2010 on our consideration of San Juan College Foundation, Inc.'s internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audits were conducted for the purpose of forming opinions on the basic financial statements. The additional schedules listed as supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statement and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


October 26, 2010

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SAN JUAN COLLEGE FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2010 and 2009

	June 30,	
	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and cash equivalents	\$ 477,170	\$ 258,346
Certificates of deposit	24,000	247,005
Pooled investments	7,693,890	6,928,129
Accrued investment income receivable	259	882
Unconditional promises to give	150,000	325,000
Land and buildings, net of accumulated depreciation of \$1,414,700 and \$1,273,230	3,502,997	3,644,467
Property held for investment	5,000	5,000
Beneficial interest in remainder trust	2,503,983	2,526,750
	<u>\$ 14,357,299</u>	<u>\$ 13,935,579</u>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	\$ 144,645	\$ 197,043
Possible Dreams deposits	243,254	249,224
	<u>387,899</u>	<u>446,267</u>
NET ASSETS		
Unrestricted	781,763	592,421
Temporarily restricted	3,770,453	3,894,684
Permanently restricted	9,417,184	9,002,207
	<u>13,969,400</u>	<u>13,489,312</u>
	<u>\$ 14,357,299</u>	<u>\$ 13,935,579</u>

The notes to the financial statements are an integral part of this statement.

SAN JUAN COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
REVENUES:				
Contributions, net	\$ 289,339	\$ 811,838	\$ 45,068	\$ 1,146,245
Noncash contributions:				
Collectibles and assets	-	125,151	-	125,151
Investment income	67,434	2,778	322,727	392,939
Net unrealized gain on investments	82,853	2,947	407,419	493,219
Change in value of split- interest agreements	1,729	-	(24,496)	(22,767)
Other	2,495	-	-	2,495
Net assets transferred	162,600	(32,500)	(130,100)	-
Net assets released from restrictions	1,240,086	(1,034,445)	(205,641)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	1,846,536	(124,231)	414,977	2,137,282
EXPENSES:				
Scholarships	406,294	-	-	406,294
College awards, programs, and relations	681,905	-	-	681,905
General and administrative	183,863	-	-	183,863
Investment management fees	115,608	-	-	115,608
Fund raising expenses	128,054	-	-	128,054
Depreciation	141,470	-	-	141,470
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Total Expenses	1,657,194	-	-	1,657,194
EXCESS (DIFFICIENCY) OF REVENUES OVER EXPENSES				
	189,342	(124,231)	414,977	480,088
NET ASSETS, beginning				
	592,421	3,894,684	9,002,207	13,489,312
NET ASSETS, ending				
	<u>\$ 781,763</u>	<u>\$ 3,770,453</u>	<u>\$ 9,417,184</u>	<u>\$ 13,969,400</u>

The notes to the financial statements are an integral part of this statement.

SAN JUAN COLLEGE FOUNDATION, INC.
STATEMENT OF ACTIVITIES
Year Ended June 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Totals</u>
REVENUES:				
Contributions, net	\$ 713,709	\$ 1,497,847	\$ 111,876	\$ 2,323,432
Noncash contributions:				
Collectibles and assets	-	107,043	-	107,043
Investment income	(297,410)	(1,412)	(791,809)	(1,090,631)
Net unrealized loss on investments	(264,461)	(2,034)	(693,214)	(959,709)
Change in value of split- interest agreements	(32,197)	-	(768,233)	(800,430)
Other	1,261	896	-	2,157
Net assets transferred	211,000	-	(211,000)	-
Net assets released from restrictions	2,227,904	(1,922,509)	(305,395)	-
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Total Revenues	2,559,806	(320,169)	(2,657,775)	(418,138)
EXPENSES:				
Scholarships	483,625	-	-	483,625
Capital Projects	1,900,000	-	-	1,900,000
College awards, programs, and relations	1,136,479	-	-	1,136,479
General and administrative	208,476	-	-	208,476
Investment management fees	85,359	-	-	85,359
Fund raising expenses	138,595	-	-	138,595
Depreciation	141,470	-	-	141,470
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Total Expenses	4,094,004	-	-	4,094,004
EXCESS (DIFFICIENCY) OF REVENUES OVER EXPENSES	(1,534,198)	(320,169)	(2,657,775)	(4,512,142)
NET ASSETS, beginning	2,126,619	4,214,853	11,659,982	18,001,454
NET ASSETS, ending	<u>\$ 592,421</u>	<u>\$ 3,894,684</u>	<u>\$ 9,002,207</u>	<u>\$ 13,489,312</u>

The notes to the financial statements are an integral part of this statement.

SAN JUAN COLLEGE FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2010 and 2009

	<u>Years Ended June 30,</u>	
	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 480,088	\$ (4,512,142)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation expense	141,470	141,470
Changes in:		
Unconditional promises	175,000	(55,000)
Accrued investment income receivable	623	4,411
Accounts payable	(52,398)	47,596
Possible Dreams deposits	(5,970)	(16,587)
Beneficial interest in remainder trusts	22,767	800,430
	<u>761,580</u>	<u>(3,589,822)</u>
Net Cash Provided (Used) By Operating Activities		
	<u>761,580</u>	<u>(3,589,822)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change In Certificate's of Deposit	223,005	(4,631)
Change in pooled investments	(765,761)	3,518,070
	<u>(542,756)</u>	<u>3,513,439</u>
Net Cash Provided (Used) By Investing Activities		
	<u>(542,756)</u>	<u>3,513,439</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	218,824	(76,383)
CASH AND CASH EQUIVALENTS, beginning	<u>258,346</u>	<u>334,729</u>
CASH AND CASH EQUIVALENTS, ending	<u>\$ 477,170</u>	<u>\$ 258,346</u>

The notes to the financial statements are an integral part of this statement.

SAN JUAN COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

San Juan College Foundation, Inc. (Foundation) is a legally separate, tax – exempt component of San Juan College (College). The Foundation acts primarily as a fund raising organization to supplement the resources that are available to the College in support of its programs. The twenty-eight member board of the Foundation consists of graduates and friends of the Foundation. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can be used by, or for the benefit of, the College only, the Foundation is considered a component unit of the College and is discretely presented in the College's financial statements.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Financial Statement Presentation

The Foundation reports 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) based upon the existence or absence of donor-imposed restrictions.

Promises To Give Contributions

Promises to give contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The unconditional promises to give receivables reported in the statements of financial position are considered fully collectible, and therefore no allowance for doubtful accounts has been recorded.

SAN JUAN COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers cash equivalents to be demand deposits and short-term money market mutual fund investments, with maturities of three months or less from the date of acquisition.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Property and Equipment

The Organization follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$1,000. Depreciation is computed on a straight-line basis over the following estimated useful lives of the assets:

	<u>Years</u>
Building	25
Improvements	10-25
Equipment, furniture and fixtures	5-7

Maintenance, repairs and renewals which neither materially add to the value of the property nor appreciably prolong its life are charged to expense as incurred.

Possible Dreams Deposits

The Foundation created a program named Possible Dreams, whereby all eighth grade students in San Juan County are invited to deposit in a college fund to meet the tuition when they graduate from high school. The participants receive a refund less a service charge of \$25 if they drop out of the program.

The Foundation is liable for a maximum of \$360 in tuition to San Juan College if the student meets certain requirements.

SAN JUAN COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Foundation is a publicly supported organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

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.

Concentration of Credit Risk

The Foundation maintains deposits in two financial institutions located in Farmington, New Mexico. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 on June 30, 2010 and June 30, 2009. As of June 30, 2010 and 2009, the Foundation's uninsured cash deposits total was approximately \$20,468 and \$38,475, respectively.

Fair Value of Financial Instruments

Unless otherwise indicated, the fair values of all report assets and liabilities which represent financial instruments approximate the carrying value of such amounts.

Subsequent Events

Subsequent events were evaluated through October 26, 2010, which is the date the financial statements were available to be issued.

SAN JUAN COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 2 - POOLED INVESTMENTS

Pooled investments consist of the following as of June 30, 2010:

	<u>Cost</u>	<u>Market</u>
Investments held by investment managers:		
Money market accounts	\$ 372,261	\$ 372,261
Equities	6,753,187	6,623,007
Fixed income securities	522,040	558,623
Other	<u>143,399</u>	<u>139,999</u>
Total Pooled Investments	<u>\$ 7,790,887</u>	<u>\$ 7,693,890</u>

Pooled investments consist of the following as of June 30, 2009:

	<u>Cost</u>	<u>Market</u>
Investments held by investment managers:		
Certificates of Deposit	\$ 90,000	\$ 92,184
Money market accounts	360,083	360,083
Equities	5,646,034	5,012,252
Fixed income securities	<u>1,415,662</u>	<u>1,463,610</u>
Total Pooled Investments	<u>\$ 7,511,779</u>	<u>\$ 6,928,129</u>

The Foundation investments exposed to interest rate risk are primarily invested in short and intermediate term bonds and bond funds. Maturity rates for Foundation investments are as follows:

SAN JUAN COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 2 - POOLED INVESTMENTS (continued)

Maturity rates consist of the following as of June 30, 2010:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>			
		<u>Not subject to</u>		<u>Less than 1</u>	
		<u>Interest Rate</u>	<u>Risk</u>	<u>Year</u>	<u>1 - 5 Years</u>
Money Market	\$ 372,261	\$ 372,261	\$ -	\$ -	\$ -
Equities	4,714,964	4,714,964	-	-	-
Mutual Funds Equity	1,908,043	1,908,043	-	-	-
Alternative Investment	139,999	139,999	-	-	-
Mutual Funds - Fixed Income	558,623	-	-	320,465	238,158
Total Investments	\$ 7,693,890	\$ 7,135,267	\$ -	\$ 320,465	\$ 238,158

Maturity rates consist of the following as of June 30, 2009

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>			
		<u>Not subject to</u>		<u>Less than 1</u>	
		<u>Interest Rate</u>	<u>Risk</u>	<u>Year</u>	<u>1 - 5 Years</u>
Money Market	\$ 360,083	\$ 360,083	\$ -	\$ -	\$ -
Equities	2,477,288	2,477,288	-	-	-
Mutual Funds Equity	2,974,252	2,974,252	-	-	-
Certificate of Deposit	92,184	-	30,257	61,927	-
Corporate Bond	557,388	-	239,171	199,402	118,815
Treasury and Agency	367,645	-	-	276,918	90,727
Asset Back Securities	99,289	-	-	-	99,289
Total Investments	\$ 6,928,129	\$ 5,811,623	\$ 269,428	\$ 538,247	\$ 308,831

SAN JUAN COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 2 - POOLED INVESTMENTS (continued)

The Foundation investments at June 30, 2010 are currently held in non-debt investment and thus are not subject to credit risk.

Credit ratings in investments in debt securities at June 30, 2009 are as follows:

<u>Investment Type</u>	Moody's / <u>S&P</u> <u>Ratings</u>	<u>Fair Value</u>
Corporate Bonds	A1/ A	\$ 61,275
Corporate Bonds	A1/ AA-	25,651
Corporate Bonds	A2/ A	189,752
Corporate Bonds	A3/ A	41,612
Corporate Bonds	A3/ A-	63,207
Corporate Bonds	A3/ BBB+	24,276
Corporate Bonds	Aa2/ AA+	30,905
Corporate Bonds	BA2 / BB	75,834
Corporate Bonds	Baa/ BBB+	44,876
Agency	Aaa/ AAA	144,891
Treasuries	Aaa/ AAA	<u>222,754</u>
Total Rated Investments		<u>\$ 925,033</u>

SAN JUAN COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 2 - POOLED INVESTMENTS (continued)

NOTE 3 – UNCONDITIONAL PROMISES TO GIVE

Pledges receivable are expected to be fully collectible based on historical collections. Unconditional promises to give are as follows:

	<u>2010</u>	<u>2009</u>
Receivables, less than one year.....	\$ 150,000	\$ 175,000
Receivables, more than one year.....	-	150,000
Total unconditional promises to give.....	<u>\$ 150,000</u>	<u>\$ 325,000</u>

NOTE 4 – BENEFICIAL INTEREST IN REMAINDER TRUSTS

Beneficial interest in remainder trusts are as follows:

	<u>2010</u>	<u>2009</u>
Beneficial interest in remainder trusts.....	\$6,040,224	\$6,188,666
Less discounts to net present value.....	<u>3,536,241</u>	<u>3,661,916</u>
Net beneficial interest in remainder trusts.....	<u>\$2,503,983</u>	<u>\$2,526,750</u>

Discount rate used on long-term promises to give was approximately 4% as of June 30, 2010 and 2009.

SAN JUAN COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 5 – LAND AND BUILDINGS

Land and buildings consists of the following:

	<u>2010</u>	<u>2009</u>
Land	\$1,130,945	\$1,130,945
Buildings	<u>3,786,752</u>	<u>3,786,752</u>
Total	4,917,697	4,917,697
Less accumulated depreciation	<u>(1,414,700)</u>	<u>(1,273,230)</u>
	<u>\$3,502,997</u>	<u>\$3,644,467</u>

NOTE 6 - SAN JUAN COLLEGE SUPPORT

San Juan College, principally through its Development Office, provides services for the administration of the Foundation in the form of personnel, equipment, and supplies to the Foundation. During the year ended June 30, 2010 and 2009, the financial statements included contributed services and corresponding general and administrative services expense of \$242,252 and \$253,683, respectively. Contributed services during the year ended June 30, 2010 and 2009 were reimbursed to the College through cash payments totaling \$242,252 and \$253,683 respectively.

NOTE 7 – TRUST AGREEMENTS

In 1986, a trust fund was established for the Roy G. Dalpra Scholarship Fund held by Citizens Bank as Trustee. The market value of the assets of the Trust approximated \$721,159 and \$664,231 as of June 30, 2010 and 2009, respectively. The Trustee has sole uncontrolled discretion regarding the distribution of the Trust funds to the Foundation. Distributions from the Trust are recorded as income in the year received and the assets are not included in these financial statements. The Foundation received \$25,700 in distributions from the trust during the year ending June 30, 2010.

In 2000, an individual established a charitable remainder unitrust agreement, and the Foundation was named as primary beneficiary under the trust administered by a trust company. The trust is an irrevocable trust. The assets of the trust are included in the Statement of Financial Position as a beneficial interest in remainder trust in the amount of \$2,252,710.

SAN JUAN COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 7 – TRUST AGREEMENTS (continued)

In 2001, an individual established a charitable remainder unitrust agreement, and the Foundation was named as primary beneficiary under the trust administered by an investment company. The trust is an irrevocable trust. The assets of the trust are included in the Statement of Financial Position as a beneficial interest in remainder trust in the amount of \$181,120.

In 2002, an individual established a charitable remainder unitrust agreement, and the Foundation was named as primary beneficiary under the trust administered by an investment company. The trust is an irrevocable trust. The assets of the trust are included in the Statement of Financial Position as a beneficial interest in remainder trust in the amount of \$70,153.

In 2006, an individual established a second charitable remainder unitrust agreement, and the Foundation was named as the current primary beneficiary under the trust administered by a trust company. The trust is an irrevocable trust, but includes the power to designate additional or substitute charitable remaindermen, during the lifetime of the individual establishing the trust. The market value of the assets of the trust approximated \$451,364 and \$423,968 as of June 30, 2010 and 2009, respectively. The trustee retains sole authority to invest and manage the trust assets and is required to distribute to the Foundation, not less than \$30,000 each year, after the death of the individual establishing the trust. The assets of the trust are not included in the Statement of Financial Position. During the year ended June 30, 2010 there were no distributions received from the trust.

NOTE 8 – DONATED LAND AND BUILDINGS

During the year ended June 30, 2001, a company gifted real property to the Foundation. The Foundation accepted the real property as a part of the permanent assets of the Foundation. The land and buildings were valued at \$4,300,000 based on an independent appraisal. The Foundation entered into an agreement allowing San Juan College to use the land and buildings at no cost.

SAN JUAN COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

NOTE 9 – NET ASSETS

Temporarily restricted net assets are as follows:

	<u>2010</u>	<u>2009</u>
Awards.....	\$ 6,000	\$ -
Art gallery support.....	171	1,791
Building and land.....	2,885,300	3,026,770
College programs.....	490,773	480,833
Golf tournament scholarships.....	26,000	26,000
Public events support.....	8,217	625
Scholarships.....	276,728	283,218
Scholarships – partially funded endowed...	75,128	73,311
Special projects.....	<u>2,136</u>	<u>2,136</u>
Temporarily Restricted Net Assets	<u>\$3,770,453</u>	<u>\$3,894,684</u>

Permanently restricted net assets are as follows:

	<u>2010</u>	<u>2009</u>
Charitable remainder unitrust.....	\$ 2,433,830	\$ 2,458,326
College programs.....	230,768	215,385
Distinguished Teaching Chair Awards.....	821,649	769,459
Faculty Awards.....	77,670	75,733
Library Support.....	702,911	678,453
Mentoring and Tutoring.....	48,413	46,648
Scholarships.....	4,161,748	3,882,772
Staff Awards.....	40,971	39,605
Student Awards.....	52,475	50,392
Student Books.....	91,285	85,711
US Department of Education Title III.....	<u>755,464</u>	<u>699,723</u>
Permanently Restricted Net Assets	<u>\$ 9,417,184</u>	<u>\$ 9,002,207</u>

NOTE 10 – BUDGETARY INFORMATION

An internal budget is prepared by management and approved by the Board of Directors. Actual expenditures may not exceed budgeted expenditures in total. This budget is used as a guide to control expenditures during the year. For the year ended June 30, 2010, total budgeted expenditures did not exceed total expenditures as follows:

	<u>Total Budget</u>	<u>Total Expenditures</u>	<u>Over (Under) Budget</u>
San Juan College Foundation	<u>\$ 1,785,265</u>	<u>\$ 1,532,041</u>	<u>\$ 253,224</u>

SUPPLEMENTAL INFORMATION

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SAN JUAN COLLEGE FOUNDATION, INC.
SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES
Years Ended June 30, 2010 and 2009

	Years Ended June 30,	
	<u>2010</u>	<u>2009</u>
Bank charges and fees	\$ 1,548	\$ 2,152
Bond and insurance	2,539	2,558
Computer expenses	5,584	7,114
Conferences and training	-	745
Membership dues	3,590	3,381
Miscellaneous	92	32
Newsletters	5,000	5,000
Office supplies	384	825
Postage	1,341	1,534
Printing	1,147	2,385
Professional fees	-	1,500
Promotional expenses	4,030	19,479
Publications	125	179
Salaries and benefits	237,685	242,354
Taxes	234	641
Telephone	813	759
Travel	4,616	6,602
G & A Allocated to Fundraising	<u>(84,865)</u>	<u>(88,764)</u>
 Total	 <u>\$ 183,863</u>	 <u>\$ 208,476</u>

SAN JUAN COLLEGE FOUNDATION, INC.
SCHEDULE OF INDIVIDUAL DEPOSIT AND INVESTMENT ACCOUNTS
Year Ended June 30, 2010

<u>Financial Institution</u>	<u>Account Type</u>	<u>Investment Type</u>	<u>Amount</u>
Cash on Hand	Petty Cash	Cash	\$ 12
Citizens Bank	Checking	Cash	231,863
Wells Fargo Bank N.A.	Checking	Cash	68
Wells Fargo Bank N.A.	Checking	Cash	2,000
Wells Fargo Bank N.A.	Checking	Cash	19,597
Wells Fargo Bank N.A.	Bus. High Yield Savings	Cash	<u>224,803</u>
Total Cash per banks			478,343
Deposits in Transit			1,626
Less outstanding checks			<u>(2,799)</u>
Cash and cash equivalents per financial statements			<u>\$ 477,170</u>
Wells Fargo Bank N.A.	Time Deposit	Certificate of Deposit	<u>\$ 24,000</u>
Certificates of deposits per financial statements			<u>\$ 24,000</u>
Citizens Trust and Investment Corp	Investment Mgt. Acct.	Money Market	\$ 58,883
Citizens Trust and Investment Corp.	Investment Mgt. Acct.	Mutual Funds - Equity	742,937
Citizens Trust and Investment Corp.	Investment Mgt. Acct.	Mutual Funds - Fixed Income	558,623
MorganStanley SmithBarney	Managed Investment #1	Money Market	5,386
MorganStanley SmithBarney	Managed Investment #2	Money Market	134,147
MorganStanley SmithBarney	Managed Investment #2	Equity - Common Stocks	1,989,154
MorganStanley SmithBarney	Managed Investment #2	Mutual Funds - Equity	158,308
Raymond James - Wentworth	Managed Investment	Money Market	14,344
Raymond James - Wentworth	Managed Investment	Equity - Common Stocks	582,227
Raymond James - Eagle Asset Mgmt. High Quality	Managed Investment	Money Market	7,182
Raymond James	Managed Investment	Money Market	28,987
Raymond James	Managed Investment	Mutual Funds - Equity	677,061
Raymond James - Eagle Asset Mgmt. Small Cap	Managed Investment	Money Market	16
Raymond James - Unified Managed Freedom Growth	Managed Investment	Money Market	122,649
Raymond James - Unified Managed Freedom Growth	Managed Investment	Equity - Common Stocks	2,137,950
Raymond James - Unified Managed Freedom Growth	Managed Investment	Mutual Funds - Equity	329,737
Raymond James - Unified Managed Freedom Growth	Managed Investment	Alternative	139,999
Wells Fargo Investments	Investment	Cash	553
Wells Fargo Investments	Investment	Money Market	112
Wells Fargo Investments	Investment	Equity - Common Stocks	<u>5,632</u>
Total pooled investments			<u>\$ 7,693,890</u>

**San Juan College Foundation
Budget Comparison Report
For The Fiscal Year June 2010**

	<u>Actual YTD Amount</u>	<u>Annual Budgeted Amount</u>	<u>Remaining (Over) Budget Amount</u>
<u>Revenue</u>			
Contributions - Unrestricted	\$ 147,785	\$ 150,000	\$ 2,215
Contributions - Restricted	718,206	530,000	(188,206)
Contributions - Endowment	72,050	200,000	127,950
Campaign Contributions	141,554	261,667	120,113
Golf Tournament Contributions	<u>66,650</u>	<u>70,000</u>	<u>3,350</u>
Cash (or Equivalents) Contribution Revenue	1,146,245	1,211,667	65,422
In Kind Contributions	<u>125,151</u>	<u>-</u>	<u>(125,151)</u>
All Contribution Revenue	1,271,396	1,211,667	(59,729)
Investment Income	392,938	84,000	(308,938)
Unrealized FMV Gain / (Loss) on Investments	493,219	126,000	(367,219)
In Kind College Support	242,252	251,562	9,310
Support Reimbursed to SJC	(242,252)	(251,562)	(9,310)
Other Income	2,495	2,000	(495)
NPV Change / Split Interest Trusts	<u>(22,767)</u>	<u>-</u>	<u>22,767</u>
Total Revenue	<u>2,137,281</u>	<u>1,423,667</u>	<u>(713,614)</u>
<u>Expenses</u>			
Awards	61,997	114,000	52,003
Bank Fees	1,548	2,200	652
Bond & Insurance	2,539	2,700	161
College Programs	481,001	618,000	136,999
College Relations	13,756	26,000	12,244
Computer Supplies / Expenses	5,584	10,000	4,416
Conferences & Training	-	1,000	1,000
Depreciation	141,470	141,500	30
Fund Raising	11,248	18,000	6,752
Golf Tournament Expenses	31,941	35,000	3,059
Investment Fees	115,608	88,000	(27,608)
Membership Dues	3,590	3,500	(90)
Miscellaneous	91	400	309
Newsletters	5,000	5,000	-
Office Supplies	384	1,300	916
Postage	1,340	2,500	1,160
Printing	1,146	2,600	1,454
Promotions	4,030	-	(4,030)
Publications	125	100	(25)
Salaries	237,685	242,400	4,715
Scholarships	406,294	463,000	56,706
Special Projects	-	2,135	2,135
Taxes	234	800	566
Telephone	813	830	17
Travel & Lodging	<u>4,616</u>	<u>4,300</u>	<u>(316)</u>
Budgeted Expenses	<u>1,532,041</u>	<u>1,785,265</u>	<u>253,224</u>
College Programs / In-Kind Transfers	<u>125,151</u>	<u>-</u>	<u>(125,151)</u>
Non-Budgeted Expenses	<u>125,151</u>	<u>-</u>	<u>(125,151)</u>
Total All Expenses	<u>1,657,192</u>	<u>1,785,265</u>	<u>128,073</u>
Excess / (Deficiency) of Revenue over Expenses	<u>\$ 480,090</u>	<u>\$ (361,598)</u>	<u>\$ (585,541)</u>

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Hector H. Balderas, State Auditor, and
The Board of Directors of
San Juan College Foundation, Inc.

We have audited the financial statements of San Juan College Foundation, Inc., (a nonprofit organization) (a component of San Juan College), as of and for the year ended June 30, 2010, and have issued our report thereon dated October 26, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered San Juan College Foundation, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of San Juan College Foundation, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of San Juan College Foundation, Inc.'s internal control over financial reporting.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Hector H. Balderas, State Auditor, and
The Board of Directors of
San Juan College Foundation, Inc

Compliance and Other Matters

As part of obtaining reasonable assurance about whether San Juan College Foundation, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the New Mexico State Auditor, New Mexico State Legislature, Higher Education Department, Board of Directors, management, others within the organization and is not intended to be and should not be used by anyone other than these specified parties.



October 26, 2010

REQUIRED DISCLOSURES

SAN JUAN COLLEGE FOUNDATION, INC.
REQUIRED DISCLOSURE
June 30, 2009

REQUIRED DISCLOSURE

The financial statements were prepared by the Foundation.

An exit conference was held October 26, 2010 during which the audit was discussed. The exit conference was attended by the following individuals:

San Juan College Foundation

Gayle Dean, Executive Director

Richard I. Ledbetter, Post President

San Juan College

Dr. Carol J. Spencer, President

J. Pernell Jones, Vice President for Business Services

Dianne Garcia, Associate Vice President for Business Services

R. Shane Chance, Chairman

KEYSTONE ACCOUNTING, LLC

Phil Rasband, CPA