



Foundation Board Meeting

Full Board Session: 3:00 p.m.

Wednesday – October 30, 2013

Meeting Location(See map)

Cravens Student Services Multi-Purpose Room

BOARD PACKETS ARE REQUIRED AT EVERY MEETING.
Please bring yours.

Our Mission:

The mission of the Foundation is to enhance the quality of education by advancing the College of the Desert through building relationships, securing philanthropic support and stewarding assets.

Our Vision:

To positively impact the lives of students who are striving to achieve a purposeful education and to enhance the communities of the Coachella Valley and the region.

Core Values:

- ✓ Accountability
- ✓ Integrity
- ✓ Service Excellence
- ✓ Trust



● Self-Serve 1-Day Parking



**Board of Directors Meeting
Wednesday, October 30th, 2013
Cravens Multi-Purpose Room**

(Board action required)**

- 1) Call to Order
- 2) Public Invitation to speak as per the Brown Act
- 3) **Approval of September Minutes..... Page: 1**
Approval of Audit Committee Minutes..... Page: 6
Approval of Finance Committee Minutes..... Page: 7
- 4) **Presentation/Review & Approval of 2012/13 Audit and 990 - Wayne Carlsen**
 - a) **Management Letter.....Page: 8**
 - b) **Audit..... Page: 13**
 - c) **990.....Page: 28**
- 5) **Approval of Financials---August & September 2013 – Russ Russell..... Page: 29**
- 6) **Foundation Board Items: Discussion/Action**
 - a) **Presentation Marketing Plan for 2013-14 – Kay Hazen**
 - b) **Revision to Operating Budget – Marketing Plan budget – Jim Hummer.....Page: 38**
 - c) **Ad Hoc Committee on revision to By-laws and Policy Manual..... Page: 42**
 - d) **Ad Hoc Committee on Stewardship..... Page: 42**
- 7) **Fundraising Report - Foundation Directors – Time set aside for Directors to report in their Fundraising efforts and contacts.**
 - a) **Status—President Circle—Membership status/In Home events**
 - b) **Identification of Individuals and organizations for donor development—Ideas from Members**
 - c) **Campus Tour update—Peter Sturgeon**
 - d) **Update on donations—review list/recent donations to Foundation**
 - e) **Status - Women of Distinction Nov. 12 Luncheon & Dec. 6 Chili Cook Off 3--Mary Latta**
 - f) **Status – Stepping Out for COD – Jim Hummer**
- 8) **Foundation Information Items:**
 - a) **College of the Desert President – Joel Kinnamon**
 - b) **Foundation Executive Director – Jim Hummer**
 - c) **Academic Senate President – Doug Redman**
 - d) **COD Trustee – Bonnie Stefan**
 - e) **Alumni – Gene Marchu**
- 9) **New Business**
- 10) **Adjournment**

Next meeting date to be discussed



Executive Meeting
 Wednesday, June 27, 2013 - 2:00 p.m.
 CSSC Multi-Purpose Room

MINUTES

Members Present

Joan Busick, Donna Jean Darby, Brian Holcombe, Mary Latta, Gene Marchu, Mark Nickerson, Doug Redman, Bonnie Stefan, Marcia Stein.

Members Absent

Bob Archer, Zerryl Becker, Peggy Cravens, Diane Gershowitz, Dr. Joel Kinnamon, Dr. Chuck Monell, Russ Russell, Larry Spicer.

Staff/Guests

Jim Hummer, Kippy Laflame, George Holliday, Peter Sturgeon, Aurora Wilson.

Call to Order

Donna Jean Darby called the Executive meeting to order at 2:04 p.m. with a quorum of members present.

Brown Act Invitation for Public Comment

No cards to speak were submitted from the public.

Treasurer Report – Financials Review - George Holliday

George gave an overview of the Audit that is presently being conducted. There was an error on the June 2013 financials. On page 19 of the board packet the Total Net Assets numbers were reversed: June 2012 should read \$22,678,106 and the June 2013 should read \$24,000,688. The auditors uncovered an error in the unrestricted funds. After reviewing the Moore Trust (\$1.2MM estate gift received May 2013) estate packet received, the auditors uncovered the fact that the money was not unrestricted but an endowment for scholarships. How the interest is used on endowments and how to memorialize them needs to be reviewed from a legal stand point; Brian Harnik will be brought in to review.

Foundation Reports Discussion

Review of summer projects Jim Hummer and Peter Sturgeon

The Chart of Net Assets summer project was discussed. In an effort to consolidate the 347 different funds all were reviewed by the staff this summer. In Phase I, all funds are now sorted by scholarships or program needs which will help the College. Fifty (50) funds with either 0 or negative balances were earmarked for consolidation, deletion or merging. Jim and Peter will be reviewing the parameters of doing so with Brian Harnik. **The Foundation's goals for the project is to have a more manageable number of funds** which would be accounted for on a monthly rather than quarterly and a more user friendly format for the Deans of the College. All documentation in the Foundation is scheduled to be scanned. This will enable us to find information that is needed for the Chart of Net Assets project. All endowments will be scrutinized. Marcia Stein inquired about how the College protects itself from cyber-attacks.

An internal Policy Manual was completed this summer.

The Foundation turned 30 this year and, after some research, Jim reported to the board that it raised approximately \$65MM in that period. Jim is looking into a revenue structure that would keep the Foundation running.

There will be a series of 24 articles over the next 6 months in the Desert Sun focusing on our students. Donna Jean mentioned a contact, Judd Spicer, which she made this summer who is a freelance sports writer for Palm Springs Life.

Fundraising Report

Academic Angels Report – Mary Latta

The events scheduled for the upcoming season are: Women of Distinction Luncheon on November 12th; Joan Busick, Peggy Cravens, Jeane Hilb, Birgit Moller, Kate Spates and Coeta Barker will be honored. Everyone was encouraged to attend it as well as Black Tie Chili Cook-Off II on December 6th.

Foundation Information Items

College of the Desert President report – Dr. Kinnamon

No report Dr. Kinnamon was unable to attend

Academic Senate President – Douglas Redman

Doug introduced himself to the members as this was his first board meeting as newly appointed Senate President.

COD Trustee - Bonnie Stefan and Aurora Wilson

Extension of Dr. Kinnamon's contract was discussed as well as new appointments: Lisa Howell, VP,

Administrative Services and Stan Dupree, Executive Director, Human Resources and Labor Relations.

A five year MOU was signed recently with the United States International Golf Academy. China will be sending 30 students per year to attend College of the Desert seeking certificates or degrees in Golf Management. The administrative fees collected from International students are substantial.

Alumni Report – Gene Marchu

A hand-out was given to all present including an Alumni Newsletter. The \$15 membership dues to the Alumni were discussed.

Scholarship Updates – Peter Sturgeon

Peter discussed his experience at FLEX introducing new staff to the Foundation.

The Foundation received \$45,000 in scholarships from Cardenas Markets. The \$200,000 Singer estate closed and we should be getting the funds shortly. The Epstein scholarship for \$25,000 was discussed.

President's Circle – Marcia Stein

The committee met last week to organize the November 17th Kick-Off event. The committee is still looking for hosts for in-home events.

Adjournment

Donna Jean Darby adjourned the meeting at 3:02 p.m.

Minutes taken by Kippy Laflame Executive Assistant



Board of Directors Meeting
Wednesday, June 27, 2013 - 3:00 p.m.
CSSC Multi-Purpose Room

M I N U T E S

Members Present

Joan Busick, Donna Jean Darby, Brian Holcombe, Mary Latta, Gene Marchu, Mark Nickerson, Doug Redman, Elizabeth Sealey, Kate Spates, Bonnie Stefan, Marcia Stein.

Members Absent

Carol Ammon, Bob Archer, Zerryl Becker, John J. Benoit, James Carona, Jean Carrus, Norma Castaneda, Peggy Cravens, Diane Gershowitz, Susan Hunt, Dr. Joel Kinnamon, Dr. Bill Kroonen, Donna MacMillan, John Marman, Penny Mason, JoAnn McGrath, Dr. Chuck Monell, Russ Russell, Dominique Shwe, Sally Simonds, Larry Spicer.

Staff/Guests

Jim Hummer, Kippy Laflame, George Holliday, Peter Sturgeon, Aurora Wilson.

Call to Order

Donna Jean Darby called the meeting to order at 3:07 with a quorum of members present.

Brown Act Invitation for Public Comment

No cards to speak were submitted from the public.

Approval of Minutes as distributed

It was M/S/C Marcia Stein/Mark Nickerson to approve the December 12, 2012 Executive Meeting Minutes.

It was M/S/C Bonnie Stefan/Mary Latta to approve the May 2013 Board Meeting Minutes.

It was M/S/C Brian Holcombe/Joan Busick to approve the June 13, 2013 Investment Committee Minutes.

Treasurer Report – Financials Review - George Holliday

George gave an overview of the Audit that is presently being conducted. There was an error on the June 2013 financials. On page 19 of the board packet the Total Net Assets numbers were reversed: June 2012 should read \$22,678,106 and the June 2013 should read \$24,000,688. The auditors uncovered an error in the unrestricted funds. After reviewing the Moore Trust (\$1.2MM estate gift received May 2013) estate packet received, the auditors uncovered the fact that the money was not unrestricted but an endowment for scholarships. How the interest is used on endowments and how to memorialize them needs to be reviewed from a legal standpoint; Brian Harnik will be brought in to review.

It was M/S/C Joan Busick/Bonnie Stefan to approve the May 2013 financials as distributed.

It was M/S/C Mary Latta/Mark Nickerson to approve the June 2013 financials as distributed.

It was M/S/C Bonnie Stefan/Elizabeth Sealey to approve the July 2013 financials as distributed.

Foundation Reports Discussion

Review of summer projects Jim Hummer and Peter Sturgeon

The Chart of Net Assets summer project was discussed. In an effort to consolidate the 347 different funds all were reviewed by the staff this summer. In Phase I, all funds are now sorted by scholarships or program needs which will help the College. Fifty (50) funds with either 0 or negative balances were earmarked for consolidation, deletion or merging. Jim and Peter will be reviewing the parameters of doing so with Brian Harnik. **The Foundation's goals for the project is to have a more manageable number of funds which would be accounted for on a monthly rather than quarterly and a more user friendly format for the Deans of the College.** All documentation in the Foundation is scheduled to be scanned. This will enable us to find information that is needed for the Chart of Net Assets project. All endowments will be scrutinized. Marcia Stein inquired about how the College protects itself from cyber-attacks.

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Foundation Board Items

Approval of new board member Jane Saltonstall.

M/S/C Mark Nickerson/Marcia Stein to approve the recommendation Jane Saltonstall as Foundation Board Director.

Dr. Ed Tauber resigned from the board.

Donna Jean read Ed's letter of resignation to the Board.

M/S/C/ Mark Nickerson/Mary Latta to approve the resignation of Dr. Tauber from the Foundation board

Extension of Peter Sturgeon's Contract

Due to the length of the process for hiring the two new development positions, Jim is asking the Board to extend **Peter's contract.**

M/S/C Marcia Stein/Mary Latta to extend Peter Sturgeon's contract to October 31, 2013

Fundraising Meeting of June 5, 2013.

Several committee members from all the fundraising committees brainstormed ideas this summer.

It was M/S/C Bonnie Stefan/Joan Busick to approve the Fundraising Brainstorming Committee Minutes of June 5, 2013 as distributed.

Fundraising Report

Academic Angels Report – Mary Latta

The events scheduled for the upcoming season are: Women of Distinction Luncheon on November 12th; Joan Busick, Peggy Cravens, Jeane Hilb, Birgit Moller, Kate Spates and Coeta Barker will be honored. Everyone was encouraged to attend it as well as Black Tie Chili Cook-Off II on December 6th

Marman update – Donna Jean Darby

Donna Jean gave an update on John Marman's health; a card was passed for board members to sign.

Foundation Information Items

College of the Desert President report – Dr. Kinnamon

No report as Dr. Kinnamon was unable to attend

Academic Senate President – Douglas Redman

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COD Trustee - Bonnie Stefan and Aurora Wilson

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President's Circle – Marcia Stein

The committee met last week to organize the November 17th Kick-Off event. The committee is still looking for hosts for in-home events.

Thank You Letters

The Foundation received several letters of thanks (from Kelly Hall, KCOD, PD Sister Cities, Girl Friend Factor) that were included in the board packet for members to read.

Adjournment

Donna Jean Darby requested a motion to adjourn the meeting at 4:32 p.m.

M/S/C Marcia Stein/Bonnie Stefan to adjourn the meeting.

Minutes taken by Kippy Laflame Executive Assistant



The Audit Committee will be meeting on
September 23, 2013

As soon as the minutes are ready they will be
emailed to you for your review.



The Finance Committee will be meeting on
September 24, 2013

As soon as the minutes are ready they will be
emailed to you for your review.

DRAFT

September 17, 2013

To the Board of Directors
College of the Desert Foundation
43-500 Monterey Avenue
Palm Desert, CA 92260

In planning and performing our audit of the financial statements of College of the Desert Foundation for the year ended June 30, 2013, we considered the Foundation's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

We have included the following recommendations for your consideration, which we believe should enhance the overall system of internal controls and operating efficiency. The cost of implementing any additional procedures or controls should be weighed against the benefits to be gained. This letter does not affect our report dated September 12, 2013, on the financial statements of College of the Desert Foundation.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Foundation personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. We would like to thank Joanne Padgham and her staff and members of the audit committee for all their assistance and cooperation in the performance of our audit.

Sincerely,

BRABO & CARLSEN, LLP
Certified Public Accountants

Wayne Carlsen, CPA

WEC/lmf

PRIOR YEAR RECOMMENDATIONS

Accounting Policies and Procedures Manual

The Foundation does not have a formalized accounting policies and procedures manual.

It is the Board of Director's responsibility to implement its own controls and then have procedures in place in order to effectively communicate and monitor these controls to its management personnel.

We recommend that the Foundation document its current accounting policies and procedures. This is important to assure the Board that the Foundation is operating as is expected. Written procedures, instructions, and assignments of duties will prevent or reduce misunderstandings, errors, inefficient or wasted effort, duplicated or omitted procedures, and other situations that can result in inaccurate, untimely or fraudulent accounting transactions and records. A well-devised accounting manual can also help to ensure that all similar transactions are treated consistently, that accounting principles used are proper, and that records are produced in the form desired by management. A good accounting manual should aid in the training of new employees and possibly allow for delegation to other employees of some accounting functions.

It was noted during this year's audit that this recommendation has recently been implemented & commend the Foundation staff for their hard work in putting this manual together. We do, however recommend that the Board review and formally approve the manual.

Temporarily Restricted Funds

The Foundation has a voluminous number of temporarily restricted funds for many programs that we feel could be consolidated or eliminated. This will facilitate the monthly accounting process resulting in a more meaningful financial presentation of the fund restriction purpose and balances. We also suggest that the Board implement a policy to determine when a contribution should be held in a separate fund with the donor's name or included with a scholarship program.

It was noted during this year's audit that this recommendation is being addressed, however has not been completed. We recommend that this be implemented as soon as possible.

Alumni Association

The Foundation is currently receiving some of the funds raised by the Alumni Association to hold for specific programs at the College. The Alumni Association then sends a request to the Foundation for distribution from the Foundation for a program and also requests the Foundation to return the funds if they have not been distributed for a specific purpose after a specified time period. Since these are not assets of the Foundation, we suggest that the Foundation return any funds that it is currently holding and no longer accept these donations from the Alumni Association. This will also result in the reduction in the number of temporarily restricted funds currently being accounted for by the Foundation.

We noted during this year's audit that this recommendation was implemented.

CURRENT YEAR RECOMMENDATIONS**Accounting for Contributions**

The Foundation has included in its accounting manual procedures that are to be used for the proper classification of contributions and acknowledgements to donors for their contributions. It was noted during this year's audit that there were a few instances in which the contribution was recorded into the wrong fund. We recommend that there be a thorough review of the documentation received from the donor for the contribution. The thank you letter to the donor for the contribution should include a statement of the Foundation's understanding of the contribution's purpose. This will reinforce the proper recording of the contribution based on the donor's intention as to the purpose and use by the Foundation.

DRAFT

COLLEGE OF THE DESERT FOUNDATION

FINANCIAL STATEMENTS

JUNE 30, 2013

COLLEGE OF THE DESERT FOUNDATION

DRAFT

JUNE 30, 2013

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INDEPENDENT AUDITORS' REPORT

Board of Directors
College of the Desert Foundation
(An Auxiliary Organization of
Desert Community College District)
Palm Desert, California

We have audited the accompanying financial statements of College of the Desert Foundation (An Auxiliary Organization of Desert Community College District), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, cash flows, and functional expenses for the year 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 audit. We conducted our audit 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.

DRAFT

Board of Directors
College of the Desert Foundation
(An Auxiliary Organization of Desert Community College District)
Palm Desert, California

Continued

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of College of the Desert Foundation (An Auxiliary Organization of Desert Community College District) as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the College of the Desert Foundation's (An Auxiliary Organization of Desert Community College District) June 30, 2012 financial statements, and our report dated September 12, 2012 expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Palm Springs, California

October 9, 2013

DRAFT**COLLEGE OF THE DESERT FOUNDATION****STATEMENT OF FINANCIAL POSITION**

JUNE 30, 2013
(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2012)

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and cash equivalents	\$ 2,675,850	\$ 3,080,370
Investments	20,782,167	18,135,256
Pledges receivable, net	958,791	1,642,124
Accrued interest receivable	47,940	60,003
Prepaid expenses	-	102,628
Property and equipment, net	3,413	2,639
Split interest agreements	531,649	537,283
Other assets	368,715	351,010
TOTAL ASSETS	<u><u>\$ 25,368,525</u></u>	<u><u>\$ 23,911,313</u></u>
LIABILITIES		
Accounts payable	\$ 951,475	\$ 835,352
Accrued expenses	59,927	179,829
Deferred revenue	-	58,050
TOTAL LIABILITIES	<u>1,011,402</u>	<u>1,073,231</u>
NET ASSETS		
Unrestricted		
Undesignated	389,698	678,606
Board designated	600,000	600,000
	989,698	1,278,606
Temporarily restricted	5,204,081	5,102,618
Permanently restricted	18,163,344	16,456,858
NET ASSETS	<u>24,357,123</u>	<u>22,838,082</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 25,368,525</u></u>	<u><u>\$ 23,911,313</u></u>

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

DRAFT**COLLEGE OF THE DESERT FOUNDATION****STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	
				2013	2012
REVENUES AND SUPPORT					
Donations	\$ 169,986	\$ 75,354	\$ -	\$ 245,340	\$ 1,166,639
Grants	5,000	50,000	134,289	189,289	174,255
Memberships	4,600	-	-	4,600	4,220
Scholarship donations	-	627,218	1,514,217	2,141,435	412,915
Special events, net	320,608	10,928	-	331,536	263,310
Investment income, net	125,802	775,915	50,996	952,713	102,146
Change in value of split interest agreement	-	41,694	-	41,694	29,171
In-kind revenue	74,296	-	-	74,296	74,296
Other income	1,218	1,845	-	3,063	331
Management Services	291,515	(273,499)	(18,016)	-	-
Satisfaction of program restrictions	1,242,227	(1,242,227)	-	-	-
Total revenues and support	2,235,252	67,228	1,681,486	3,983,966	2,227,283
EXPENDITURES					
Program services	1,632,406	-	-	1,632,406	2,260,384
Management and general	534,674	-	-	534,674	435,637
Fundraising	297,845	-	-	297,845	259,716
Total expenditures	2,464,925	-	-	2,464,925	2,955,737
CHANGE IN NET ASSETS	\$ (229,673)	\$ 67,228	\$ 1,681,486	\$ 1,519,041	\$ (728,454)
NET ASSETS AT BEGINNING OF YEAR	\$ 1,278,606	\$ 5,102,618	\$ 16,456,858	\$ 22,838,082	\$ 23,566,536
CHANGE IN NET ASSETS FOR THE YEAR	(229,673)	67,228	1,681,486	1,519,041	(728,454)
INTER-FUND TRANSFERS	(59,235)	34,235	25,000	-	-
NET ASSETS AT END OF YEAR	\$ 989,698	\$ 5,204,081	\$ 18,163,344	\$ 24,357,123	\$ 22,838,082

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

DRAFT**COLLEGE OF THE DESERT FOUNDATION****STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,519,041	\$ (728,454)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	1,678	1,475
Unrealized (gain) / loss	(75,830)	586,183
(Increase) Decrease in:		
Pledges receivable	683,333	654,493
Accrued interest receivable	12,063	1,164
Prepaid expenses	102,628	(102,628)
Split interest agreements	5,634	50,046
Other assets	(17,705)	(14,461)
Increase (Decrease) in:		
Accounts payable	116,123	396,273
Accrued expenses	(119,902)	87,769
Deferred revenue	(58,050)	58,050
CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,169,013</u>	<u>989,910</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(2,452)	(893)
Proceeds from sale of investments	7,807,267	6,574,539
Purchases of investments	(10,378,348)	(7,810,184)
CASH USED BY INVESTING ACTIVITIES	<u>(2,573,533)</u>	<u>(1,236,538)</u>
NET DECREASE IN CASH	(404,520)	(246,628)
CASH AT BEGINNING OF YEAR	<u>3,080,370</u>	<u>3,326,998</u>
CASH AT END OF YEAR	<u><u>\$ 2,675,850</u></u>	<u><u>\$ 3,080,370</u></u>

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

DRAFT

Schedule 1

COLLEGE OF THE DESERT FOUNDATION

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	Programs Services	Management and General	Fund Raising	Totals	
				2013	2012
College support	\$ 820,514	\$ -	\$ -	\$ 820,514	\$ 1,353,614
Scholarships	524,775	-	-	524,775	581,156
Salaries and related expenses	164,464	185,022	61,674	411,160	544,915
Bank & credit card charges	-	6,666	-	6,666	8,044
Depreciation	-	1,678	-	1,678	1,475
Equipment & maintenance	-	11,022	-	11,022	25,534
Insurance	-	5,219	-	5,219	5,151
Marketing & development	115,562	2,366	87,178	205,106	231,004
Membership expenses	973	6,785	875	8,633	4,050
Office expenses	2,087	20,181	10,410	32,678	14,792
Postage & printing	869	22,442	-	23,311	8,784
Professional services	-	187,074	124,532	311,606	76,166
Recognition	3,162	10,719	13,176	27,057	24,728
Rent & Utilities	-	74,296	-	74,296	74,296
Telephone	-	1,204	-	1,204	2,028
	<u>\$ 1,632,406</u>	<u>\$ 534,674</u>	<u>\$ 297,845</u>	<u>\$ 2,464,925</u>	<u>\$ 2,955,737</u>

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

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESOrganization

College of the Desert Foundation (the Foundation) is a non-profit auxiliary organization of Desert Community College District. The Foundation was formed July 27, 1983. The purpose of the Foundation is to enhance the quality of education by advancing the College of the Desert (The College) through building relationships, securing philanthropic support and stewarding assets. The Foundation operates primarily in the Coachella Valley of Southern California. It receives substantially all of its revenues from residents of this area and is subject to economic factors which may affect charitable giving in Southern California.

The Foundation and the College are financially interrelated organizations as defined by ASC Topic 958-605, "Transfers of Assets to a Nonprofit Charitable or Charitable Trust that Holds Contributions for Others". Under ASC 958-605, the Foundation reflects contributions received for the benefit of the College as revenue in its financial statements. The expenses related to these contributions are accounted for under program and supporting services.

Net Asset Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of net asset accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset types established according to their nature and purpose. Separate accounts are maintained for each net asset type; however, in the accompanying financial statements, net asset types that have similar characteristics have been combined into groups as follows:

The Unrestricted Net Assets represents all resources over which the Board of Directors has discretionary control for use in operating the Foundation, as well as all property, plant and equipment of the Foundation.

The Temporarily Restricted Net Assets represents the temporarily restricted resources that are received with temporary donor stipulations that limit the use of the donated assets.

The Permanently Restricted Net Assets represents the permanently restricted resources that are subject to permanent restriction by the donor requiring that the principal be invested and only the income be used for general benefit of the College, its students, or a group affiliated with the College.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash accounts on deposit at financial institutions. For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Investments

Investments are carried at fair value using quoted market prices with gains and losses included in the statement of activities. Investments include certificates of deposit, equities, U.S. government bonds, and corporate bonds. The funds are subject to gains or losses of principal based on fluctuations in market prices.

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)Pledges Receivable

Pledges are recorded as receivables and recognized as revenue in the year made. Pledges receivable over a period of more than one year are discounted on a net present value of 4%.

Allowance for Doubtful Accounts

The Foundation uses the allowance method to account for doubtful pledges and accounts. Management has determined all receivables to be collectible at June 30, 2013.

Property and Equipment

The Foundation's property and equipment are recorded at cost and are depreciated using an accelerated depreciation method over the estimated useful lives.

Contributions

Contributions received, including unconditional promises to give, are recognized as revenues or gains in the period received.

Contributions with donor-imposed restrictions are reported as temporarily or permanently restricted revenues. Temporarily restricted net assets are reclassified to unrestricted net assets when an expense is incurred that satisfies the donor-imposed restriction or when a time restriction has been met.

Donated Occupancy and Other Items

The Foundation occupies office space located on the College of the Desert campus. The value of this and other donated items are recorded at estimated fair market value at the date of the donation. Some Foundation members have made significant contributions of their time in the advancement of its programs and objectives. The value of donated volunteer services is not reflected in the accompanying financial statements since no objective basis is available to measure the value of such services.

Allocation of Functional Expenses

The costs of providing programs and activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, based on management's estimates, certain costs have been allocated among the programs, fundraising, and the general and administrative activities.

Income Taxes

The Foundation is exempt from income taxes under Internal Revenue Code Section 501(c)(3) and operates as a public charity. The Foundation is also exempt from California income taxes under similar state statutes.

The Foundation's policy is to record income tax related interest and penalties in operating expenses. For the year ended June 30, 2013 there was no interest or penalties expense recorded and no accrued interest and penalties.

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)Income Taxes (Continued)

The Foundation's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally for three years after they are filed. The Foundation's Forms 199, California Exempt Organization Annual Information Return, are subject to examination by the Franchise Tax Board, generally for four years after they are filed.

Advertising Costs

Advertising costs are expensed as incurred by the Foundation. Total advertising costs for the year ended June 30, 2013 were \$120,638.

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.

Fair Value Measurements

The Foundation's financial instruments are measured using FASB ASC 820 (formerly SFAS No. 157 Fair Value Measurements), which, among other things, establishes a hierarchical framework for disclosure of and measurement of investments at fair value. Cash, most receivables, accounts payable and accrued liabilities are settled so close to the balance sheet date that the fair value does not differ significantly from the stated amounts.

Fair values of financial instruments are measured and reported using of the following categories:

Level I Inputs – Quoted prices are available in active markets for identical investments as of the reporting date.

Level II Inputs – Pricing inputs are available in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level III Inputs – Pricing inputs are unobservable and determination of fair value requires significant management judgment or estimation.

Comparative Data

The financial statements contain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the financial statements for the year ended June 30, 2012, from which the summarized information was derived.

Subsequent Events

Subsequent events have been evaluated through October 9, 2013, which is the date the financial statements were available to be issued.

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE 1: INVESTMENTS

Investments at June 30, 2013, stated at fair value based on quoted market price are summarized as follows:

Equities	\$ 6,485,481
Mutual Funds	4,596,359
Government securities	642,159
Corporate bonds	4,581,761
Real Assets	490,927
Other investments	<u>443,350</u>
	17,240,037
Certificates of deposit	<u>3,542,130</u>
	<u>\$20,782,167</u>

The investment return consists of the following for the year ended June 30, 2013:

Interest and dividends	\$ 620,282
Realized gains on investments	397,366
Unrealized losses on investments	75,830
Investment fees	<u>(140,765)</u>
	<u>\$ 952,713</u>

NOTE 2: PLEDGES RECEIVABLE

Pledges receivable at June 30, 2013, are stated at fair value based on management's estimate of a discount to present value of 4%, and are comprised of the following:

Pledges receivable in less than one year	\$ 279,549
Pledges receivable in one to five years	<u>735,000</u>
Total	1,014,549
Less: Unamortized discount	<u>(55,758)</u>
Pledges receivable, net	<u>\$ 958,791</u>

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows at June 30, 2013:

Office furniture and equipment	\$12,787
Less accumulated depreciation	<u>(9,374)</u>
Property and equipment, net	<u>\$ 3,413</u>

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE 4: SPLIT INTEREST AGREEMENTS

The Foundation has a beneficial interest in various irrevocable charitable remainder trusts and pooled income funds including a pooled income fund administered by the Community College League of California. The assets are held in various stocks, bonds, and other assets in the names of the individual donors' trusts, and are accounted for in the endowment fund. The trusts provide for payments to the grantor or other designated beneficiary over the trust's terms.

At the end of the trust's term, the remaining assets are available to the Foundation. Fair value is based on the present value of the estimated future benefits to be received, which take into account required annual distributions to the donor, the donor's life expectancy, and the assumed rate of return on the investments over the years. The trusts are revalued on an annual basis, and the change in the present value of the trusts' assets is recorded as a gain or loss in the statement of activities.

A summary of the changes in split interest agreements for the year is summarized as follows:

Balance, at June 30, 2012	\$ 537,283
Net changes in current fair market values	<u>(5,634)</u>
Balance at June 30, 2013	<u>\$ 531,649</u>

NOTE 5: INVESTMENTS IN CALIFORNIA COMMUNITY COLLEGES SCHOLARSHIP ENDOWMENT

Investment in California Community Colleges Scholarship Endowment is a pooled investment fund held by the Foundation for California Community Colleges (FCCC) and is permanently restricted for community colleges scholarships. Management and investment oversight is the responsibility of the FCCC, as directed by the donor, Bernard Osher from the Osher Foundation.

The initial gift from the Osher Foundation of \$25 million and any match from the Osher Foundation are considered gifts to the FCCC and remain assets of the FCCC per the grant agreement. Subsequent fundraising by College of the Desert Foundation (CODF) that results in monies transferred to FCCC may remain permanently restricted assets of CODF and will be reflected as such on all financial reporting. However, all donations to the endowment must be left in the fund permanently and cannot be returned or used for other purposes.

The Osher Foundation will provide a 50 percent match for each dollar raised through 2012. The match will be reconciled annually through 2012 based on the amount raised that fiscal year by the FCCC and individual colleges. Contributions received from CODF and invested in the endowment on or before June 30 of a given year, and the match dollars subsequently applied to those contributions begin earning interest and result in scholarship distribution one year later. Earnings on both the dollars raised by CODF and the match provided by the Osher Foundation, net of investment expenses, will be distributed as scholarship funds to CODF. The earnings from the dollars raised by CODF and the corresponding match amount will be set aside for scholarships for College of the Desert students.

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE 6: ENDOWMENT FUNDS

The Foundation's endowment consists of funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Directors to function as endowments. As required by generally accepted accounting principles, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absences of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (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 permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent 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 funds that is not classified in permanently restricted net assets may be classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

Investment Return Objectives, Risk Parameters and Strategies

The Foundation has adopted an investment policy, approved by the Board of Directors for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Therefore, the Foundation expects its endowment assets, over time to exceed the average annual return of the applicable benchmark index with a lower than benchmark volatility over a three to five year rolling time period. Actual returns in any given year may vary from this expectation. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy

The Foundation's Board approved spending policy was created to protect the values of the endowments. The Board approved a policy that all endowments are first subject to an annual administrative fee of 2% calculated at the end of each quarter, based on the market value balance that is deposited into the operating fund of the Foundation. The total endowment spending rate of no more than 5% per year is determined by the investment committee at their January meeting using the average market value of the funds on June 30th for each of the three years immediately preceding the fiscal year the payout is to be made.

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COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE 6: ENDOWMENT FUNDS (Continued)

Endowment Net Asset Composition by type of fund as of June 30, 2013 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total All Funds</u>
Donor Restricted Endowment Funds	\$ -	\$1,108,798	\$18,163,344	\$19,272,142
Board Designated Endowment Funds	<u>600,000</u>	<u>-</u>	<u>-</u>	<u>600,000</u>
Total Funds	<u>\$ 600,000</u>	<u>\$1,108,798</u>	<u>\$18,163,344</u>	<u>\$19,872,142</u>

Changes in endowment net assets as of June 30, 2013 are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total All Funds</u>
Endowment net assets, beginning of the year	\$ 600,000	\$ 726,011	\$16,456,858	\$17,782,869
Contributions	-	4,646	1,648,506	1,653,152
Investment income/(loss)	-	748,511	50,996	799,507
Amounts appropriated for expenditures	-	(390,377)	(18,016)	(408,393)
Inter-fund transfers	<u>-</u>	<u>20,007</u>	<u>25,000</u>	<u>45,007</u>
Endowment net assets, end of the year	<u>\$ 600,000</u>	<u>\$1,108,798</u>	<u>\$18,163,344</u>	<u>\$19,872,142</u>

NOTE 7: FAIR VALUE MEASUREMENTS

Assets measured at fair value at June 30, 2013 are as follows:

	<u>Prices in Active Markets (Level I)</u>	<u>Prices in Inactive Markets (Level II)</u>	<u>Estimates No Active Markets Level III)</u>
<u>Measured on a Recurring Basis</u>			
Equities	\$ 6,485,481	\$ -	\$ -
Mutual Funds	4,596,359	-	-
Government securities	642,159	-	-
Corporate bonds	4,581,761	-	-
Real Assets	490,927	-	-
Other investments	443,350	-	-
Split interest agreements	-	-	531,649
Investment in FCCC	<u>-</u>	<u>368,715</u>	<u>-</u>
Total	<u>\$17,240,037</u>	<u>\$ 351,010</u>	<u>\$ 537,283</u>
<u>Measured on a Nonrecurring Basis</u>			
Non-cash contributions	\$ -	\$ 74,296	\$ -
Total	<u>\$ -</u>	<u>\$ 74,296</u>	<u>\$ -</u>

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE 8: RESTRICTIONS OF NET ASSET BALANCES

Temporarily restricted net assets consist of the following at June 30, 2013:

Split interest agreements	\$ 531,649
Various donor restricted funds	2,801,208
Osher endowment	33,459
Foundation scholarships	<u>1,837,765</u>
	<u>\$5,204,081</u>

Permanently restricted net assets consist of the following at June 30, 2013:

Scholarship endowments	\$ 7,269,643
Osher endowment	336,549
General endowments	<u>10,557,152</u>
	<u>\$18,163,344</u>

NOTE 9: NET ASSETS RELEASED FROM RESTRICTION

The sources of net assets released from temporary donor restrictions by incurring expenses satisfying the restricted purposes for the year ended June 30, 2013 were as listed below:

Scholarships and grants	<u>\$ 1,242,227</u>
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NOTE 10: LEASE COMMITMENTS

The Foundation leases a copier under a 60-month operating lease agreement that commenced May 2010 and expires April 2015.

Minimum required future rental payments under leases as of June 30, 2013, are:

<u>Year ending June 30</u>	
2014	\$ 4,034
2015	<u>3,360</u>
Total minimum future rental payments	<u>\$ 7,394</u>

Rental expenses for operating agreements were \$4,034 for the year ended June 30, 2013.

NOTE 11: INTER-FUND TRANSFERS

Inter-fund transfers consist of a reclassification of a donor contributions between the different net asset classes during the year ended June 30, 2013.

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

NOTE 12 CONCENTRATION OF CREDIT RISK

At June 30, 2013, the Foundation had on deposit with a local bank amounts in excess of \$250,000. Deposits in excess of \$250,000 are not insured by the Federal Depository Insurance Company. Given the existing size of operations it is not unusual for this limit to be exceeded on a periodic basis. The Foundation is aware of this matter and evaluates alternatives for safeguarding cash while at the same time maximizing operational performance.

The Foundation also maintains accounts with multiple brokerage firms. The accounts contain cash and securities and sometimes exceed the amount guaranteed by the Securities Investor Protection Corporation which is \$500,000 with a limit of \$250,000 for cash.



We have included the 990 as an attachment to the emailed packet sent on 10/23/2013. Due to the size (57 pages) we are not including it in your hard copy packet. We will however have a hard copy at the board meeting.

COLLEGE OF THE DESERT FOUNDATION

**FINANCIAL SUMMARY
(UNAUDITED)**

August 31, 2013

Key Financial Information

	<u>August 2013</u>	<u>August 2012</u>
Total Net Assets:	\$ 24,294,055	\$ 23,502,378
 Total Revenue Received July 1, 201-August 31, 2013:		 <u>\$ 137,780</u>
 Permanently Restricted:	 \$ 28,752	
Temporarily Restricted:	\$ 78,753	
Unrestricted:	\$ 30,275	
 Total Revenue received in August 2013:	 \$ 75,986	
 Total Funds transferred to College for Use:		
July 1, 2013 – August 31, 2013:	\$ 138,763	
Scholarships:	\$ 138,441	
Programs:	\$ 322	
 Total Funds in endowments: August 201	 <u>\$ 18,205,953</u>	
 Total Funds in Unrestricted Funds:	 \$ 1,088,660	
Carry over from June 2013---balance as of August 2013:	\$ 482,890	
Ackerman Fund (Unrestricted) Balance: August 2013:	\$ 118,242	

Revenue and Expenditure Comparison			
	Total Revenues to Foundation	Operating Expense Actual	Wages & Salaries
Fiscal Year 2010-2011	2,479,240	811,422	600,238
Fiscal Year 2011-2012	3,344,880	805,598	544,915
Fiscal Year 2012-2013	3,943,602	1,034,789	411,538
Fiscal Year 2013-2014	137,780	62,673	29,640
	Contributions to College	Scholarships	Programs
Fiscal Year 2010-2011	1,345,889	547,082	798,807
Fiscal Year 2011-2012	1,934,770	581,156	1,353,614
Fiscal Year 2012-2013	1,330,083	524,775	805,308
Fiscal Year 2013-2014	138,763	138,441	322
	8/31/2013	8/31/2012	Change from Prior Fiscal Year
Total Net Assets	24,294,055	23,502,378	791,677
Total Endowments	18,205,953	16,313,065	1,892,888
	Fiscal YTD thru 8/31/2013	Same Period Last Fiscal year	Change from Prior Fiscal Year
Operating Revenue:	30,275	33,724	-3,449
Operating Expenses	62,092	109,688	-47,596
Scholarships to College	138,441	27,649	110,792
Programs to College	322	28,484	-28,162
Total Funds to College	138,763	56,133	82,630

COLLEGE OF THE DESERT FOUNDATION
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2013
WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012

	Unrestricted Fund	Temporarily Restricted Fund	Permanently Restricted Fund	Totals (Memorandum Only)	
				2013	2012
ASSETS					
Cash and cash equivalents	\$ 491,521	\$ 925,212	\$ -	\$ 1,416,733	\$ 2,843,657
Investments	600,000	3,456,445	16,945,449	21,001,894	17,913,127
Pledges receivable	5,000	25,000	918,791	948,791	2,276,780
Accrued interest receivable	12,464	30,312	5,164	47,940	61,167
Property and equipment, net	3,513	-	-	3,513	3,221
FCCC - Scholarship Endowmen	-	32,166	336,549	368,715	336,549
Split interest agreements	-	530,422	-	530,422	587,329
TOTAL ASSETS	\$ 1,112,498	\$ 4,999,557	\$ 18,205,953	\$ 24,318,008	\$ 24,021,830
LIABILITIES					
Accounts payable	\$ 23,838	\$ 115	\$ -	\$ 23,953	\$ 379,066
Accrued expenses	-	-	-	-	140,386
TOTAL LIABILITIES	23,838	115	-	23,953	519,452
NET ASSETS	1,088,660	4,999,442	18,205,953	24,294,055	23,502,378
Unrestricted:					
Undesignated	488,660	-	-	488,660	604,819
Board designated	600,000	-	-	600,000	600,000
Temporarily restricted	-	4,999,442	-	4,999,442	5,984,494
Permanently restricted	-	-	18,205,953	18,205,953	16,313,065
NET ASSETS	1,088,660	4,999,442	18,205,953	24,294,055	23,502,378
TOTAL LIABILITIES AND NET ASSETS	\$ 1,112,498	\$ 4,999,557	\$ 18,205,953	\$ 24,318,008	\$ 24,021,830

COLLEGE OF THE DESERT FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR TWO MONTH ENDED AUGUST 31, 2013
WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012

YEAR TO DATE

	Unrestricted Fund	Temporarily Restricted Fund	Permanently Restricted Fund	Totals (Memorandum Only)	
				2013	2012
REVENUE AND SUPPORT					
Interest	\$ -	\$ -	\$ -	\$ -	\$ 88,626
Donations	5,000	15,000	-	20,000	1,632
Auxiliary donations	11,500	-	-	11,500	6,900
COD Alumni donations	-	-	-	-	48,600
Grants	-	17,951	-	17,951	-
Capital Campaign	-	-	983	983	-
President's Circle	7,950	-	-	7,950	3,578
Scholarship donations	-	45,802	27,769	73,571	134,639
Special events (net)	5,825	-	-	5,825	(364)
TOTAL REVENUE AND SUPPORT	30,275	78,753	28,752	137,780	283,611
EXPENDITURES					
Contributions to college	422	(100)	-	322	28,484
Interfund transfers	-	14,070	(14,070)	-	-
Operating expenses	62,673	115	-	62,788	110,303
Scholarships	-	138,441	-	138,441	27,649
TOTAL EXPENDITURES	63,095	152,526	(14,070)	201,551	166,436
EXCESS OF REVENUE AND SUPPORT OVER EXPENDITURES BEFORE OTHER INCOME AND EXPENSES	(32,820)	(73,773)	42,822	(63,771)	117,175
INCREASE (DECREASE) IN NET AS:	\$ (32,820)	\$ (73,773)	\$ 42,822	\$ (63,771)	\$ 117,175

COLLEGE OF THE DESERT FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR CURRENT MONTH ENDED AUGUST 31, 2013
WITH COMPARATIVE TOTALS FOR AUGUST 31, 2012

CURRENT MONTH

	Unrestricted Fund	Temporarily Restricted Fund	Permanently Restricted Fund	Totals (Memorandum Only)	
				2013	2012
REVENUE AND SUPPORT					
Interest	\$ -	\$ -	\$ -	\$ -	\$ 36,568
Donations	-	-	-	-	1,148
Auxiliary donations	3,750			3,750	950
COD Alumni donations				-	48,600
Capital Campaign			100	100	-
Grants		18,000		18,000	-
President's Circle	2,250			2,250	1,364
Scholarship donations		37,436	400	37,836	122,659
Special events (net)	14,050	-		14,050	6,250
TOTAL REVENUE AND SUPPORT	20,050	55,436	500	75,986	217,539
EXPENDITURES					
Contributions to college	-	-	-	-	27,345
Operating expenses	34,896	115	-	35,011	57,854
Scholarships	-	138,441	-	138,441	27,499
TOTAL EXPENDITURES	34,896	138,556	-	173,452	112,698
EXCESS OF REVENUE AND SUPPORT OVER EXPENDITURES BEFORE OTHER INCOME AND EXPENSES					
	(14,846)	(83,120)	500	(97,466)	104,841
INCREASE (DECREASE) IN NET AS:	\$ (14,846)	\$ (83,120)	\$ 500	\$ (97,466)	\$ 104,841

**COLLEGE OF THE DESERT FOUNDATION
SUMMARY REPORT
FOR CURRENT MONTH ENDED 08/31/2013
WITH COMPARATIVE TOTALS FOR YTD 08/31/2012**

	One Month Actual	YTD Actual	Total Annual Budget	Budget Remaining	YTD Actual 08/31/2012
Revenue					
President's Circle	2,250	7,950	215,000	207,050	3,578
Annual Fund/Direct Mail	-	-	30,000	30,000	-
Auxiliary/Membership	3,750	11,500	16,000	4,500	6,900
Individual Gifts	-	5,000	210,000	205,000	567
McCallum Events (net)					
Barry Manilow (*Rita/Lt.Dan)	-	-		-	- *
Stepping Out for COD	7,920	4,225		(4,225)	(40)
Other	5,550	1,600	327,000	325,400	(324)
Title V reimbursement	-	-	100,000	100,000	-
Interest	-	-	100,000	100,000	23,043
Management Services	-	-	280,000	280,000	-
Total Revenue	19,470	30,275	1,278,000	1,247,725	33,724
Expenditures					
President's Circle	-	-	5,000	5,000	-
Annual Fund/Direct Mail	-	-	20,000	20,000	-
Annual Report	-	-	10,000	10,000	-
Auxiliary/Membership	-	-	5,000	5,000	435
Auditor	2,500	2,500	20,000	17,500	3,000
Bank Charges	129	511	5,000	4,489	1,407
Board/Staff Training	-	-	5,000	5,000	386
Repairs & Maintenance	64	64	2,000	1,936	117
Marketing	600	600	86,000	85,400	8,843
Donor Development	-	(15,664)	10,000	25,664	2,155
Equipment Lease	336	336	8,000	7,664	403
Insurance D & O	-	-	5,000	5,000	-
Legal/Financial/Professional	1,263	2,500		(2,500)	120
Membership Dues	-	-	2,000	2,000	450
Office Supplies & Equipment	1,293	1,368	10,000	8,632	1,708
Planned Giving	-	-	10,000	10,000	-
Postage	-	-	3,000	3,000	49
President's Fund	266	266	20,000	19,734	-
Printing/Design/Graphics	222	222	10,000	9,778	220
Recognition	-	25	30,000	29,975	894
Service Contracts	34	2,935	4,500	1,565	2,622
Staff Mileage Reimburse	-	-	3,000	3,000	-
Subscriptions & Publications	50	50	2,000	1,950	-
Telephone	79	156	3,500	3,344	125
Wages & Benefits	27,480	29,640	665,000	635,360	76,787
Independent Contractors	-	36,583	330,000	293,417	9,850
Kay Hazen & Co.	-	10,763	144,000	-	-
Maryanov Madsen	-	12,000	80,000	-	-
Mtn View Bookkeeping	-	6,820	48,000	-	-
Casey Strachan	-	-	48,000	-	-
Peter Sturgeon	-	7,000	84,000	-	-
Website	-	-	4,000	4,000	117
Total Expenditures before Contributions	34,316	62,092	1,278,000	1,215,908	109,688
Contributions to College	-	422			
Scholarships	-	-			
Realized/Unrealized Gains	-	-			
Interfund transfer	-	-			
Total Expenditures	34,316	62,514			
Excess or (Deficit)	(14,846)	(32,239)			
General Fund Carryover from 06/30/2013		515,129			
Total excess at 08/31/2013		482,890			
Ackerman Fund		118,242			

College of the Desert Foundation
Event Summary
As of 08/31/2013

	Revenues	Expenditures	Total
Balances:			
Chili Cook Off			
Special Event Income	8,350.00	0.00	8,350.00
Special Event Expenses	<u>0.00</u>	<u>(4,125.00)</u>	<u>(4,125.00)</u>
Total Chili Cook Off	8,350.00	(4,125.00)	4,225.00
Stepping Out for COD			
Special Event Income	8,500.00	0.00	8,500.00
Marketing	<u>0.00</u>	<u>(580.00)</u>	<u>(580.00)</u>
Total Stepping Out for COD	8,500.00	(580.00)	7,920.00
Mini Campaigns			
Special Event Expenses	<u>0.00</u>	<u>(6,320.00)</u>	<u>(6,320.00)</u>
Total MINI CAMPAIGNS	0.00	(6,320.00)	(6,320.00)
Total Balances:	<u>16,850.00</u>	<u>(11,025.00)</u>	<u>5,825.00</u>



**NOT AVAILABLE AT TIME OF PRINTING. WILL BE
EMAILED TO YOU THIS WEEK. WE WILL ALSO HAVE
HARD COPIES AT THE BOARD MEETING.**

COLLEGE OF THE DESERT FOUNDATION

FINANCIAL SUMMARY (UNAUDITED)

September 30, 2013

COLLEGE OF THE DESERT FOUNDATION

Operating Budget March 2013
RevenuesProposed Changes to
Operating Revenues ADOPTED 04/24/2013

Actual 2012/2013 Operating Revenues	Adopted 2012/2013 Budget	Variance from Budget		Adopted Budget 2013-14	Proposed Revisions	Comments
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Revenue

Auxiliary/Membership	11,565	30,000	39%		\$ 16,000	\$ 20,000	annual memberships
President's Circle	56,301	130,000	43%		\$ 200,000	\$ 160,000	200 annual memberships
Roadrunner Club					\$ 15,000		100 memberships
Grants					\$ 100,000	\$ 150,000	TBD w/College
Major Gifts: \$5K>	25,277	100,000	25%		\$ 80,000	\$ 80,000	individual donations 5k>
Individual <\$5K					\$ 30,000	\$ 30,000	Individual donations <5k
Planned Gifts					\$ 100,000	\$ 100,000	
Year-End Campaign					\$ 30,000	\$ 30,000	
Annual Fund/Direct Mail	9,775	35,000	28%				
Title V reimbursement						\$ 24,000	
Reimbursement from College-mktg.						\$ 30,000	

Events

Auxiliary Event	57,551	60,000	96%		\$ 60,000	\$ 60,000	Annual event
Barry Manilow	47,473	60,000	79%				
Stepping Out for COD	87,574	60,000	146%		\$ 230,000	\$ 240,000	McCallum event
Other Events	9,283	100,000	9%		\$ 50,000		
Title V reimbursement		59,350	0%				
Interest	74,719	135,600	55%		\$ 100,000	\$ 125,000	
Management Services	78,494	300,000	26%		\$ 280,000	\$ 300,000	
Total Revenue	458,012	1,069,950	43%		\$ 1,291,000	\$ 1,349,000	

COLLEGE OF THE DESERT FOUNDATION

Proposed Changes to Operating Expenses ADOPTED 04/24/2013

Operating Expense	YTD 02/28/2013 Actual Operating Expenses	Adopted 2012/2013 Budget	Variance from Budget		Adopted Budget 2013/2014	Proposed Revisions	Comments
Expenditures							
Auxiliary/Membership	\$ 6,158	\$ 5,000	123%		\$ 5,000		Collateral materials
President's Circle	\$ 9,103	\$ 5,000	182%		\$ 5,000	\$ 5,000	In home events-lunches etc.
Campaigns							TBD
Grants							TBD
Major Gifts					\$ 20,000	\$ 3,000	Research & development
Planned Giving Program					\$ 10,000		Collateral materials
Roadrunner Club							materials for distribution
Year-End Campaign					\$ 20,000		material for marketing year end/mail/ads
Annual Report					\$ 10,000		production of annual report
Auditor	\$ 19,750	\$ 16,750	118%		\$ 20,000	\$ 20,000	Annual independent audit
Bank Charges	\$ 5,337	\$ 7,000	76%		\$ 5,000	\$ 5,000	
Board/Staff Training	\$ 1,766	\$ 1,000	177%		\$ 5,000	\$ 5,000	
Repairs & Maintenance	\$ 525	\$ 1,000	53%		\$ 2,000	\$ 2,000	
Marketing	\$ 65,781	\$ 150,000	44%		\$ 150,000	\$ 180,000	Step Up campaign
Events							
Campus Tours					\$ 5,000	\$ 5,000	Related costs---lunches
Auxiliary Event							
Donor /Scholarship Reception					\$ 8,000	\$ 5,000	Reception costs
Stepping Out for COD							
Other Events							
Donor Development & Recognition	\$ 55,881	\$ 10,000	559%		\$ 30,000	\$ 30,000	
Equipment Lease	\$ 3,744	\$ 7,500	50%		\$ 8,000	\$ 8,000	
Insurance D & O	\$ 5,219	\$ 5,500	95%		\$ 5,000	\$ 5,000	
Membership Dues	\$ 625	\$ 1,000	63%		\$ 2,000	\$ 2,000	
Office Supplies & Equipment	\$ 6,397	\$ 14,000	46%		\$ 10,000	\$ 10,000	
Other	\$ 1,500	\$ 1,000	150%				
Postage	\$ 87	\$ 2,000	4%		\$ 3,000	\$ 3,000	
President's Fund	\$ 2,900	\$ 60,000	5%		\$ 60,000	\$ 20,000	
Printing/Design/Graphics	\$ 12,479	\$ 10,000	125%		\$ 10,000	\$ 10,000	
Service Contracts	\$ 3,555	\$ 4,500	79%		\$ 4,500	\$ 4,500	
Staff Mileage Reimbursement		\$ 1,000	0%		\$ 3,000	\$ 3,000	
Subscriptions & Publications	\$ 4,896	\$ 1,000	490%		\$ 2,000	\$ 2,000	
Recognition	\$ 3,945	\$ 5,000	79%				
Telephone	\$ 814	\$ 1,200	68%		\$ 3,500	\$ 1,500	
Wages & Benefits	\$ 289,730	\$ 585,000	50%		\$ 390,000	\$ 390,000	Exec Dir/Exec Asst/Admin Specialist
New Staff positions (2)					\$ 275,000	\$ 275,000	
Legal/Financial/Professional	\$ 14,859	\$ 1,000	1486%				
Independent Contractors	\$ 136,426	\$ 229,000	60%				
Brian Harnik-Legal					\$ 10,000	\$ 25,000	legal services
Creative Marketing Consultant					\$ 30,000	\$ 144,000	Step Up Campaign--Creative
Casey Strachan-Web Page & Constant Contact							
					\$ 48,000	\$ 48,000	Web page/Facebook/constant contact--administration/updates/Newsletters
Kristine Gula-Data Mgt.					\$ 48,000	\$ 48,000	Donor Perfect Data system/donors
Maryanov Madsen Gordon & Campbell					\$ 80,000	\$ 80,000	Financial reporting/Accounting
Peter Sturgeon							Development Consultant
Web Page/Website	\$ 1,495	\$ 5,500	27%		\$ 4,000	\$ 4,000	Realted Web page expenses/licenses
Other							
Adopted Expenditures 2012/13	\$ 652,972	\$ 1,129,950	58%		\$1,291,000	\$1,343,000	

COLLEGE OF THE DESERT FOUNDATION

Operating Budget Summary

ADOPTED 04/24/2013

Actual	Adopted	Variance		Adopted	Comments
2012/2013	2012/2013	from		Budget	
Operating	Budget	Budget		2013/2014	

Total Revenues	\$ 458,012	\$ 1,129,950	41%		\$ 1,270,000	
Total Expenditures before contributions	\$ 652,972	\$ 1,129,950	58%		\$ 1,281,000	
Contributions to College						
Total Expenditures						
Investment gain (loss)						
Excess or (Deficit)						

General Fund Carryover from 6/30/12						
Total excess at						

Ackerman Fund						
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There is a need to establish two sub-committees:

By-Laws and Policy Manual

We need 2-3 members to review the draft revisions to the by-laws. The Auditors recommended that the Board sign off on the Policy Manual that the staff wrote this summer and continue to do so every year. The first review will be an onerous task but well worth everyone's time as this is the legacy that will be left to all future Foundation employees. The subsequent yearly reviews will be much easier as they will focus on any of the policies or procedures that have changed during that fiscal year.

Stewardship

We are looking for 3-4 Board members to use the list of donations we generate each week and do personal notes to thank each donor and if possible a telephone call---just to thank the donor for their support.

We think a handwritten note or call from a Board member would be impressive---more than the usual thank you letter the staff sends out. We would give each member notecards along with stamped envelopes.

The report would include donors with address information—telephone numbers and e-mail info. Every week we could separate out the list for the committee member and e-mail to them. Then it would be up to each committee member to follow through.