



Foundation Board Meeting

General Session: 3:00 p.m.

Wednesday – October 26, 2016

Meeting Location (See map)

Cravens 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:

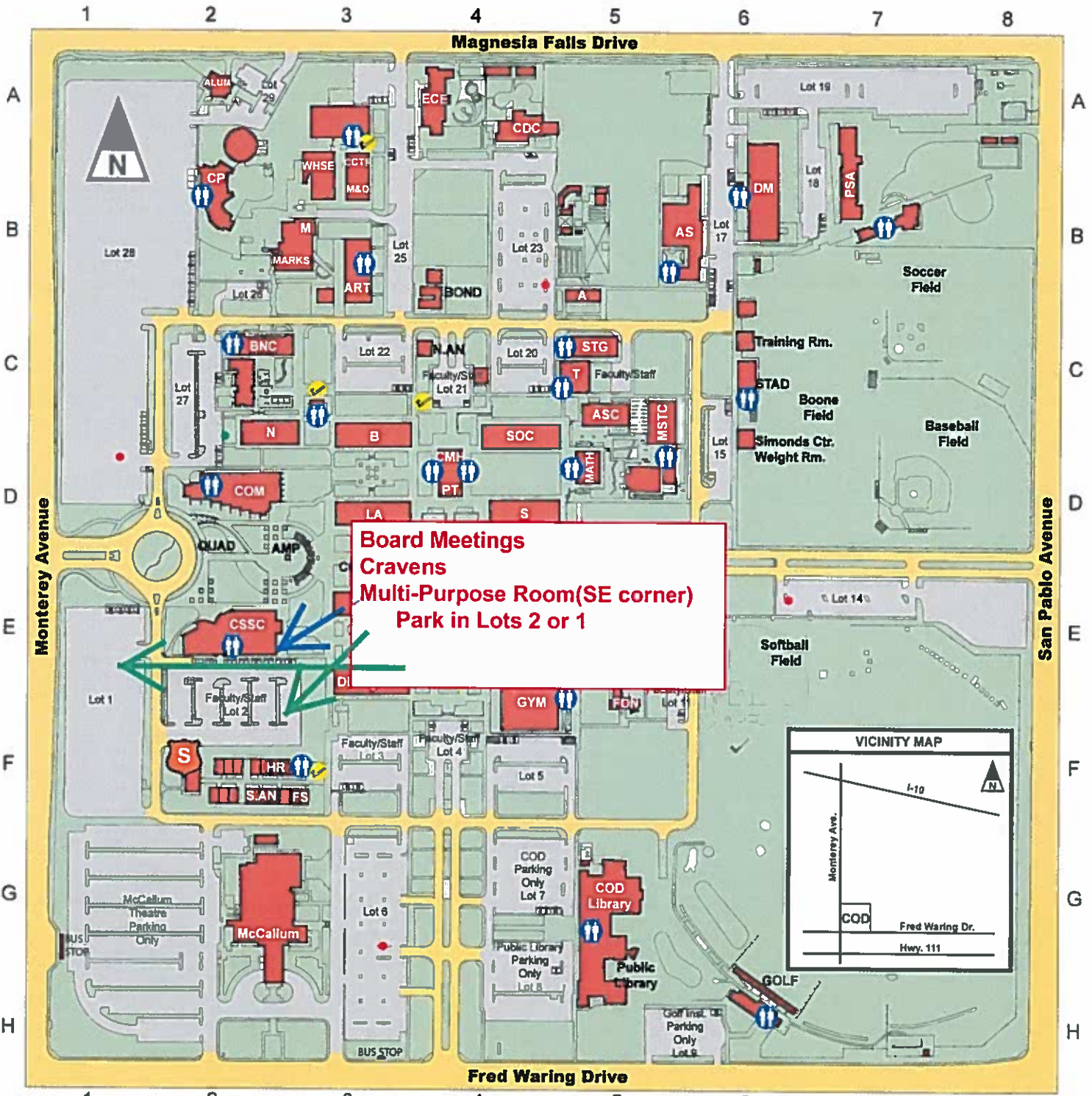
To positively impact the lives of students who are striving to achieve a purposeful education and to enhance the communities of the Coachella Valley and the region.

Core Values:

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

Important Notice:

All meetings will be recorded



 **COLLEGE of the DESERT**

A	Agricultural Sciences.....	B5	DM	Diesel Mechanics.....	B6	MSTC	Math Science Technology Center.....	D5
ADMIN	Administration.....	E3	Dining Hall.....	E3	N	Nursing.....	D2	
ALUM	Alumni Centre.....	A2	ECE	Early Childhood Education Center.....	A4	N.AN	North Annex.....	C4
AMP	Amphitheatre.....	D3	FS	Fiscal Services.....	F2	PSA	Public Safety Academy.....	B7
ART	Art.....	B3	FDN	Foundation.....	F5	PT	Pollock Theatre.....	D4
AS	Applied Sciences.....	B6	GOLF	College Golf Center.....	H6	Public Library.....	H5	
ASC	Academic Skills Center.....	C5	GYM	Gymnasium.....	F4	QUAD	Student Plaza (Drop-off & Walkway).....	D2
B	Business Building.....	D3	HILB	Hilb.....	D4	S	Science.....	D4
BNC	Barker Nursing Center.....	B2	HR	Human Resources.....	F2	Security.....	F2	
CDC	Child Development Center.....	A4	KINE	Kinesiology.....	E4	Simonds Center Weight Room.....	C6	
CMH	Carol Meier Lecture Hall.....	D4	LA	Liberal Arts.....	D3	S.AN	South Annex.....	F2
COD Library.....	G5	M&O	Maintenance & Operations.....	B3	SOC	Social Sciences.....	D4	
CP	Central Plant.....	B2	MARKS	Walter N. Marks Center for the Arts.....	B3	STAD	Stadium.....	C6
CTTR	Copy Center.....	B3	MATH	Math.....	D5	STG	Stagecraft Shop.....	C5
COM	Communication.....	D2	McCallum Theatre.....	G2	T	Theatre Too.....	C5	
CRTS	Tennis Courts.....	E5				Training Room.....	C6	
CSSC	Cravens Student Services Center.....	E2				Warehouse.....	B3	

-  Self Serve One-Day Parking Permit Dispenser
-  Electric Vehicle Charging Station
-  Accessible Restrooms
-  Security
-  Designated Smoking Area



AGENDA

(Board action required)**

- I. Call to Order
- II. Public Invitation to speak per the Brown Act
- III. COD Student speaker Christina McDaniels
- IV. Audit FY 15-16
 - A. Review of 15-16 Audit – Wayne Carlsen..... Page: 5
 - 1. Audit Committee – Bill Chunowitz
 - a) ****Approval of 15-16 Audit..... Page: 19**
- V. Approval of meeting minutes
 - A. ****Approval of September 28, 2016 Board Meeting Minutes..... Page: 20**
- IV. Committee Reports
 - 1. Academic Angels – Eileen Hall
 - 2. Resource Development – Suz Hunt
 - a) ****Approval of October 18, 2016 Meeting Minutes..... Page: 23**
 - 3. Finance & Investment – Vern Kozlen
 - a) Investment managers quarterly report..... Page: 24
 - b) ****Approval of July 2016 financials..... Page: 28**
 - 4. Nominating – Donna Jean Darby
 - 5. Stepping Out for Cod – Diane Gershowitz
 - 6. Strategic Planning – Bob Manion
- V. EDGE Presentation – Katie Chartier
- VIII. Information Items:
 - A. Voting and non-voting members discussion - Brian Harnik
 - B. College of the Desert President– Dr. Joel Kinnamon
 - C. COD Trustee – Dr. Bonnie Stefan
 - D. Development Director Reports –Peter Sturgeon

D. Foundation Board President – Mark Nickerson

Next Board Meeting Date Discussion – November 30th

Board reception in December

E. Executive Director – Jim Hummer

F. Response to Community Involvement Requests:

None

IX. New Business

X. Adjournment

COLLEGE OF THE DESERT FOUNDATION
FINANCIAL STATEMENTS
JUNE 30, 2016

COLLEGE OF THE DESERT FOUNDATION

JUNE 30, 2016

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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, 2016, 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.

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, 2016, 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, 2015 financial statements, and our report dated September 8, 2015 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, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Palm Springs, California

October 11, 2016

COLLEGE OF THE DESERT FOUNDATION

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2016

(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2015)

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash and cash equivalents	\$ 2,456,274	\$ 1,853,052
Investments	24,499,647	25,084,476
Pledges receivable, net	795,008	1,490,778
Accounts receivable - COD	2,808	105,000
Accrued interest receivable	54,016	56,025
Prepaid expenses	5,125	12,421
Property and equipment, net	11,088	6,149
Split interest agreements	134,395	501,516
Other assets - Osher Endowment	363,013	392,625
	<u>363,013</u>	<u>392,625</u>
TOTAL ASSETS	<u>\$ 28,321,374</u>	<u>\$ 29,502,042</u>
LIABILITIES		
Accounts payable	\$ 139,637	\$ 298,918
Accrued expenses	89,762	138,028
	<u>89,762</u>	<u>138,028</u>
TOTAL LIABILITIES	<u>229,399</u>	<u>436,946</u>
NET ASSETS		
Unrestricted		
Undesignated	254,121	305,228
Board designated	500,000	500,000
	<u>754,121</u>	<u>805,228</u>
Temporarily restricted	8,496,918	9,455,522
Permanently restricted	18,840,936	18,804,346
	<u>18,840,936</u>	<u>18,804,346</u>
NET ASSETS	<u>28,091,975</u>	<u>29,065,096</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 28,321,374</u>	<u>\$ 29,502,042</u>

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

COLLEGE OF THE DESERT FOUNDATION

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals	
				2016	2015
REVENUES AND SUPPORT					
Donations	\$ 479,751	\$ 161,850	\$ -	\$ 641,601	\$ 480,933
Grants	-	35,000	-	35,000	93,436
Memberships	172,493	-	-	172,493	94,727
Scholarship donations	-	587,332	36,590	623,922	646,856
Special events, net of direct expenses of \$257,439 for 2016 and \$71,788 for 2015	352,902	147,383	-	500,285	478,516
Investment income, net	12,104	(64,193)	-	(52,089)	532,512
Change in value of split interest agreement	-	(6,761)	-	(6,761)	(11,085)
In-kind revenue	68,000	-	-	68,000	75,636
Management Services	410,399	(410,399)	-	-	-
Satisfaction of program restrictions	1,408,816	(1,408,816)	-	-	-
Total revenues and support	2,904,465	(958,604)	36,590	1,982,451	2,391,531
EXPENDITURES					
Program services	2,077,422	-	-	2,077,422	2,307,157
Management and general	555,237	-	-	555,237	669,482
Fundraising	322,913	-	-	322,913	309,539
Total expenditures	2,955,572	-	-	2,955,572	3,286,178
CHANGE IN NET ASSETS	\$ (51,107)	\$ (958,604)	\$ 36,590	\$ (973,121)	\$ (894,647)
NET ASSETS AT BEGINNING OF YEAR	\$ 805,228	\$ 9,455,522	\$ 18,804,346	\$ 29,065,096	\$ 29,959,743
CHANGE IN NET ASSETS FOR THE YEAR	(51,107)	(958,604)	36,590	(973,121)	(894,647)
NET ASSETS AT END OF YEAR	\$ 754,121	\$ 8,496,918	\$ 18,840,936	\$ 28,091,975	\$ 29,065,096

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

COLLEGE OF THE DESERT FOUNDATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (973,121)	\$ (894,647)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	3,780	2,304
Unrealized (gain) / loss	449,607	1,001,710
(Increase) Decrease in:		
Pledges receivable	695,770	1,079,637
Accounts receivable - COD	102,192	(105,000)
Accrued interest receivable	2,009	(6,935)
Prepaid expenses	7,296	(7,421)
Split interest agreements	367,121	41,953
Other assets	29,612	16,099
Increase (Decrease) in:		
Accounts payable	(159,281)	30,753
Accrued expenses	(48,266)	99,669
	<u>476,719</u>	<u>1,258,122</u>
CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(8,719)	-
Proceeds from sale of investments	9,778,782	7,275,608
Purchases of investments	(9,643,560)	(9,003,451)
	<u>126,503</u>	<u>(1,727,843)</u>
CASH PROVIDED (USED) BY INVESTING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH	603,222	(469,721)
CASH AT BEGINNING OF YEAR	<u>1,853,052</u>	<u>2,322,773</u>
CASH AT END OF YEAR	<u>\$ 2,456,274</u>	<u>\$ 1,853,052</u>

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

COLLEGE OF THE DESERT FOUNDATION

Schedule 1

SCHEDULE OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2015)

	Programs Services	Management and General	Fund Raising	Totals	
				2016	2015
College support	\$ 824,874	\$ -	\$ -	\$ 824,874	\$ 1,174,050
Scholarships	616,971	-	-	616,971	519,458
Salaries and related expenses	263,926	296,917	98,972	659,815	726,073
Bank & credit card charges	-	8,062	-	8,062	7,587
Depreciation	-	3,780	-	3,780	2,304
Equipment & maintenance	-	17,466	-	17,466	22,575
Insurance	-	7,391	-	7,391	7,051
Marketing & development	299,395	-	184,215	483,610	348,941
Membership expenses	33,845	645	819	35,308	85,194
Office expenses	-	28,839	698	29,537	22,603
Postage & printing	24,430	12,237	15,145	51,812	41,129
Professional services	-	106,021	22,806	128,827	226,394
Recognition	13,981	4,679	257	18,918	25,570
Rent & Utilities	-	68,000	-	68,000	75,636
Telephone	-	1,201	-	1,201	1,613
	<u>\$ 2,077,422</u>	<u>\$ 555,237</u>	<u>\$ 322,913</u>	<u>\$ 2,955,572</u>	<u>\$ 3,286,178</u>

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

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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 generally accepted accounting principles as, "Transfers of Assets to a Nonprofit Charitable or Charitable Trust that Holds Contributions for Others". Under the standards, 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, 2016

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, 2016.

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 is 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, 2016 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, 2016

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, 2016 were \$483,610.

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 generally accepted accounting principles, which, among other things, establish a hierarchal 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 one 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, 2015, from which the summarized information was derived.

Subsequent Events

Subsequent events have been evaluated through October 11, 2016, which is the date the financial statements were available to be issued.

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1: INVESTMENTS

Investments at June 30, 2016, stated at fair value based on quoted market price are summarized as follows:

Equities	\$10,225,817
Mutual Funds	6,759,091
Government securities	1,919,009
Corporate bonds	2,844,411
Real Assets	449,034
Other investments	<u>1,382,261</u>
	23,579,623
Certificates of deposit	<u>920,024</u>
	<u>\$24,499,647</u>

The investment return consists of the following for the year ended June 30, 2016:

Interest and dividends	\$ 679,239
Realized losses on investments	(100,520)
Unrealized losses on investments	(449,607)
Investment fees	<u>(181,201)</u>
	<u>\$ (52,089)</u>

NOTE 2: PLEDGES RECEIVABLE

Pledges receivable at June 30, 2016, 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	\$ 644,500
Pledges receivable in one to five years	<u>157,905</u>
Total	802,405
Less: Unamortized discount	<u>(7,397)</u>
Pledges receivable, net	<u>\$ 795,008</u>

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows at June 30, 2016:

Office furniture and equipment	\$ 29,038
Less accumulated depreciation	<u>(17,950)</u>
Property and equipment, net	<u>\$ 11,088</u>

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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, 2015	\$ 501,516
Amount received during the year	(369,972)
Net changes in current fair market values	<u>2,851</u>
Balance at June 30, 2016	<u>\$ 134,395</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 provided a 50 percent match for each dollar raised through 2012. The match is reconciled annually each calendar year based on the amount raised 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 earn interest and result in scholarship distributions 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. The balance at June 30, 2016 was \$363,013.

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

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 absence 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.

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 6: ENDOWMENT FUNDS (Continued)

Endowment Net Asset Composition by type of fund as of June 30, 2016 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total All Funds</u>
	\$ -	\$2,150,205	\$18,840,936	\$20,991,141

Changes in endowment net assets as of June 30, 2016 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	\$ -	\$2,910,798	\$18,804,346	\$21,715,144
Contributions	-	115,848	36,590	152,438
Investment income/(loss)	-	200,662	-	200,662
Amounts appropriated for expenditures	-	(1,077,103)	-	(1,077,103)
Endowment net assets, end of the year	\$ -	\$2,150,205	\$18,840,936	\$20,991,141

NOTE 7: FAIR VALUE MEASUREMENTS

Assets measured at fair value at June 30, 2016 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	\$10,225,817	\$ -	\$ -
Mutual Funds	6,759,091	-	-
Government securities	1,919,009	-	-
Corporate bonds	2,844,411	-	-
Real Assets	449,034	-	-
Other investments	1,382,261	-	-
Split interest agreements	-	-	134,395
Investment in FCCC	-	363,013	-
Total	<u>\$23,579,623</u>	<u>\$363,013</u>	<u>\$ 134,395</u>
<u>Measured on a Nonrecurring Basis</u>			
Non-cash contributions	\$ -	\$ -	\$ 68,000
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,000</u>

COLLEGE OF THE DESERT FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 8: RESTRICTIONS OF NET ASSET BALANCES

Temporarily restricted net assets consist of the following at June 30, 2016:

Split interest agreements	\$ 134,395
Various donor restricted funds	6,054,490
Osher endowment	26,464
Foundation scholarships	<u>2,281,569</u>
	<u>\$ 8,496,918</u>

Permanently restricted net assets consist of the following at June 30, 2016:

Scholarship endowments	\$ 6,157,305
Osher endowment	336,549
General endowments	<u>12,347,082</u>
	<u>\$18,840,936</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, 2016 were as listed below:

Scholarships and grants	<u>\$1,408,816</u>
-------------------------	--------------------

NOTE 10: LEASE COMMITMENTS

The Foundation leases a copier under a 60-month operating lease agreement that commenced May 2014 and expires April 2019.

Minimum required future rental payments under leases as of June 30, 2016, are:

<u>Year ending June 30</u>	
2017	\$ 3,806
2018	3,806
2019	<u>3,489</u>
Total minimum future rental payments	<u>\$11,101</u>

Rental expenses for operating agreements were \$3,806 for the year ended June 30, 2016.

NOTE 11 CONCENTRATION OF CREDIT RISK

At June 30, 2016, 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.

October 11, 2016

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, 2016, 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 October 11, 2016, on the financial statements of College of the Desert Foundation.

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 Jim Hummer, Kippy Laflame, Kirstein Rena, Virginia Ortega and the Foundation 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

10/24/2016

PRIOR YEAR RECOMMENDATIONS

During the course of our audit we had to make numerous adjustments of which several were due to internal entries being made for the year ended we were auditing well after the conclusion of our work at your office.

We recommend that the books be reconciled prior to the start of the audit and a cut-off date be established so that no further entries are made to the Foundation's books that results in difficulty in reconciling the final audited amounts.

Current Year Status

We had to record eighteen audit adjustments during this year's audit of which some were provided to us after the start of our audit procedures and many we feel were attributable to the changes in the accounting department at the Foundation, including new procedures and systems implemented, turnover in personnel, and reporting. We again recommend that your books be reconciled prior to the audit to eliminate the need for numerous audit adjustments.

CURRENT YEAR RECOMMENDATIONS

Temporarily Restricted Funds

During our audits in previous years we recommended that the Foundation had a voluminous number of temporarily restricted funds for many programs that we felt could be consolidated or eliminated. It was noted that there was a concerted effort to reduce the number of these funds after our recommendation.

It was noted however again during this year's audit that we feel there are too many non-endowed temporarily restricted funds. Of the 150 of these funds approximately 60 had no disbursements from the funds during the fiscal year ended June 30, 2016. We recommend that these funds be reviewed again to determine if they can be consolidated with other funds and also when new donations are made to the Foundation the use of the donation be discussed with the donor to determine if it may be considered to be more generic for its use in order to be grouped with existing funds.



**Audit Committee Meeting
Tuesday, October 18, 2015- 2:30 p.m.
Foundation Board Room
Minutes**

Members Present

Bill Chunowitz, Jim Greene

Members Absent

Bob Goodfriend, Chuck Monell, Joan Busick, Mark Nickerson

Staff/Guests

Kippy Laflame, Virginia Ortega, Kirstien Renna, Peter Sturgeon, Wayne Carlsen, Chris Ferris

Discussion and overview

Wayne Carlsen was asked to give an overview of fund accounting to committee members. The Foundation's financial statements are sound and an unqualified opinion was issued for the 15-16 Audit by Brabo-Carlsen.

As there was not a quorum present no action could be recommended

Bill asked Kippy to set a meeting of the Audit committee one half hour before the October 26th board meeting.

Adjournment 3:30 p.m.

Minutes taken by Kippy Laflame



Board Meeting
Wednesday, September 28, 2016 – 3:00-5:00p.m.
Communications Building Classroom 103

MINUTES

Present

Voting:

John J. Benoit, Joan Busick, Norma Castaneda, Donna Jean Darby, Diane Denkler, Marge Dodge, Jim Greene, Eileen Hall, Brian Holcombe, Vern Kozlen, Dr. Chuck Monell, Mark Nickerson, Dr. Jane Saltonstall, Sally Simonds, Kate Spates

**On Conference Call: None

Non-Voting:

Dr. Kelly Hall, Lisa Howell, Christen Smith, Dr. Bonnies Stefan

Absent

Voting:

Bob Archer, Bill Chunowitz, Peggy Cravens, Carol Bell Dean, Diane Gershowitz, Robert Goodfriend, Susan Hunt, Peggy Sue Lane, Donna MacMillan, Bob Manion, Dan Martinez, Penny Mason, Arlene Schnitzer, Dominique Shwe

Non-Voting:

Dr. Joel Kinnamon

Guest

Jim Hummer, Kippy Laflame, Peter Sturgeon, Virginia Ortega

Call to Order

Public Invitation to speak as per the Brown Act

None

New board member Jim Greene introduced himself to the Board

New Academic Senate President – Dr. Kelly Hall

Dr. Hall has taken on a new appointment at COD as the Interim Dean of Arts and Social Sciences. She will no longer be the Academic Senate President. Christen Smith was introduced to the Board Her replacement.

Approval of meeting minutes as distributed

It was M/S/C Vern Kozlen/Jane Saltonstall to approve the June 29, 2016 Board Meeting Minutes

It was M/S/C Vern Kozlen/Jane Saltonstall to approve the August 29, 2016 Special Board Meeting Minutes



Committee Reports

Academic Angels – Eileen Hall

Eileen reported on Citizens of Distinction. Invitations were handed out to the board. Sales are at \$29.7K so far. Please let us know if there are people that we should be inviting. Renewals and

applications were made available to non-Academic Angels. The Fall luncheon will be held at the Thunderbird CC on November 2, 2016.

Resource Development – Suz Hunt was absent

Next meeting is on October 4th.

It was M/S/C Vern Kozlen/Eileen Hall to approve the June 29, 2016 RD Meeting Minutes

It was M/S/C Vern Kozlen/Eileen Hall to approve the July 23, 2016 RD Meeting Minutes

Finance & Investment – Vern Kozlen

The year-end Audit is not yet complete yet so we have not been able to produce financials. Vern reviewed a report of expenses/revenue to date compared to last year. Revenues are ahead of last year and expenses are in line with last year. UR gain is a positive of \$522K compared to a UR loss of \$870K.

Next meeting we will have financials to report

Nominating – Donna Jean Darby

Donna Jean reviewed the responsibilities of the Nominating committee with the board members.

- Providing potential nominees for assessment and approval by the board
- Assess the involvement of the current board members

The committee will be communicating with the Strategic Planning committee as they will be assessing our board also. The Nominating Committee will meeting October 21, 2016

Audit – Bill Chunowitz was absent.

Jim Hummer advised the board that the draft audit should be up for Board approval in the next 30 days.

Stepping Out for Cod – Diane Gershowitz was absent

Jim Hummer reported that all the collateral for solicitation is ready to go and should be out in early November.

Strategic Planning – Bob Manion was absent

All board members received a printed update report from Bob at the meeting.



Strategy to increase membership’s discussion – Jim Hummer & Peter Sturgeon

At the end of July 151 renewal letters were sent out. Members were asked to step up in their level of commitment. So far 8 people have done so. A second solicitation will be sent out in October.

Membership reports as of 09/21/16:

Academic Angels Target: 100.....Current: 91

President’s Circle Target: 120.....Current: 68

College expansion plans – Dr. Joel Kinnamon was absent

Lisa Howell presented a PowerPoint to the board reviewing the impact of COD on the Coachella Valley and what the MeasureCC Bond can do for the expansion of our school.

16-17 Proposed spending plan – Jim Hummer

Jim reviewed the \$2.8MM 16-17 Spending allocation of Foundation funds from Foundation funds to the College.

COD Trustee – Dr. Bonnie Stefan

Thanked the Board for their continuing support of the College

Development Director Reports –Peter Sturgeon

Campus tours start up on October 25th with many groups already booked in including; PEO, Gershowitz, Vintage, Military Organization. On October 11, the Foundation will be hosting the monthly Desert Estate Planning Council meeting. We will be showing off our Applied Science programs with tours including architecture, urban development and our 3d printer classes.

Foundation Board President – Mark Nickerson

Mark informed the board that Kate was hired by the College as a consultant to help launch the center along with outreach to the business community to let them know of this great opportunity of matching our students with jobs in the Coachella Valley.

New Business - none

Adjournment 4:45pm



Resource Development Committee
Tuesday October 18, 2016 3:30-4:30pm
Foundation Board Room
MINUTES

Present

Susan Hunt, Jim Greene, Bill Chunowitz, Annette Novack

Absent

Robert Goodfriend, Bob Manion, Carol bell Dean, Donna Jean Darby, Eileen Hall, Norma Castaneda, Peggy Sue Lane, Donna MacMillan,

Guest

Peter Sturgeon

Call to order 3:35pm

Public Invitation to speak as per the Brown Act: None

Academic Angels – Eileen Hall was absent

NCCF PowerPoint – Peter Sturgeon

Peter reviewed the PowerPoint the Jim made to the NCCCF organization last year.

Stepping Out for COD

No change since last meeting. Solicitation letters will be sent out early November

Annual Direct Mailing

The committee will be discussing with Dr. Kinnamon how important the Alumni would be to this part of our fundraising strategy.

President's Circle Peter Sturgeon

Peter reviewed the membership numbers. To date the Academic Angels have reached their goal of 100 members. President's Circle is at approx. 60% of goal. A second solicitation is needed and will be going out at the end of October. Annette Novack reiterated the importance of campus tours to the growing of the PC membership. Another event will be discussed to invite present members to in hopes of engaging more of their friends to engage in membership.

The next meeting is scheduled for November 7 at 3:00pm.

Foundation Account (As of 9/30/2016)

Merrill Lynch

Asset Type	\$ Amount	% of Assets	IPS Ranges	YTD	Indices	Benchmark Return	Annual Returns			
							2015	2014	2013	2012
Cash*	\$ 856,092	8.08%	1% - 5%	0.02%	3 month US Treasury	0.24%	0.02%	0.07%	0.08%	0.20%
US Equities	\$ 4,407,610	41.61%	25% - 60%	7.60%	S&P 500 Total Return	7.84%	5.20%	6.69%	30.26%	15.47%
Int'l Equities	\$ 1,148,341	10.84%	3% - 15% In above	5.66%	MSCI EAFE TR Gross	2.20%	-1.20%	in above	in above	in above
Fixed Income	\$ 3,432,410	32.40%	40% - 65%	5.02%	Barclays US Aggregate Bond	5.80%	0.74%	3.08%	0.39%	4.79%
Real Assets	N/A	N/A	0% - 3% In Alternatives		N/A	N/A	N/A	N/A	0.00%	0.00%
Alternatives	\$ 748,428	7.07%	0% - 10%	5.23%	HFRI FOF Composite	-0.11%	-2.47%	2.57%	3.51%	-2.35%
Unclassified	\$ 375	Included in Equities Above	N/A		N/A	N/A	N/A	N/A		
Total	\$ 10,593,256	100%								
Average Weighted Return				5.20%		5.39%	0.45%	3.72%	9.68%	7.64%

* Actual cash available \$298,359 as of 3/31/2016

(1) ML - alternative investment returns include some performance values from 11/30/2015

Wells Fargo

Asset Type	\$ Amount	% of Assets	IPS Ranges	YTD	Indices	Benchmark Return	Annual Returns			
							2015	2014	2013	Since Inception 09/01/12
Cash	\$ 521,294	5%	1-5%	0.03%	3 Mos US Treasury	0.26%	0.03%	0.09%	0.20%	0.12%
US Equities	\$ 3,084,139	32%	25-60	4.62%	S&P 500 Index	7.82%	0.52%	7.62%	32.15%	11.43%
Int'l Equities	\$ 1,547,731	16%	3-15 In Above	6.04%	MSCI EAFE Index	2.20%	In Above	In Above	In Above	In Above
Fixed Income	\$ 3,969,552	41%	40-60	4.95% (1)	Barclays Agg Bond Index	5.80%	0.38%	2.20%	1.53%	2.39%
Real Assets	\$ 377,119	4%	0-3 In Alternatives	10.1% (2)	NAREIT	12.31%	-3.18%	14.03%	-1.65%	4.31%
Alternatives	\$ 267,849	3%	0-10	1.42%	HFRI Index	-0.10%	1.56%	3.40%	1.78%	2.79%
Total	\$ 9,767,684	100%								
Average Weighted Return				4.00%		5.66%	-0.72%	4.39%	10.87%	4.99%

(1) Wells Fargo - total fixed income return, includes all fixed income sub asset classes

(2) Wells Fargo - include allocation to commodities (-6.79% return YTD)

Capital Campaign Account (As of 9/30/2016)

Merrill Lynch

Asset Type	\$ Amount	% of Assets	IPS Ranges	YTD	Indices	Benchmark Return	Annual Returns			
							2015	2014	2013	2012
Cash	\$ 361,675	8.21%	5%-25%	0.01%	3 month US Treasury	0.24%	0.03%	0.12%	0.14%	0.18%
US Equities	\$ 1,972,936	44.79%	0%-70	3.67%	S&P 500 Total Return	7.84%	-4.11%	5.20%	21.61%	14.05%
Int'l Equities	\$ 446,251	10.13%	In above	7.05%	MSCI EAFE TR Gross	2.20%	0.03%	in above	in above	in above
Fixed Income	\$ 1,347,908	30.60%	15%-95%	5.74%	Barclays US Aggregate Bond	5.80%	2.06%	6.75%	-3.33%	4.81%
Real Assets	\$ -		0%-10%		N/A		N/A	N/A	N/A	N/A
Alternatives	\$ 276,486	6.28%	In above	5.20%	HFRI FOF Composite	-0.11%	-4.28%	1.43%	5.05%	-6.14%
Unclassified			N/A		N/A		N/A			
Total	\$ 4,405,256	100%								
Average Weighted Return				4.09%		5.52%	-2.37%	3.91%	5.78%	6.48%

* Actual cash available \$361,675

Wells Fargo

Asset Type	\$ Amount	% of Assets	IPS Ranges	YTD	Indices	Benchmark Return	Annual Returns				Since Inception 09/01/12
							2015	2014	2013	2012	
Cash	\$ 159,748	7.00%	5-25%	0.03%	3 Mos US Treasury	26.00%	0.01%	0.01%	0.01%	0.01%	
US Equities	\$ 880,703	39.00%	0-70	5.12%	S&P 500 Index	7.82%	2.27%	9.76%	33.69%	12.61%	
Int'l Equities)	\$ 348,420	15.00%	In Above	4.60%	MSCI EAFE Index	2.20%	In Above	In Above	In Above	In Above	
Fixed Income	\$ 741,450	33.00%	15-95	6.72% (1)	Barclays Agg Bond Index	5.80%	-1.46%	3.05%	0.03%	1.62%	
Real Assets	\$ 51,114	2.00%	0-10	9.76% (2)	NAREIT	12.31%	-7.48%	14.01%	-3.21%	1.71%	
Alternatives	\$ 99,745	4.00%	In above	1.33%	HFRI Index	-0.10%	-3.13%	n/a	n/a	-2.89%	
Total	\$ 2,281,180	100.00%									
Average Weighted Return				4.47%		5.53%	-0.57%	6.00%	15.17%	6.53%	

(1) Wells Fargo - total fixed income return, includes all fixed income sub asset classes

(2) Wells Fargo - include allocation to commodities (-6.79% return YTD)

COD Foundation Investments as of 09/30/2016

COD Foundation

Asset Type	IPS Ranges	Merrill Lynch	Actual	Wells Fargo	Actual
Cash	1-5%	\$856,092	8.08%	\$521,294	5%
Fixed Income	40-60	3,432,410	32.40%	3,969,552	41%
Equity	25-60	5,555,951	52.45%		
US Equities				3,084,139	32%
Intl Equity				1,547,731	16%
Real Estate/Alternatives	0-10	748,428	7.07%	267,849	3%
Real Assets				377,119	4%
Other	N/A	375	N/A		
TOTAL		\$10,593,256	100%	\$9,767,684	100%

Total Combined Funds

\$20,360,940

Cap. Campaign Account

Asset Type	IPS Ranges	Merrill Lynch	Actual	Wells Fargo	Actual
Cash	5-25%	\$361,675	8.21%	\$159,748	7%
Fixed Income	15-95	1,347,908	30.60%	741,450	33%
Equity	0-70	2,419,187	54.92%		0%
US equity				880,703	39%
Intl Equity				348,420	15%
Real Estate/Alternatives	0-10	276,486	6.28%	99,745	4%
Real Assets				51,114	2%
Other	N/A		N/A		
TOTAL		\$4,405,256	100%	\$2,281,180	100%

Total Combined Funds

\$6,686,436

Total Combined Accounts

\$14,998,512

Total Combined Funds

\$27,047,376

COLLEGE OF THE DESERT FOUNDATION

FINANCIAL SUMMARY

July 31, 2016

STATEMENT OF ACTIVITIES (INCOME STATEMENT)
FOR CURRENT MONTH & 12 MONTH ENDED 07/31/16

	CURRENT MONTH ENDING 7/31/2016		Prior Year Months Ending 7/31/2015		YEAR TO DATE			PRIOR YTD ENDING		CURRENT YEAR BUDGET	
	ALL FUNDS	Budget	Variance	7/31/2015	ALL FUNDS	Budget	Variance	07/31/2015		2016/17	
OPERATIONAL / ADMINISTRATIVE & PROGRAM SUPPORT											
OPERATING REVENUE											
1	Interest	\$ 12,917	\$ 30,140	\$ 11,017	\$ 43,057	\$ 12,917	\$ 30,140	\$ 11,017	\$ 155,000	\$ 310,000	\$ 155,000
2	Management Fees (Qty)	\$ 25,000	\$ 10,205	-	\$ 35,205	\$ 25,000	\$ 10,205	\$ -	\$ -	\$ -	\$ -
3	In-kind Revenue	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	TOTAL OPERATING REVENUE	\$ 37,917	\$ 40,345	\$ 11,017	\$ 78,262	\$ 37,917	\$ 40,345	\$ 11,017	\$ 455,000	\$ 455,000	\$ 455,000
OPERATING EXPENSES - ADMINISTRATIVE											
5	General	\$ 5,666.67	\$ (31,776)	\$ 1,581	\$ 37,443	\$ 5,667	\$ (31,776)	\$ 1,581	\$ 68,000	\$ 68,000	\$ 68,000
17	Salaries & Benefits (Operating Portion)	\$ 26,083	\$ (2,070)	\$ 26,977	\$ 28,153	\$ 26,083	\$ (2,070)	\$ 26,977	\$ 313,000	\$ 313,000	\$ 313,000
20	Facilities & Maintenance	\$ 1,958	\$ 1,412	\$ 1,969	\$ 546	\$ 1,958	\$ 1,412	\$ 1,969	\$ 23,500	\$ 23,500	\$ 23,500
25	Independent Contractors	\$ 7,083	\$ 5,530	\$ 14,140	\$ 1,553	\$ 7,083	\$ 5,530	\$ 14,140	\$ 85,000	\$ 85,000	\$ 85,000
31	Marketing	\$ 17,667	\$ 7,872	\$ 8,581	\$ 9,795	\$ 17,667	\$ 7,872	\$ 8,581	\$ 212,000	\$ 212,000	\$ 212,000
40	Contributions to College	\$ -	\$ (8,003)	\$ -	\$ 8,003	\$ -	\$ (8,003)	\$ -	\$ -	\$ -	\$ -
44	TOTAL OPERATING EXPENSES	\$ 58,458	\$ (27,034)	\$ 53,247	\$ 85,492	\$ 58,458	\$ (27,034)	\$ 53,248	\$ 701,500	\$ 701,500	\$ 701,500
45	OPERATING SURPLUS (DEFICIT)	\$ (20,542)	\$ 67,379	\$ (42,230)	\$ (7,230)	\$ (20,542)	\$ 67,379	\$ (42,231)	\$ (246,500)	\$ (246,500)	\$ (246,500)
FUNDRAISING											
FUNDRAISING REVENUE											
46	Donations/Gifts/Grants	\$ 20,833	\$ 141,091	\$ 30,560	\$ 172,174	\$ 20,833	\$ 141,091	\$ 30,560	\$ 250,000	\$ 250,000	\$ 250,000
54	Annual Fund/Direct Mail	\$ 14,583	\$ (1,357)	\$ 91,784	\$ 2,976	\$ 14,583	\$ (1,357)	\$ 91,784	\$ 175,000	\$ 175,000	\$ 175,000
56	Memberships	\$ 32,000	\$ 125,500	\$ 50,584	\$ 157,500	\$ 32,000	\$ 125,500	\$ 50,584	\$ 304,000	\$ 304,000	\$ 304,000
59	Special Events	\$ 67,417	\$ 266,233	\$ 172,928	\$ 332,650	\$ 67,417	\$ 266,233	\$ 172,928	\$ 809,000	\$ 809,000	\$ 809,000
65	TOTAL FUNDRAISING REVENUE	\$ 46,875	\$ 752,825	\$ 345,856	\$ 664,250	\$ 46,875	\$ 752,825	\$ 345,856	\$ 1,438,000	\$ 1,438,000	\$ 1,438,000
FUNDRAISING EXPENSES											
66	Donor Development	\$ 6,125	\$ 5,849	\$ 191	\$ 276	\$ 6,125	\$ 5,849	\$ 191	\$ 73,500	\$ 73,500	\$ 73,500
74	Salaries & Benefits (Fundraising Portion)	\$ 27,500	\$ (928)	\$ 32,971	\$ 28,428	\$ 27,500	\$ (928)	\$ 32,971	\$ 330,000	\$ 330,000	\$ 330,000
76	Independent Contractors	\$ 9,500	\$ (500)	\$ 50	\$ 10,000	\$ 9,500	\$ (500)	\$ 50	\$ 114,000	\$ 114,000	\$ 114,000
79	Membership	\$ 1,833	\$ 1,833	\$ -	\$ -	\$ 1,833	\$ 1,833	\$ -	\$ 22,000	\$ 22,000	\$ 22,000
82	Marketing (Fundraising Portion)	\$ 1,917	\$ 1,274	\$ 277	\$ 643	\$ 1,917	\$ 1,274	\$ 277	\$ 23,000	\$ 23,000	\$ 23,000
85	TOTAL FUNDRAISING/PROGRAM EXPENSES	\$ 46,875	\$ 752,825	\$ 345,856	\$ 39,347	\$ 46,875	\$ 752,825	\$ 33,489	\$ 562,500	\$ 562,500	\$ 562,500
86	FUNDRAISING SURPLUS (DEFICIT)	\$ 20,542	\$ 257,705	\$ 139,430	\$ 293,303	\$ 20,542	\$ 257,705	\$ 139,430	\$ 246,500	\$ 246,500	\$ 246,500
OPERATING REVENUE BUDGET FY 2016/17											
FUNDRAISING REVENUE BUDGET FY 2016/17											
87	TOTAL 2016/17 REVENUE BUDGET:	\$ 105,333	\$ 305,579	\$ -	\$ 410,912	\$ 105,333	\$ 305,579	\$ -	\$ 1,264,000	\$ 1,264,000	\$ 1,264,000
OPERATING EXPENDITURE BUDGET FY 2016/17											
FUNDRAISING EXPENDITURE BUDGET FY 2016/17											
88	TOTAL 2016/17 EXPENDITURE BUDGET:	\$ 58,458	\$ (27,034)	\$ -	\$ 85,492	\$ 58,458	\$ (27,034)	\$ -	\$ 701,500	\$ 701,500	\$ 701,500
NET SURPLUS (DEFICIT) BEFORE INVESTMENT ACTIVITY											
89	Investment Activities	\$ 286,073	\$ -	\$ 97,208	\$ 286,073	\$ -	\$ 325,084	\$ 97,208	\$ -	\$ -	\$ 97,208
90		\$ 580,731	\$ -	\$ 40,077	\$ 580,731	\$ -	\$ 36,742	\$ -	\$ -	\$ -	\$ -
96	NET SURPLUS (DEFICIT)	\$ 866,804	\$ -	\$ 137,905	\$ 866,804	\$ -	\$ 325,084	\$ 133,950	\$ -	\$ -	\$ 133,950

COLLEGE OF THE DESERT FOUNDATION
STATEMENT OF FINANCIAL POSITION , JULY 31, 2016
WITH COMPARATIVE TOTALS FOR JULY 31, 2015

	Unrestricted Fund	Temporarily Restricted Fund	Permanently Restricted Fund	Totals (Memorandum Only)	
				2016-17	2015-16
ASSETS					
1 Cash and cash equivalents	\$ 499,367	\$ 1,731,498	\$ -	\$ 2,230,865	\$ 1,667,638
2 Investments	500,000	6,627,220	18,203,014	25,330,234	25,423,508
3 Pledges receivable	157,500	542,635	301,373	1,001,508	1,527,645
4 Accounts Receivable	(10)	10	-	-	101,510
5 Prepaid expenses	-	-	-	-	500
6 Funds held at College	5,000	-	-	5,000	5,000
7 Accrued interest receivable	20,775	33,241	-	54,016	56,025
8 Accrued assets	-	-	-	-	-
9 Property and equipment, net	11,088	-	-	11,088	14,070
10 FCCC - Scholarship Endowment	-	26,464	336,549	363,013	392,625
11 Split interest agreements	-	134,395	-	134,395	501,513
TOTAL ASSETS	\$ 1,193,720	\$ 9,095,464	\$ 18,840,936	\$ 29,130,120	\$ 29,690,034
LIABILITIES					
12 Accounts payable	\$ 79,359	\$ 2,103	\$ -	\$ 81,462	\$ 203,752
13 Deferred Contributions	\$ -	\$ -	\$ -	-	-
14 Accrued liabilities	89,879	-	-	89,879	54,362
TOTAL LIABILITIES	169,238	2,103	-	171,341	258,114
NET ASSETS, beginning					
Unrestricted:					
15 Undesignated	254,121	-	-	254,121	226,342
16 Board designated	500,000	-	-	500,000	500,000
17 Temporarily restricted	-	8,496,918	-	8,496,918	9,622,335
18 Permanently restricted	-	-	18,840,936	18,840,936	18,804,343
TOTAL NET ASSETS, beginning	754,121	8,496,918	18,840,936	28,091,975	29,153,020
19 Net Activity	270,361	596,443	-	866,804	278,903
NET ASSETS	1,024,482	9,093,361	18,840,936	28,958,779	29,431,923
TOTAL LIABILITIES AND NET ASSETS	\$ 1,193,720	\$ 9,095,464	\$ 18,840,936	\$ 29,130,120	\$ 29,690,037

College of the Desert Foundation
Special Events
YTD Ending 07/31/2016

	Revenues	Expenditures	Total
Balances:			
Spring Luncheon			
Donations	0.00	0.00	0.00
Scholarship Donations	0.00	0.00	0.00
Special Event Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Spring Luncheon	0.00	0.00	0.00
Coeta Barker Tea			
Special Events Income	0.00	0.00	0.00
Special Events Expenses	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Coeta Barker Tea	0.00	0.00	0.00
Citizen of Distinction			
Special Event Income	0.00	0.00	0.00
Special Event Expenses	0.00	0.00	0.00
Donations	0.00	0.00	0.00
Scholarship Donations	0.00	0.00	0.00
Auxiliary Expenses	0.00	0.00	0.00
Postage	0.00	0.00	0.00
Marketing	0.00	0.00	0.00
Independent Contractors	0.00	0.00	0.00
Printing/Design/Graphics	0.00	0.00	0.00
Recognition	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Citizen of Distinction	0.00	0.00	0.00
Stepping Out for COD			
Special Event Income	157,500.00	0.00	157,500.00
Special Event Expenses	0.00	0.00	0.00
Refunds	0.00	0.00	0.00
Equipment Fees	0.00	0.00	0.00
Postage	0.00	0.00	0.00
Printing/Design/Graphics	0.00	0.00	0.00
Office Supplies & Equipment	0.00	0.00	0.00
Marketing	<u>0.00</u>	<u>(1,997.50)</u>	<u>(1,997.50)</u>
Total Stepping Out for COD	157,500.00	(1,997.50)	155,502.50
Total Balances:	<u>157,500.00</u>	<u>(1,997.50)</u>	<u>155,502.50</u>



Finance and Investment Committee Meeting
Wednesday, October 19, 2016 – 3:00pm
Foundation Board Room
MINUTES

Present

Bill Chunowitz, Brian Holcombe, Vern Kozlen, Bob Archer

Absent

Penny Mason, Bob Manion, Dan Martinez, Lisa Howell, Mark Nickerson

Staff/Guests

Peter Sturgeon, Kirstien Renna, Virginia Ortega, Gary Hall, Tammy Fox, Ronda Edwards, Randy Shields, Kippy Laflame

Call to Order

The meeting was called to order at 3

Brown Act Invitation for Public Comment

No cards were submitted from the public

Monthly Financials – Kirstien Renna

Kirstien reviewed the May 2016 financials.

The committee approved the new summary financial report which will be presented to the board at the June meeting. Detailed reports will be available for any board member that requests them..

Investment Managers – Merrill Lynch and Wells Fargo

Managers reviewed the returns year to date 09/30/16.

Foundation Account:

ML return 5.20% compared to WF at 4.00%. After pointing out a possible calculation error, WF will be advising us if their return % are correct.

Capital Campaign Account:

ML return 4.09% compared to WF at 4.47%. After pointing out a possible calculation error, WF will be advising us if their return % are correct.

July Financials – Kiki Renna

Kiki reviewed the July 2016 financials. With the audit now completed we should be caught up next month with financials through September.

RFP – Vern Kozlen

Committee will be proceeding with the organizing and completion of the RFP to send out to prospective investment managers. Looking to have that done in the next several weeks.

Next meeting will be Wednesday, November 16 at 3:00pm

Minutes taken by Kippy Laflame