



## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Lake Tahoe Community College District  
South Lake Tahoe, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component unit (Lake Tahoe Community College Foundation), and the aggregate remaining fund information of Lake Tahoe Community College District (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

### ***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 misstatements, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the 2016-2017 *Contracted District Audit Manual*, issued by the California Community Colleges Chancellor's Office. 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 District'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 District'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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component unit, and the aggregate remaining fund information of the District as of June 30, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter - Change in Accounting Principles***

As discussed in Notes 2 and 11 to the financial statements, in 2017, the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefits Plans Other than Pension Plans* and GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis, the Schedule of Other Postemployment Benefits (OPEB) Funding Progress, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of District Contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information listed in the Table of Contents, including the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The accompanying unaudited supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Vavrinek, Ture, Day & Co LLP*

Pleasanton, California  
December 5, 2017

# LAKE TAHOE COMMUNITY COLLEGE DISTRICT

## DISCRETELY PRESENTED COMPONENT UNIT LAKE TAHOE COLLEGE FOUNDATION STATEMENT OF FINANCIAL POSITION JUNE 30, 2017

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### ASSETS

#### CURRENT ASSETS

Cash and cash equivalents	\$ 320,125
Accounts receivable	8,400
Prepaid expenses	3,788
<b>Total Current Assets</b>	<u>332,313</u>

#### NONCURRENT ASSETS

Investments	3,062,527
<b>TOTAL ASSETS</b>	<u><u>\$ 3,394,840</u></u>

### LIABILITIES AND NET ASSETS

#### CURRENT LIABILITIES

Accounts payable	\$ 395,282
Deferred revenue	33,057
<b>Total Current Liabilities</b>	<u>428,339</u>

#### NET ASSETS

Unrestricted	366,339
Temporarily restricted	2,175,528
Permanently restricted	424,634
<b>Total Net Assets</b>	<u>2,966,501</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 3,394,840</u></u>

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

**LAKE TAHOE COMMUNITY COLLEGE DISTRICT**

**DISCRETELY PRESENTED COMPONENT UNIT  
LAKE TAHOE COLLEGE FOUNDATION  
STATEMENTS OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017**

	2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>REVENUES</b>				
Donations	\$ -	\$ 106,225	\$ -	\$ 106,225
Special events, net	129,615	5,000	-	134,615
In-kind contribution	23,240	1,200	-	24,440
Interest and dividends, net	29,044	66,621	-	95,665
Assets released from restrictions	541,200	(541,200)	-	-
<b>Total Revenues</b>	<u>723,099</u>	<u>(362,154)</u>	<u>-</u>	<u>360,945</u>
<b>EXPENSES</b>				
Operating expenses	84,524	-	-	84,524
Program expenses	566,321	-	-	566,321
Fundraising expenses	45,477	-	-	45,477
<b>Total Expenses</b>	<u>696,322</u>	<u>-</u>	<u>-</u>	<u>696,322</u>
<b>CHANGE IN NET ASSETS</b>	26,777	(362,154)	-	(335,377)
<b>NET ASSETS, BEGINNING OF YEAR</b>	339,562	2,537,682	424,634	3,301,878
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 366,339</u>	<u>\$ 2,175,528</u>	<u>\$ 424,634</u>	<u>\$ 2,966,501</u>

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

**LAKE TAHOE COMMUNITY COLLEGE DISTRICT**

**DISCRETELY PRESENTED COMPONENT UNIT  
LAKE TAHOE COLLEGE FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2017**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ (335,377)
Changes in Assets and Liabilities	
Decrease in accounts receivable	(243)
Decrease in prepaid expenses	4,298
Increase in accounts payable	182,177
Increase in deferred revenues	(11,658)
<b>Net Cash Flows From Operating Activities</b>	<u>(160,803)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of investments	<u>312,083</u>
<b>Net Cash Flows From Investing Activities</b>	312,083

**NET CHANGE IN CASH AND CASH EQUIVALENTS**

151,280

**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR**

168,845

**CASH AND CASH EQUIVALENTS, END OF YEAR**

\$ 320,125

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