LAKE TAHOE COMMUNITY COLLEGE FOUNDATION

LTCC Foundation
Finance Committee Meeting
AGENDA

Regular Meeting

Monday, March 17, 2014
Lake Tahoe Community College
Room A106
4:30 p.m.

Call to Order

I. Discussion and Reports

A. Annual Fiscal Year 2012/13 Audit Report
(Terri Montgomery, Partner, Vavrinek, Trine, Day & Co., LLP)
B. Progress on 2012 Foundation Tax Return (Montgomery)
C. LTCCD Bond Campaign Report (Murillo)
D. Fill the Frame Campaign Report (McVean)

II. Action Items

A. Approval of Reinstatement of funds for the Physical Science Scholarship in the Amount of $10,544.71
B. Approval of Sponsorship and Support for the LTCCD 40th Anniversary Celebration on June 7, 2014 (Murillo)
C. Approval of Campaign and Support for a LTCCD 40th Anniversary Commemorative Book (Murillo)
D. Approval of 2012/13 Good Neighbor Policy Reimbursement (Murillo)
E. Approval to Fund the 2013/14 Faculty Awards in the Amount of $2,000.00
F. Approval of Setting an Additional Finance Committee Meeting April 21, 2014
G. Recommendation of Membership Nomination, Paul Camacho

III. Next Regular Meeting – April 21, 2014 at 4:30 p.m.

IV. Adjournment

VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit (Lake Tahoe College Foundation) of Lake Tahoe Community College District (the District) as of and for the year ended June 30, 2013, 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 opinions 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. 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 opinions.

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FRESNO • LAGUNA HILLS • PALO ALTO • PLEASANTON • RANCHO CUCAMONGA • RIVERSIDE • SACRAMENTO

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the discretely presented component unit of the District as of June 30, 2013, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the Management's Discussion and Analysis and the Schedule of Other Postemployment Benefits (OPEB) Funding Progress 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 supplementary information listed in the Table of Contents, including the Schedule of Expenditures of Federal Awards, as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information and Additional Supplementary Information, including the Schedule of Expenditures of Federal Awards, 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2013, 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, Trine, Day & Co LLP

Pleasanton, California
December 4, 2013

LAKE TAHOE COMMUNITY COLLEGE DISTRICT

DISCRETELY PRESENTED COMPONENT UNIT
LAKE TAHOE COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2013

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	$ 224,429
Accounts receivable	60
Prepaid expenses	2,625
Total Current Assets	227,114
NONCURRENT ASSETS	
Investments	1,173,697
TOTAL ASSETS	$ 1,400,811
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	$ 20,515
Deferred revenue	14,075
TOTAL LIABILITIES	34,590
NET ASSETS	
Unrestricted	345,447
Temporarily restricted	590,140
Permanently restricted	430,634
Total Net Assets	1,366,221
Total Liabilities and Net Assets	$ 1,400,811

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, 2013

	2013			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES				
Donations	$ 112,871	$ 78,659	$ 6,000	$ 197,530
In-kind contribution	91,767	-	-	91,767
Interest and dividends	46,961	17,064	-	64,025
Assets released from restrictions	56,180	(56,180)	-	-
Total Revenues	307,779	39,543	6,000	353,322
EXPENSES				
Operating expenses	91,358	-	-	91,358
Program expenses	134,634	-	-	134,634
Fundraising expenses	4,773	-	-	4,773
Total Expenses	230,765	-	-	230,765
CHANGE IN NET ASSETS	77,014	39,543	6,000	122,557
NET ASSETS, BEGINNING OF YEAR	268,433	550,597	424,634	1,243,664
NET ASSETS, END OF YEAR	$ 345,447	$ 590,140	$ 430,634	$ 1,366,221

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, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	$ 122,557
Changes in Assets and Liabilities	
Decrease in accounts receivable	(60)
Decrease in prepaid expenses	(1,230)
Increase in accounts payable	18,650
Increase in deferred revenues	2,270
Net Cash Flows From Operating Activities	142,187
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(318,168)
Net Cash Flows From Investing Activities	(318,168)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(175,981)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	400,410
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 224,429

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

NOTE 1 - ORGANIZATION

Lake Tahoe Community College District (the District) was established in 1974 as a political subdivision of the State of California and is a comprehensive, public, two-year institution offering educational services to residents of the surrounding area. The District operates under a locally elected five-member Board of Trustees form of government, which establishes the policies and procedures by which the District operates. The Board must approve the annual budgets for the General Fund, special revenue funds, and capital project funds, but these budgets are managed at the department level. Currently, the District operates one college located within El Dorado, California. While the District is a political subdivision of the State of California, it is legally separate and is independent of other State and local governments, and it is not a component unit of the State in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 61.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The District has adopted GASB Statement No. 61, *Determining Whether Certain Organizations are Component Units.* This statement amends GASB Statement No. 14, *The Financial Reporting Entity,* to provide additional guidance to determine whether certain organizations, for which the District is not financially accountable, should be reported as component units based on the nature and significance of their relationship with the District. The three components used to determine the presentation are: providing a "direct benefit", the "environment and ability to access/influence reporting", and the "significance" criterion. As defined by accounting principles generally accepted in the United States of America and established by the Governmental Accounting Standards Board, the financial reporting entity consists of the primary government, the District, and the following component units:

- Lake Tahoe College Foundation

  The Lake Tahoe College Foundation (the Foundation) is a legally separate, tax-exempt component unit of the District. The Foundation acts primarily as a fundraising organization to provide grants and scholarships to students and support to employees, programs, and departments of the District. The board of the Foundation consists of community members, alumni, and other supporters of the Foundation. Although the District does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon that the Foundation holds and invests are restricted to the activities of the District by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the District, the Foundation is considered a component unit of the District with the inclusion of the statements as a discretely presented component unit. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

  The Foundation is a not-for-profit organization under Internal Revenue Code (IRC) Section 501(c)(3) that reports its financial results in accordance with Financial Accounting Standards Codifications. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the District's financial reporting entity for these differences; however, significant note disclosures to the Foundation's financial statements have been incorporated into the District's notes to the financial statements.

  Complete financial statements for the Foundation can be obtained from the Foundation's Business Office at One College Drive, South Lake Tahoe, CA 96150.

LAKE TAHOE COMMUNITY COLLEGE DISTRICT

DISCRETELY PRESENTED COMPONENT UNIT -
LAKE TAHOE COMMUNITY COLLEGE FOUNDATION
(A Nonprofit Organization)

STATEMENT OF NET ASSETS

June 30, 2012

ASSETS		
Current assets:		
Cash and cash equivalents (Note 2)	$	114,002
Short-term investments (Note 2)		286,408
Prepaid expenses		1,395
Total current assets		401,805
Noncurrent assets:		
Investments (Note 2)		855,529
Total assets	$	1,257,334
LIABILITIES		
Accounts payable	$	1,865
Deferred revenues		11,805
Total liabilities		13,670
NET ASSETS		
Unrestricted		268,433
Temporarily restricted		550,597
Permanently restricted		424,634
Total net assets		1,243,664
Total liabilities and net assets	$	1,257,334

See accompanying notes to financial statements.

LAKE TAHOE COMMUNITY COLLEGE DISTRICT

DISCRETELY PRESENTED COMPONENT UNIT-
LAKE TAHOE COMMUNITY COLLEGE FOUNDATION
(A Nonprofit Organization)

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues:				
District contributions	$ 119,683	$	$	$ 119,683
Non-District contributions	45,776	86,096		131,872
Investment income	14,944	21,405		36,349
Net assets released from restrictions	66,088	(66,088)		
Total revenues	246,491	41,413		287,904
Expenses:				
Grants and related activities	127,292			127,292
Salaries and benefits	165,035			165,035
Professional services	4,836			4,836
Other expenses	5,858			5,858
Total expenses	303,021			303,021
Change in net assets	(56,530)	41,413		(15,117)
Net assets, July 1, 2011	324,963	509,184	424,634	1,258,781
Net assets, June 30, 2012	$ 268,433	$ 550,597	$ 424,634	$ 1,243,664

See accompanying notes to financial statements.

LAKE TAHOE COMMUNITY COLLEGE DISTRICT

DISCRETELY PRESENTED COMPONENT UNIT - LAKE TAHOE COMMUNITY COLLEGE FOUNDATION (A Nonprofit Organization)

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2012

Cash flows from operating activities:	
Change in net assets	$ (15,117)
Adjustments to reconcile decrease in net assets to net cash used in operations:	
Decrease in accounts receivable	31
Increase in prepaid expense	(1,395)
Decrease in accounts payable	(3,036)
Decrease in due to the District, net	(3,074)
Net cash used in operating activities	(22,591)
Cash flows from investing activities:	
Investment maturities	324,751
Investment purchases	(280,338)
Net cash provided by investing activities	44,413
Net change in cash and cash equivalents	21,822
Cash and cash equivalents, beginning of year	92,180
Cash and cash equivalents, end of year	$ 114,002

See accompanying notes to financial statements.

13. ENDOWMENT NET ASSETS - FOUNDATION

Changes in endowment net assets for the fiscal year ended June 30, 2012, consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 200,199	$ 99,339	$ 424,634	$ 724,172
Change in fair value of investments	8,174	17,202	-	25,376
Endowment net assets, end of year	$ 208,373	$ 116,541	$ 424,634	$ 749,548

Endowment net asset composition by type of fund for the fiscal year ended June 30, 2012, consisted of the following:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ 116,541	$ 424,634	$ 541,175
Board-designated endowment funds	208,373	-	-	208,373
Total	$ 208,373	$ 116,541	$ 424,634	$ 749,548

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no individual endowment funds with such deficiencies as of June 30, 2012.

Barkley Sculpture Project

Date	Description	Income	Expense	Balance	Comments
12/08/08	Kitt Barkley	$ 20,000.00		$ 20,000.00	Barkley Sculpture (1/2)
05/01/09	David Foster		$ 5,000.00	$ 15,000.00	Barkley Sculpture Project
03/18/10	David Foster		$ 5,000.00	$ 10,000.00	Barkley Sculpture Project
01/11/13	Robert C & Geraldine Williams	$ 2,000.00		$ 12,000.00	Barkley Sculpture Project
07/09/13	Mussi Artworks Foundry		$ 13,189.00	$ (1,189.00)	1st of 3 equal installments
08/09/13	AFA Supplies		$ 1,185.16	$ (2,374.16)	Barkley Sculpture Project
12/20/13	Katherine M Barkley	$ 20,000.00		$ 17,625.84	Barkley Sculpture (2/2)
	Subtotal	**$ 42,000.00**	**$ 24,374.16**	**$ 17,625.84**	

Fill the Frame Campaign

10/22/13	Adele Lucas	$ 500.00		$ 18,125.84	Fill the Frame Campaign
10/22/13	Joe & Deanna Brothers	$ 125.00		$ 18,250.84	Fill the Frame Campaign
10/22/13	Joe Tilson	$ 125.00		$ 18,375.84	Fill the Frame Campaign
10/17/13	RD & FP Alling	$ 1,500.00		$ 19,875.84	Fill the Frame Campaign
10/21/13	El Dorado Community Foundation	$ 1,000.00		$ 20,875.84	Fill the Frame Campaign
10/28/13	Kerry S David	$ 5,000.00		$ 25,875.84	Fill the Frame Campaign
11/01/13	Fast Print		$ 847.19	$ 25,028.65	Fill the Frame Campaign
12/20/13	Robert & Catherine Cliff	$ 250.00		$ 25,278.65	Fill the Frame Campaign
12/20/13	Roberta L Mason	$ 1,000.00		$ 26,278.65	Fill the Frame Campaign
01/05/14	Marvin Peterson	$ 1,000.00		$ 27,278.65	Fill the Frame Campaign
01/27/14	Pilot Brands	$ 2,500.00		$ 29,778.65	Fill the Frame Campaign
01/27/14	Gary & Tracy Saunders	$ 1,000.00		$ 30,778.65	Fill the Frame Campaign
01/28/14	David Hollis	$ 250.00		$ 31,028.65	Fill the Frame Campaign
01/29/14	Paula Gibson	$ 250.00		$ 31,278.65	Fill the Frame Campaign
01/31/14	Doug Wilson Construction	$ 500.00		$ 31,778.65	Fill the Frame Campaign
01/31/14	Allan & Diane Bisbee	$ 250.00		$ 32,028.65	Fill the Frame Campaign
02/05/14	Linda Groth	$ 250.00		$ 32,278.65	Fill the Frame Campaign
02/21/14	Mary & Fenn Barkley	$ 1,000.00		$ 33,278.65	Fill the Frame Campaign
02/21/14	Ed Laine	$ 250.00		$ 33,528.65	Fill the Frame Campaign
02/21/14	Stella & Darin Roper	$ 250.00		$ 33,778.65	Fill the Frame Campaign
02/25/14	Kenneth Jillson	$ 200.00		$ 33,978.65	Fill the Frame Campaign
02/27/14	DW & EL Correa	$ 1,000.00		$ 34,978.65	
	Subtotal	**$ 18,200.00**	**$ 847.19**		
2/21/2014	**Current Totals**	**$ 60,200.00**	**$ 25,221.35**	**$ 34,978.65**	

Future Expenses - Barkley Sculpture Project

Date	Description	Income	Expense	Balance	Comments
NOT PAID	Mussi Artworks Foundry		$ 13,189.00	$ 21,789.65	2nd of 3 equal installments
NOT PAID	Mussi Artworks Foundry		$ 13,189.00	$ 8,600.65	3rd of 3 equal installments
	Remaining Foundation Commitment	$ -		$ 8,600.65	Barkley Sculpture Project