

LAKE TAHOE COMMUNITY COLLEGE FOUNDATION

FINANCIAL STATEMENTS

June 30, 2020 and 2019



LAKE TAHOE COMMUNITY COLLEGE FOUNDATION
TABLE OF CONTENTS
JUNE 30, 2020

TABLE OF CONTENTS

INDEPENDENT AUDITORS' REPORT.....	1
FINANCIAL STATEMENTS:	
STATEMENT OF FINANCIAL POSITION.....	3
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS.....	5
STATEMENT OF FUNCTIONAL EXPENSES.....	7
STATEMENTS OF CASH FLOWS.....	9
NOTES TO FINANCIAL STATEMENTS.....	10



INDEPENDENT AUDITORS' REPORT

Board of Directors
Lake Tahoe Community College Foundation
South Lake Tahoe, California

Report on the Financial Statements

We have audited the accompanying financial statements of Lake Tahoe Community College Foundation (the "Foundation"), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years 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 audits. We conducted our audits 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lake Tahoe Community College Foundation as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Foundation has adopted the provisions of Financial Accounting Standards Board Accounting Standards Update No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* Accordingly, all contributions received have been reviewed and adjusted accordingly to adopt this standard. Our opinion is not modified with respect to this matter.

CWDL, Certified Public Accountants

San Diego, California
March 31, 2021

FINANCIAL STATEMENTS

LAKE TAHOE COMMUNITY COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020

	<u>2020</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 713,527
Accounts receivable	14,314
Other current assets	<u>6,876</u>
Total current assets	<u>734,717</u>
Noncurrent assets:	
Investments	<u>3,034,665</u>
Total noncurrent assets	<u>3,034,665</u>
Total assets	<u>\$ 3,769,382</u>
LIABILITIES	
Accounts payable	\$ 155,557
Deferred revenue	<u>50,700</u>
Total liabilities	<u>206,257</u>
NET ASSETS	
Net assets without donor restrictions	524,347
Net assets with donor restrictions	<u>3,038,778</u>
Total net assets	<u>3,563,125</u>
Total liabilities and net assets	<u>\$ 3,769,382</u>

LAKE TAHOE COMMUNITY COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2019

	<u>2019</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 567,350
Accounts receivable	16,306
Other current assets	<u>8,564</u>
Total current assets	<u>592,220</u>
Noncurrent assets:	
Investments	<u>1,879,745</u>
Total noncurrent assets	<u>1,879,745</u>
Total assets	<u>\$ 2,471,965</u>
 LIABILITIES	
Accounts payable	\$ 33,686
Deferred revenue	<u>53,525</u>
Total liabilities	<u>87,211</u>
 NET ASSETS	
Net assets without donor restrictions	1,416,617
Net assets with donor restrictions	<u>968,137</u>
Total net assets	<u>2,384,754</u>
Total liabilities and net assets	<u>\$ 2,471,965</u>

LAKE TAHOE COMMUNITY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
JUNE 30, 2020

Year Ended June 30, 2020	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Donations	\$ 208,971	\$ 1,266,574	\$ 1,475,545
Special events, net	104,036	14,500	118,536
Interest and dividends, net	17,721	61,923	79,644
Assets released from restrictions	288,150	(288,150)	-
Total Support and Revenue	618,878	1,054,847	1,673,725
EXPENSES			
Operating expenses	161,525	-	161,525
Program expenses	355,562	-	355,562
Fundraising expenses	40,300	-	40,300
Total Expenses	557,387	-	557,387
Change in Net Assets	61,491	1,054,847	1,116,338
Net Assets - Beginning of Year	1,416,617	968,137	2,384,754
Adjustment - see note 6	(953,761)	1,015,794	62,033
Net Assets - End of Year	\$ 524,347	\$ 3,038,778	\$ 3,563,125

LAKE TAHOE COMMUNITY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
JUNE 30, 2019

Year Ended June 30, 2019	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Donations	\$ 195,150	\$ 2,411,060	\$ 2,606,210
Special events, net	50,962	5,141	56,103
Interest and dividends, net	13,040	27,784	40,824
Assets released from restrictions	1,968,353	(1,968,353)	-
Total Support and Revenue	2,227,505	475,632	2,703,137
EXPENSES			
Operating expenses	156,379	-	156,379
Program expenses	1,998,473	-	1,998,473
Fundraising expenses	4,022	-	4,022
Total Expenses	2,158,874	-	2,158,874
Change in Net Assets	68,631	475,632	544,263
Net Assets - Beginning of Year	1,347,986	424,634	1,772,620
Adjustment	-	67,871	67,871
Net Assets - End of Year	\$ 1,416,617	\$ 968,137	\$ 2,384,754

LAKE TAHOE COMMUNITY COLLEGE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

Year Ended June 30, 2020	General and			Total
	Program	Administrative	Fundraising	
Advertising & marketing	\$ -	\$ 4,650	\$ -	\$ 4,650
Awards	1,044	-	-	1,044
Bank charges	-	1,823	-	1,823
Dues and subscriptions	-	250	-	250
Employee benefits	-	44,621	-	44,621
Events	22,347	-	-	22,347
Fundraising	-	-	2,592	2,592
Grants	17,380	-	-	17,380
Investment expense	-	3,497	-	3,497
Miscellaneous expenses	-	630	-	630
Printing and binding	-	3,804	-	3,804
Program Support	131,036	-	-	131,036
Salaries	-	102,250	-	102,250
Scholarships	183,755	-	-	183,755
Special Events	-	-	37,709	37,709
Total	\$ 355,562	\$ 161,525	\$ 40,300	\$ 557,387

LAKE TAHOE COMMUNITY COLLEGE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019

Year Ended June 30, 2019	General and			Total
	Program	Administrative	Fundraising	
Advertising & marketing	\$ -	\$ -	\$ 10,465	\$ 10,465
Bank charges	-	1,154	-	1,154
Employee benefits	-	42,450	-	42,450
Grants	1,666,909	-	-	1,666,909
Investment expense	-	3,599	-	3,599
Office expenses	-	700	-	700
Miscellaneous expenses	-	958	-	958
Printing and binding	-	-	6,372	6,372
Program Support	158,811	34,421	-	193,232
Salaries	-	99,025	-	99,025
Scholarships	134,010	-	-	134,010
Total	\$ 1,959,730	\$ 182,307	\$ 16,837	\$ 2,158,874

LAKE TAHOE COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND JUNE 30, 2019

Year Ended June 30,	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,116,338	\$ 544,263
Adjustments to Reconcile Change in Net Assets To Net Cash Used by Operating Activities		
Unrealized gain	62,033	67,871
Change in Assets and Liabilities		
Accounts receivable	1,992	(8,705)
Other current assets	1,688	12,484
Accounts payable	121,871	13,051
Deferred revenue	(2,825)	15,530
Net Cash Provided (Used) by Operating Activities	<u>1,301,097</u>	<u>644,494</u>
Proceeds from sales and maturities of investments	(1,154,920)	(298,420)
Net cash used in financing activities	<u>(1,154,920)</u>	<u>(298,420)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	146,177	346,074
Cash and Cash Equivalents - Beginning of Year	<u>567,350</u>	<u>221,276</u>
Cash and Cash Equivalents - End of Year	<u>\$ 713,527</u>	<u>\$ 567,350</u>

LAKE TAHOE COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization: Lake Tahoe Community College Foundation (the "Foundation") is a not-for-profit public benefit corporation organized to provide support to various programs and functions of Lake Tahoe Community College District (the "District" or "College"), as well as provide a link between the district and the community. The Foundation is considered a component unit of the District with the inclusion of the statements as a discretely presented component unit. The purpose of the Foundation is to accumulate funds to award scholarships and loans to assist students.

Basis of Accounting: The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation: The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

All donor-restricted contributions are recorded as increases in net assets with donor restrictions. When a restriction expires, either by the passage of time or the purpose is satisfied, the net assets with donor restriction are reclassified to net assets without donor restrictions and reported in the statement of activities as "net assets released from restrictions."

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulation or by law. Possible expirations of net assets with donor restriction are (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Cash Equivalents: The Foundation considers all highly liquid investments with original maturity dates of three months or less as cash equivalents.

Investments: Investments in marketable securities are carried at fair value. Net change in the fair value of investments, which consists of realized gains or losses and the unrealized appreciation (depreciation) of those investments is reported in the statement of activities. Investment income, which consists of interest, dividends, realized gains or losses and the unrealized appreciation (depreciation) of those investments, is reported in the statement of activities. Investment income is accrued as earned. Security transactions are recorded on a trade date basis.

Net Assets: The financial statements report amounts separately by class of net assets as follows:

- Net assets without donor restrictions are those resources that are currently available for operations.
- Net assets with donor restrictions are those resources which are stipulated by donors for various scholarships or other programmatic uses.

LAKE TAHOE COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Endowment Funds: The Foundation accounts for its endowments in accordance with *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA)*, and *Enhanced Disclosures for All Endowment Funds* (Codification Topic 958-205). The Foundation's endowment currently consists of 82 individual funds established for the purpose of supporting education at the District. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Foundation has interpreted 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 net assets with donor restriction (a) the original value of gifts donated to the net assets with donor restriction endowment, (b) the original value of subsequent gifts to the net assets with donor restriction endowment, and (c) accumulations to the net assets with donor restriction 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 endowment fund that is not classified in net assets with donor restrictions is classified as net assets without donor restrictions until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard prudence prescribed by UPMIFA.

The Foundation follows the Foundation's adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specific period(s) as well as board-designated funds.

The investment objective is to optimize earnings on all invested funds, while maintaining the preservation of capital. Risk will be minimized by investing in high quality investment instruments. To the extent that corporate obligations are purchased, those purchases will be diversified in terms of issuer and industry sector.

Underwater Endowment Funds: From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Organization to retain as a fund of perpetual duration. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new contributions for donor-restricted endowment funds and continued appropriation for certain programs that was deemed prudent by the Board of Trustees. The Foundation considers its endowments to be underwater if their fair value is less than the sum of (1) the original value of initial and subsequent gift amounts donated to the endowment and (2) any accumulations to the endowment required to be held in perpetuity per donor direction. The Foundation had no underwater endowment funds at June 30, 2020 or 2019.

Donations: Donations are recognized as revenues in the period received. Donations are considered available for net assets without donor restrictions use unless specifically restricted by the donor. Event revenues received in advance are deferred and recognized in the period the events occur.

LAKE TAHOE COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable: The Foundation utilizes the allowance method of accounting for uncollectible accounts receivable. No allowance was necessary at June 30, 2020 and 2019, respectively. Bad debt expense was \$-0- at June 30, 2020 and 2019, respectively.

Concentration of Credit Risk: Cash balances held in banks are insured up to \$250,000 and are collateralized by the respective financial institution. The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts. Management believes the Foundation is not exposed to any significant credit risk related to cash.

At June 30, 2020 and 2019, the Foundation had bank balances of \$737,718 and \$567,730 respectively. The total uninsured bank balances at June 30, 2020 and 2019 were \$463,527 and \$317,350, respectively.

Scholarships: The Foundation recognizes unconditional scholarships awarded when such awards are made if the amounts can be reasonably determined. Conditional scholarships awarded are recognized when the conditions on which they depend are substantially met.

Tax Status: The United States Treasury Department determined that the Foundation is a nonprofit tax-exempt corporation as defined by Internal Revenue Code Section 501(c)(3). A similar determination was made by the California Franchise Tax Board under Section 237 of the State Revenue and Taxation code.

In 2003, the Foundation Board of Directors approved the 501(h)-lobby election of the Internal Revenue Code. Such status provides the Foundation with the ability to participate in the public policy process through lobbying and advocacy campaigns but limits the Foundation's expenses for this purpose to a maximum of 20% of the first \$500,000 of annual expenditures.

The Foundation has accounted for uncertainty in income taxes as required by the *Accounting for Uncertainty in Income Taxes* Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification. The Foundation uses a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return. A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The effect of applying this model and the resulting identification of uncertain tax positions, if any, were not considered significant for financial reporting purposes. The Foundation is not subject to any tax liability. Management does not expect the total amount of unrecognized tax benefits to significantly change in the next 12 months.

The Foundation would recognize interest and penalties related to unrecognized tax benefits in tax expense. During the years ended June 30, 2020 and 2019, the Foundation did not recognize any interest or penalties. The Foundation is subject to the filing of U.S. Federal and California informational returns. Federal returns for 2016 through 2018 and California returns for 2015 through 2018 are currently open for potential Federal and State examination.

LAKE TAHOE COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Change in Accounting Principle: In June 2018, FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08). ASU 2018-08 clarifies how a not-for-profit entity determines whether a resource provider is participating in an exchange transaction or a contribution, helps an entity to evaluate whether contributions are considered conditional or unconditional by stating that a conditional contribution must have (1) a barrier that must be overcome and (2) a right of return or release of obligation, and modifies the simultaneous release option currently in GAAP, which allows a not-for-profit entity to recognize a restricted contribution directly in unrestricted net assets/net assets without donor restrictions if the restriction is met in the same period that revenue is recognized. Accounting for contributions is an issue primarily for not-for-profit entities because contributions are a significant source of revenue. However, the amendments in the ASU 2018-08 apply to all organizations that receive or make contributions of cash and other assets, including business enterprises. The amendments do not apply to transfers of assets from governments to businesses. For contributions received, ASU 2018-08 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2019. For contributions made, ASU 2018-08 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020.

The Foundation has implemented the provisions of this ASU as of June 30, 2020, because management believes it improves the Foundation's financial reporting.

New Accounting Pronouncements: In February 2016, FASB issued ASU 2016-02, *Leases* (ASU 2016-02). ASU 2016-02 requires a lessee to recognize a lease asset representing its right to use the underlying asset for the lease term, and a lease liability for the payments to be made to lessor, on its statement of financial position for all operating leases greater than 12 months. ASU 2016-02 will be effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2021. Although the full impact of ASU 2016-02 on the Foundation's financial statements has not yet been determined, the future adoption of this guidance will require the Foundation to record assets and liabilities on its statement of financial position relating to facility and other leases currently being accounted for as operating leases.

LAKE TAHOE COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Foundation’s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside for program services that could be drawn upon if the Board of Directors approves that action.

	2020	2019
Financial assets, at year-end:		
Cash and cash equivalents	\$ 713,527	\$ 567,350
Investments	3,034,665	1,879,745
Total financial assets, at year-end	\$ 3,748,192	\$ 2,447,095
Restrictions for specific purposes:		
Donor designated	\$ 3,038,778	\$ 968,137
Total contractual or donor-imposed restrictions	3,038,778	968,137
Financial assets available to meet cash needs for general expenditure within one year	\$ 709,414	\$ 1,478,958

LAKE TAHOE COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 – INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS

Investments consist of the following at June 30:

	2020	2019
Bank Sweep	\$ 112,334	\$ 225,767
Fixed Income	1,275,494	70,744
Equity Securities	527,237	355,867
Mutual Funds	9,688	9,555
Exchange Traded Funds	710,074	338,784
Bond funds	385,234	863,752
Investment Foundation for California Community Colleges Scholarships Endowment (FCCC/Osher)	14,604	15,276
Total	\$ 3,034,665	\$ 1,879,745

The Foundation invests in a pooled scholarship endowment fund, FCCC/Osher, managed by the Foundation for California Community Colleges (FCCC). The objective of the Foundation's investment in FCCC/Osher is to grow the Foundation's investments through the Bernard Osher Foundation pledge to match funds contributed to FCCC/Osher. Funds invested in the endowment fund by the Foundation cannot be removed at any time. The investment managers engaged by FCCC are required to follow specific guidelines set forth by FCCC with respect to the various types of allowable investments purchased and held by the pool. Accordingly, the estimated fair value of these investments is based on information provided by external investment managers engaged by FCCC.

The following presents information about the Foundation's assets and liabilities measured at fair value on a recurring basis as of June 30, 2020 and 2019, and indicates the fair value hierarchy of the valuation techniques utilized by the Foundation to determine such fair value based on the hierarchy:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

As of June 30, 2020, and 2019, the carrying amounts of cash and cash equivalents and accounts payable approximate fair value because of the relatively short maturities of these financial instruments.

LAKE TAHOE COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 – INVESTMENTS AND FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The Foundation is required or permitted to record the following assets at fair value on a recurring basis:

	June 30, 2020			
	Fair Value	Level 1	Level 2	Level 3
Investment securities:				
Bank Sweep	\$ 112,334	\$ 112,334	\$ -	\$ -
Fixed Income	1,275,494	1,275,494	-	-
Equity Securities	527,237	527,237	-	-
Mutual Funds	9,688	9,688	-	-
Exchange Traded Funds	710,074	710,074	-	-
Bond funds	385,234	385,234	-	-
Investment in FCCC/Osher*	14,604	-	-	14,604
Total investment securities	\$ 3,034,665	\$ 3,020,061	\$ -	\$ 14,604

	June 30, 2019			
	Fair Value	Level 1	Level 2	Level 3
Investment securities:				
Bank Sweep	\$ 225,767	\$ 225,767	\$ -	\$ -
Fixed Income	70,744	70,744	-	-
Equity Securities	355,867	355,867	-	-
Mutual Funds	9,555	-	-	-
Exchange Traded Funds	338,784	-	-	-
Bond funds	863,752	-	-	-
Investment in FCCC/Osher*	15,276	-	-	15,276
Total investment securities	\$ 1,879,745	\$ 652,378	\$ -	\$ 15,276

*Investments measured at fair value using net asset value (“NAVs”) per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the hierarchy tables for such investments are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of financial position.

The Foundation used the following methods and significant assumptions to estimate fair value:

The fair value of the investments held by FCCC was based upon the NAVs of the assets at June 30, 2020 and 2019. The fair value of the funds held by FCCC is based upon the Foundation’s proportionate share of the FCCC/Osher pooled investment portfolio. Foundation management reviews the valuations and returns in comparison to industry benchmarks and other information provided by FCCC, but there is currently no visibility provided by FCCC to the specific listing of underlying investment holdings.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

LAKE TAHOE COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – NET ASSETS

Net assets with donor restrictions are restricted for the following purposes or periods.

Year Ended June 30,	2020	2019
Subject to expenditure for a specified purpose		
Scholarships	\$ 1,255,610	\$ 210,466
Educational purposes	1,579,049	1,667,336
Total	\$ 2,834,659	\$ 1,877,802
Endowments		
Subject to endowment spending policy and appropriation		
FCCC/Osher Scholarships	\$ 14,604	\$ 15,276
Scholarships	1,255,610	210,466
Educational purposes	1,765,715	1,667,337
Total Endowments	\$ 3,035,929	\$ 1,893,079

NOTE 5 – ENDOWMENT

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

Year Ended June 30, 2020	Net Assets With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,879,745	\$ 1,879,745
Change in fair value of investments	63,861	63,861
Investment income	84,220	84,220
Contributions	992,971	992,971
Transfers and adjustments	19,000	19,000
Investment fees	(5,132)	(5,132)
Endowment net assets, end of year	\$ 3,034,665	\$ 3,034,665

Year Ended June 30, 2019	Net Assets With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ 1,558,703	\$ 1,558,703
Change in fair value of investments	65,238	65,238
Investment income	43,757	43,757
Contributions	207,402	207,402
Transfers and adjustments	8,244	8,244
Investment fees	(3,599)	(3,599)
Endowment net assets, end of year	\$ 1,879,745	\$ 1,879,745

LAKE TAHOE COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 – ADJUSTMENT

A beginning net asset adjustment was made for \$1,015,794 to the prior year classification of net assets with and without restrictions due to a detailed analysis performed by management to reflect the net assets more accurately.

NOTE 7 – SUBSEQUENT EVENTS

The Foundation evaluated all events or transactions that occurred from June 30, 2020 to March 31, 2021, the date the financial statements were available to be issued. No subsequent events occurred requiring accrual or disclosure.