



Agenda Item (VIII-E-2)

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|--------------------|--|
| Meeting | 12/13/2011 - Regular |
| Agenda Item | Committee - Resources (VIII-E-2) |
| Subject | 2010-2011 Independent Audit Report for the Riverside Community College District Foundation |
| College/District | District |
| Funding | n/a |
| Recommended Action | It is recommended that the Board of Trustees receive the Riverside Community College District Foundation's independent audit report for the year ended June 30, 2011 for the permanent file of the District. |

Background Narrative:

See the attached background information relative to the 2010-2011 Independent Audit Report for the Riverside Community College District Foundation.

Prepared By: Jim Buysse, Vice Chancellor, Administration & Finance
Aaron Brown, Associate Vice Chancellor, Finance
Bill Bogle, Controller

Attachments:

[2010-2011 Independent Audit Report for the Riverside Community College District Foundation Background Information - December 13, 2011](#)

**2010-2011 Independent Audit Report
For the Riverside Community College District Foundation
December 13, 2011**

An independent audit of the Foundation's 2010-2011 financial statements was performed by Vavrinek, Trine, Day & Co., LLP Certified Public Accountants (VTD). A representative of the firm will be available to present the report. The Foundation's Board of Directors accepted the audit report on November 15, 2011. Results of the audit are summarized below.

Auditor's Opinion

The auditor has issued an unqualified opinion for the financial audit; an excerpt of which follows:

Financial Audit - "In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Riverside Community College District Foundation as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America"

Audit Findings

There were no findings or questioned costs related to the audit for the year ended June 30, 2011.

Audit Adjustments to the Financial Statements

No audit adjustments were recommended.

Auditor's Required Communication - Audit Completion

In accordance with the Statement on Auditing Standards No. 115, at the conclusion of the audit engagement VTD is required to communicate information to the Board of Directors regarding their responsibility under United States Generally Accepted Auditing Standards. Attached for your information is the required communication issued by VTD.

Management Recommendations

There were two reported management recommendation for fiscal year 2010-2011 as shown in the attached letter.

RIVERSIDE COMMUNITY COLLEGE
DISTRICT FOUNDATION
(A California Nonprofit Corporation)

ANNUAL FINANCIAL REPORT

JUNE 30, 2011 AND 2010

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)**

JUNE 30, 2011 AND 2010

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Riverside Community College District Foundation
Riverside, California

We have audited the accompanying statements of financial position of Riverside Community College District Foundation (a California nonprofit corporation) as of June 30, 2011 and 2010, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of Riverside Community College District Foundation's management. 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Riverside Community College District Foundation as of June 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2011, on our consideration of Riverside Community College District Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of net assets on pages 20 through 32 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Vaurinek Irine Day & Co. LLP

Rancho Cucamonga, California
October 18, 2011

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)

STATEMENTS OF FINANCIAL POSITION
JUNE 30,

| | <u>2011</u> | <u>2010</u> |
|--|---------------------|----------------------|
| ASSETS | | |
| Current Assets | | |
| Cash and Cash Equivalents | | |
| Unrestricted | \$ 636,646 | \$ 4,821,413 |
| Restricted | 1,041,547 | 1,142,251 |
| Accounts receivable | 10,078 | 14,750 |
| Receivable due from unrestricted funds | - | 92,255 |
| Unconditional promises to give, net of allowance | 370,615 | 185,062 |
| Total Current Assets | <u>2,058,886</u> | <u>6,255,731</u> |
| Noncurrent Assets | | |
| Investments - restricted | 3,763,282 | 3,481,432 |
| Long-term unconditional promises to give, net of allowance | - | 623,500 |
| Total Noncurrent Assets | <u>3,763,282</u> | <u>4,104,932</u> |
| Total Assets | <u>\$ 5,822,168</u> | <u>\$ 10,360,663</u> |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities | | |
| Accounts payable | \$ 758,758 | \$ 4,943,691 |
| Borrowing from restricted funds | - | 92,255 |
| Total Current Liabilities | <u>758,758</u> | <u>5,035,946</u> |
| Long-Term Liabilities | | |
| Long-term obligation to Riverside Community College District | - | 794,735 |
| Total Long-Term Liabilities | <u>-</u> | <u>794,735</u> |
| Total Liabilities | <u>758,758</u> | <u>5,830,681</u> |
| NET ASSETS | | |
| Unrestricted | | |
| Undesignated | (85,255) | (901,131) |
| Board designated | 16,287 | 14,141 |
| Total Unrestricted | <u>(68,968)</u> | <u>(886,990)</u> |
| Temporarily restricted | 1,360,704 | 2,243,501 |
| Permanently restricted | 3,771,674 | 3,173,471 |
| Total Net Assets | <u>5,063,410</u> | <u>4,529,982</u> |
| Total Liabilities and Net Assets | <u>\$ 5,822,168</u> | <u>\$ 10,360,663</u> |

See the accompanying notes to financial statements.

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,

| | 2011 | | | Total |
|--------------------------------------|--------------------|------------------------|------------------------|---------------------|
| | Unrestricted | Temporarily Restricted | Permanently Restricted | |
| REVENUES | | | | |
| Donations | \$ 3,006 | \$ 656,153 | \$ 415,704 | \$ 1,074,863 |
| In-kind donations | | | | |
| Donated assets | 19,935 | - | - | 19,935 |
| Donated material | 21 | - | - | 21 |
| Donated services | 532,137 | - | - | 532,137 |
| Forgiveness of debt income | 889,800 | - | - | 889,800 |
| Assets released from restriction | 1,833,114 | (1,607,255) | (225,859) | - |
| Total Revenues | <u>3,278,013</u> | <u>(951,102)</u> | <u>189,845</u> | <u>2,516,756</u> |
| EXPENSES | | | | |
| Operating expenses | 753,406 | - | - | 753,406 |
| Program expenses | 1,767,673 | - | - | 1,767,673 |
| Fundraising expenses | 34,047 | - | - | 34,047 |
| Total Expenses | <u>2,555,126</u> | <u>-</u> | <u>-</u> | <u>2,555,126</u> |
| OTHER INCOME (EXPENSE) | | | | |
| Realized gain on sale of investments | 814 | 1,755 | 6,475 | 9,044 |
| Unrealized gain on investments | 42,332 | 91,247 | 336,774 | 470,353 |
| Interest and dividends income | 13,540 | 18,254 | 66,522 | 98,316 |
| Interest expense | (5,915) | - | - | (5,915) |
| Transfers | 44,364 | (42,951) | (1,413) | - |
| Total Other Income (Expense) | <u>95,135</u> | <u>68,305</u> | <u>408,358</u> | <u>571,798</u> |
| CHANGE IN NET ASSETS | 818,022 | (882,797) | 598,203 | 533,428 |
| NET ASSETS, BEGINNING OF YEAR | <u>(886,990)</u> | <u>2,243,501</u> | <u>3,173,471</u> | <u>4,529,982</u> |
| NET ASSETS, END OF YEAR | <u>\$ (68,968)</u> | <u>\$ 1,360,704</u> | <u>\$ 3,771,674</u> | <u>\$ 5,063,410</u> |

See the accompanying notes to financial statements.

| 2010 | | | |
|----------------------------|----------------------------|----------------------------|----------------------------|
| Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
| \$ 152,739 | \$ 5,266,787 | \$ 179,980 | \$ 5,599,506 |
| 161,341 | - | - | 161,341 |
| 28,659 | - | - | 28,659 |
| 475,958 | - | - | 475,958 |
| 5,904,347 | (5,959,981) | 55,634 | - |
| - | - | - | - |
| <u>6,723,044</u> | <u>(693,194)</u> | <u>235,614</u> | <u>6,265,464</u> |
| 915,608 | - | - | 915,608 |
| 5,876,943 | - | - | 5,876,943 |
| 104,685 | - | - | 104,685 |
| <u>6,897,236</u> | <u>-</u> | <u>-</u> | <u>6,897,236</u> |
| 1,626 | 2,693 | 10,891 | 15,210 |
| 27,621 | 49,372 | 140,775 | 217,768 |
| 9,700 | 22,309 | 64,987 | 96,996 |
| (7,979) | - | - | (7,979) |
| 131,188 | (149,278) | 18,090 | - |
| <u>162,156</u> | <u>(74,904)</u> | <u>234,743</u> | <u>321,995</u> |
| (12,036) | (768,098) | 470,357 | (309,777) |
| (874,954) | 3,011,599 | 2,703,114 | 4,839,759 |
| <u><u>\$ (886,990)</u></u> | <u><u>\$ 2,243,501</u></u> | <u><u>\$ 3,173,471</u></u> | <u><u>\$ 4,529,982</u></u> |

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30,

| | <u>2011</u> | <u>2010</u> |
|--|--------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ 533,428 | \$ (309,777) |
| Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities | | |
| Unrealized gain on investments | (470,353) | (217,768) |
| Contribution of restricted donations | (1,071,857) | (5,446,767) |
| Forgiveness of debt income | (889,800) | - |
| Changes in Assets and Liabilities | | |
| (Increase)/Decrease in accounts receivable | 4,672 | (12,205) |
| Increase/(decrease) in unrestricted unconditional promises to give | 11,721 | 22,622 |
| Increase/(Decrease) in accounts payable | (4,184,933) | 4,746,766 |
| Net Cash Flows From Operating Activities | <u>(6,067,122)</u> | <u>(1,217,129)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of investments | (147,780) | (456,631) |
| Proceeds from sale of investments | 105,826 | 1,100,624 |
| Net Cash Flows From Investing Activities | <u>(41,954)</u> | <u>643,993</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of debt | - | 90,707 |
| (Increase)/Decrease in long term unconditional promises to give | 426,226 | (322,893) |
| Increase in notes payable | - | 437,185 |
| Collections of restricted contributions | 1,498,083 | 5,189,550 |
| Net Cash Flows From Financing Activities | <u>1,924,309</u> | <u>5,394,549</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | (4,184,767) | 4,821,413 |
| UNRESTRICTED CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>4,821,413</u> | <u>-</u> |
| UNRESTRICTED CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 636,646</u> | <u>\$ 4,821,413</u> |
| REQUIRED DISCLOSURE | | |
| Interest paid | <u>\$ 5,915</u> | <u>\$ 7,979</u> |

See the accompanying notes to financial statements.

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30,

| | 2011 | | | |
|--|-------------------|---------------------|------------------|---------------------|
| | Operating | Program | Fundraising | Total |
| In-Kind Distributions | | | | |
| Donated assets | \$ - | \$ 19,935 | \$ - | \$ 19,935 |
| Donated services | 532,158 | - | - | 532,158 |
| Support - Instructional and student programs | - | 95,065 | - | 95,065 |
| Scholarships | 300 | 603,256 | - | 603,556 |
| Printing | 3,295 | - | 27,973 | 31,268 |
| Allowance for uncollected pledges | 31,773 | - | - | 31,773 |
| Investment fees | 27,417 | 5,134 | - | 32,551 |
| Office supplies | 3,204 | - | 42 | 3,246 |
| Postage | 365 | - | - | 365 |
| Aquatics complex | - | 1,042,163 | - | 1,042,163 |
| Other services | 154,894 | 2,120 | 6,032 | 163,046 |
| TOTAL EXPENSES | \$ 753,406 | \$ 1,767,673 | \$ 34,047 | \$ 2,555,126 |

See the accompanying notes to financial statements.

| 2010 | | | |
|-------------------|---------------------|-------------------|---------------------|
| Operating | Program | Fundraising | Total |
| \$ - | \$ 161,341 | \$ - | \$ 161,341 |
| 504,617 | - | - | 504,617 |
| - | 121,015 | - | 121,015 |
| 3,250 | 635,383 | - | 638,633 |
| 5,901 | - | 22,102 | 28,003 |
| 19,398 | - | - | 19,398 |
| 19,161 | 8,296 | - | 27,457 |
| 4,025 | - | 178 | 4,203 |
| 810 | - | - | 810 |
| - | 4,950,908 | - | 4,950,908 |
| 358,446 | - | 82,405 | 440,851 |
| <u>\$ 915,608</u> | <u>\$ 5,876,943</u> | <u>\$ 104,685</u> | <u>\$ 6,897,236</u> |

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The Riverside Community College District Foundation (the Foundation) was formed as a nonprofit corporation on October 21, 1975, to solicit funds, provide support for the programs and projects of the Riverside Community College District (the District), and to account for the issuance of scholarships to the students of the District. The Foundation also serves as a link between the District and the community.

Basis of Accounting

The financial statements of the Foundation have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) on the accrual basis of accounting. The statement of activities is a statement of financial activities related to the current reporting period. Using this method, revenues are recognized when earned, and expenses are recognized when incurred.

Financial Statement Presentation

The Foundation prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The financial statements include the accounts maintained by and directly under the control of the Foundation.

The Foundation reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Foundation is required to present a statement of cash flows. The Foundation does not use fund accounting. Revenues and expenses are recorded when incurred in accordance with the accrual basis of accounting.

The Foundation and the District are financial interrelated organizations as defined by the Financial Accounting Standards Board (FASB), Accounting Standards Codification 958-20, and *Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others* (formerly FAS 136). The Foundation reflects contributions received for the benefit of the District as revenue in its financial statements. The expenses related to these contributions are accounted for under program and supporting services.

Fair Value Measurements

The fair value of equity and debt securities with readily determinable fair values approximates their respective quoted market prices. The fair value of investments in partnerships and real estate held as investments is estimated using private valuations of the securities or properties held. Because of the inherent uncertainty of valuation methods, those estimated values might differ significantly from those used had a market existed. All other financial instruments' fair values approximate their carrying amounts due to the short maturities of these instruments.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

Public Support and Revenue

The Foundation receives substantially all of its revenue from direct donations and pledges. Revenues are reported as increases in unrestricted net assets unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Realized gains/losses and unrealized gains/losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expiration of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) is reported as assets are released from restriction between the applicable classes of net assets.

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets, other than cash, are recorded at their estimated fair value at the time of the gift.

Comparative Financial Information

Comparative financial information for the prior year has been presented for additional analysis; certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Donated Assets, Service, and Facilities

The Foundation records the value of donated assets, services, and facilities when there is an objective basis available to measure their value. Donated facilities are reflected as support in the accompanying statements at their estimated values at date of donation and fair market value of facilities for the year. Donated assets, if received for the benefit of the foundation, are capitalized at the stated donated value and depreciated in accordance with Foundation policies, unless they are passed through to the District. During 2011 and 2010, all donated assets have been passed through to the District. Donated services are reflected in the accompanying statements when the criteria for recognition have been met and are recorded at fair value.

Use of Estimates

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

Income Taxes

The Foundation is a charitable, not-for-profit, tax-exempt organization qualified under provisions of Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions. Accordingly, no provision for income taxes has been provided in the financial statements. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a). The Foundation annually files information returns, Forms 990, 199, and RRF-1, with the appropriate agencies. There were no unrelated business activities during the years ended June 30, 2011 and 2010.

Cash Equivalents for Statements of Cash Flows

For purposes of the statements of cash flows, the Foundation considers all highly liquid unrestricted investments available for current use purchased with an initial maturity of three months or less to be cash equivalents.

Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Foundation uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. Management has determined the amount of allowance for uncollectible promises to give at June 30, 2011 and 2010, to be \$12,929 and \$19,398, respectively.

Functional Allocation of Expenses

The costs of providing various programs and activities have been summarized on a functional basis. Accordingly, based upon management's estimates, certain costs have been allocated among the programs, support services, and fundraising activities.

NOTE 2 - CONCENTRATION OF RISK

Cash accounts maintained by the Foundation are insured up to \$250,000 by the Federal Deposit Insurance Corporation. Additionally, the Foundation deposits are covered under the collateralization of governmental funds agreement which provides for collateralization of deposits with eligible securities at a rate of 110 percent of the deposit on hand. As of June 30, 2011, the balances held in financial institutions of \$1,371,209 were not fully insured, but were collateralized with securities held by the financial institution, but not in the Foundation's name. Management reviews the balances and the financial condition of these financial institutions on a periodic basis.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

NOTE 3 - RESTRICTIONS ON NET ASSETS

Permanently restricted net assets are gifts of cash and securities restricted by donors in ways that permit only the earnings to be used for specific programs, scholarships, and general operations of the Foundation. As restrictions on the net assets expire, due to time passing and earnings becoming available for expenditure, the funds are released to either temporarily restricted net assets or unrestricted net assets as applicable. Permanently restricted net assets consist of endowments to be held in perpetuity, the income is expendable for the donor's stated purpose.

Temporarily restricted net assets have donor-imposed restrictions that permit the Foundation to use up or expend the donated assets as specified and are satisfied either by the passage of time or by actions of the Foundation. As the restrictions expire and become available for expenditure, the funds are released to unrestricted net assets.

A description of the permanently and temporarily restricted net asset activity is included in the supplementary information to this report.

NOTE 4 - UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give at June 30, 2011 and 2010, consists of pledges and are due within the following schedule:

| | 2011 | 2010 |
|--|-------------------|-------------------|
| Unconditional promises to give | \$ 383,544 | \$ 827,960 |
| Less: Allowance for uncollectible promises to give | (12,929) | (19,398) |
| Total | <u>\$ 370,615</u> | <u>\$ 808,562</u> |
| | 2011 | 2010 |
| Due within 1 year | \$ 383,544 | \$ 185,062 |
| Due within 1 to 5 years | - | 642,898 |
| Less: Allowance for uncollectible promises to give | (12,929) | (19,398) |
| Total | <u>\$ 370,615</u> | <u>\$ 808,562</u> |
| Allowance for Uncollectible Promises to Give | | |
| | 2011 | 2010 |
| Beginning Balance | \$ 19,398 | \$ 25,561 |
| Additions | 48,356 | - |
| Deletions | (48,355) | (5,619) |
| Write-offs | (6,470) | (544) |
| Ending Balance | <u>\$ 12,929</u> | <u>\$ 19,398</u> |

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

NOTE 5 - INVESTMENTS

Investments are presented at fair value in the financial statements and are composed of the following at June 30, 2011:

| | Adjusted Cost | Fair Market Value | Unrealized Gain |
|---|---------------------|----------------------|--------------------|
| Equity | \$ 1,638,310 | \$ 2,075,813 | \$ 437,503 |
| Corporate bonds | 661,357 | 689,645 | 28,288 |
| Government bonds | 630,599 | 635,161 | 4,562 |
| Interest in the California Community Colleges Scholarship Osher Endowment Fund | 362,663 | 362,663 | - |
| | <u>\$ 3,292,929</u> | <u>\$ 3,763,282</u> | <u>\$ 470,353</u> |

Investments are presented at fair value in the financial statements and are composed of the following at June 30, 2010:

| | Adjusted Cost | Fair Market Value | Unrealized Gain |
|---|---------------------|----------------------|--------------------|
| Equity | \$ 1,492,770 | \$ 1,630,229 | \$ 137,459 |
| Corporate bonds | 588,639 | 651,799 | 63,160 |
| Government bonds | 979,588 | 996,737 | 17,149 |
| Interest in the California Community Colleges Scholarship Osher Endowment Fund | 202,667 | 202,667 | - |
| | <u>\$ 3,263,664</u> | <u>\$ 3,481,432</u> | <u>\$ 217,768</u> |

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2011:

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|-----------------------------------|------------------|---------------------------|---------------------------|-------------------|
| Interest and dividends | \$ 13,540 | \$ 18,254 | \$ 66,522 | \$ 98,316 |
| Net realized and unrealized gains | 43,146 | 93,002 | 343,249 | 479,397 |
| | <u>\$ 56,686</u> | <u>\$ 111,256</u> | <u>\$ 409,771</u> | <u>\$ 577,713</u> |

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2010:

| | Unrestricted | Temporarily Restricted | Permanently Restricted | Total |
|-----------------------------------|------------------|---------------------------|---------------------------|-------------------|
| Interest and dividends | \$ 9,700 | \$ 22,309 | \$ 64,987 | \$ 96,996 |
| Net realized and unrealized gains | 29,247 | 52,065 | 151,666 | 232,978 |
| | <u>\$ 38,947</u> | <u>\$ 74,374</u> | <u>\$ 216,653</u> | <u>\$ 329,974</u> |

Market Value of Financial Assets and Liabilities

The Foundation determines the fair market values of certain financial instruments based on the fair value hierarchy established in Statement of Financial Accounting Standards, *Fair Value Measurements*, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

The following provides a summary of the hierarchical levels used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 asset and liabilities may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - 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 for substantially the full term of the assets or liabilities. Level 2 assets and liabilities may include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and other instruments whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes U.S. Government and agency mortgage-backed debt securities, corporate debt securities, derivative contracts, residential mortgage, and loans held-for-sale.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private equity investments, where independent pricing information was not able to be obtained for a significant portion of the underlying assets.

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

The table below presents the balance of assets measured at fair value for 2011. There were no liabilities outstanding and measured at fair value as of June 30, 2011.

| Description of Assets | Carrying Value at | | | |
|--|---------------------|---------------------|---------------------|-------------------|
| | June 30, 2011 | Level 1 | Level 2 | Level 3 |
| Investments - Bonds | \$ 1,324,806 | \$ 616,637 | \$ 708,169 | \$ - |
| Investments - Equity | 2,075,813 | 1,064,132 | 1,011,681 | - |
| Interest in the California Community Colleges Scholarship Osher Endowment Fund | 362,663 | - | - | 362,663 |
| Unconditional promises to give | 370,615 | - | - | 370,615 |
| Total Assets | \$ 4,133,897 | \$ 1,680,769 | \$ 1,719,850 | \$ 733,278 |

The following table presents changes in the Foundation's assets and liabilities measured at fair value on a recurring basis for the year ending June 30, 2011:

| Assets | |
|-----------------------------------|---------------------|
| Level 1 Assets | |
| Balance, beginning of year | \$ 1,395,965 |
| Net additions | 18,890 |
| Net realized and unrealized gains | 265,914 |
| Balance, end of year | <u>\$ 1,680,769</u> |
| Level 2 Assets | |
| Balance, beginning of year | \$ 1,882,800 |
| Net deletions | (474,749) |
| Interest and dividends | 98,316 |
| Net realized and unrealized gains | 213,483 |
| Balance, end of year | <u>\$ 1,719,850</u> |

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

| <u>Assets</u> | |
|-------------------------------------|-------------------|
| Level 3 Assets | |
| Balance, beginning of year | \$ 1,011,229 |
| Additions | 159,996 |
| Allowance for uncollectible pledges | (12,929) |
| Deletions | (425,018) |
| Balance, end of year | <u>\$ 733,278</u> |
| | |
| <u>Liabilities</u> | |
| Balance, beginning of year | \$ 794,735 |
| Additions | 95,065 |
| Deletions | (889,800) |
| Balance, end of year | <u>\$ -</u> |

The table below presents the balance of assets and liabilities measured at fair value for 2010.

| <u>Description of Assets</u> | Carrying Value at | | | |
|--|---------------------|---------------------|---------------------|---------------------|
| | June 30, 2010 | Level 1 | Level 2 | Level 3 |
| Investments - Bonds | \$ 1,648,536 | \$ 563,064 | \$ 1,085,472 | \$ - |
| Investments - Equity | 1,630,229 | 832,901 | 797,328 | - |
| Interest in the California Community Colleges Scholarship Osher Endowment Fund | 202,667 | - | - | 202,667 |
| Unconditional promises to give | 808,562 | - | - | 808,562 |
| Total Assets | <u>\$ 4,289,994</u> | <u>\$ 1,395,965</u> | <u>\$ 1,882,800</u> | <u>\$ 1,011,229</u> |

| <u>Description of Liability</u> | Carrying Value at | | | |
|---|-------------------|-------------|-------------|-------------------|
| | June 30, 2010 | Level 1 | Level 2 | Level 3 |
| Obligation to Riverside Community College District | <u>\$ 794,735</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 794,735</u> |

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

The following table presents changes in the Foundation's Level 3 assets and liabilities measured at fair value on a recurring basis for the year ending June 30, 2010:

| <u>Assets</u> | <u>Assets</u> |
|-------------------------------------|---------------------|
| Level 3 Assets | |
| Balance, Beginning of Year | \$ 565,669 |
| Additions | 5,241,500 |
| Allowance for uncollectible pledges | (19,398) |
| Deletions | (4,776,542) |
| Balance, End of Year | <u>\$ 1,011,229</u> |
| | |
| <u>Liabilities</u> | <u>Liability</u> |
| Balance, Beginning of Year | \$ 704,028 |
| Additions | 90,707 |
| Balance, End of Year | <u>\$ 794,735</u> |

NOTE 6 - ACCOUNTS PAYABLE

Accounts payable for the Foundation consisted of the following:

| | <u>2011</u> | <u>2010</u> |
|---|-------------------|---------------------|
| Payables to District for the Aquatics Complex | \$ - | \$ 4,831,506 |
| Payable to District for program expenses | 606,027 | 108,030 |
| Vendor payables | 152,731 | 4,155 |
| Total | <u>\$ 758,758</u> | <u>\$ 4,943,691</u> |

NOTE 7 - FORGIVENESS OF DEBT

In 2011, the Foundation received notice of the forgiveness in full of \$889,800 in long term debt outstanding with Riverside Community College District, which covered costs associated with the major gifts campaign. The Foundation has no future obligation related to this debt. Forgiveness of debt income is included within the Statement of Activities as unrestricted revenue of \$889,800.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010**

NOTE 8 - RELATED PARTY TRANSACTIONS

The Foundation provides various levels of monetary support and service to the District. The transactions are recorded within the financial statements as instructional and student programs and scholarship expense. The Foundation has contributed \$95,065 and \$282,356 to the District for student programs for the years ended June 30, 2011 and 2010, respectively. The Foundation has contributed \$603,256 and \$635,383 to the District for student scholarships for the years ended June 30, 2011 and 2010, respectively. Additionally, the Foundation provided a total of \$5,993,071 from donations received to the District for construction of the Aquatics Complex during the 2011 and 2010 years.

The District provides office space and other support to the Foundation. The Foundation office is currently housed in a building, which is owned by the District, and is jointly used by both the District and the Foundation. The Foundation leases the property at a cost of \$1.00 per year. This agreement expires November 30, 2018.

The Foundation received contributed employee services, other professional services, and materials valued at \$532,158 and \$504,617 from the District for the years ended June 30, 2011 and 2010, respectively.

NOTE 9 - COMMITMENTS

The Foundation is the fiscal agent for a scholarship component of a District Gear-Up Grant through the Department of Education. As of June 30, 2011, the Foundation has received a total of \$1,293,212 for years one through five of the five-year grant. At June 30, 2011, the funds, including interest income less a small amount expended for investment management fees, are included in the Foundation's temporarily restricted scholarship funds and total \$420,123. The Foundation began distributing the funds in the summer of 2007. During the year ended June 30, 2011, the Foundation has expended \$274,888 in scholarships and expenses related to the program.

NOTE 10 - TRANSFERS BETWEEN FUNDS

During the year ended June 30, 2011, management reviewed donor instructions and determined donations in the amount of \$69,572 have been classified as permanently restricted when the donor's intent was to have the funds be temporarily restricted.

NOTE 11 - DEFICIT NET ASSETS

The unrestricted fund of the Foundation has incurred operating deficits in past years that created a net deficit ending balance. Management has increased unrestricted fundraising efforts and has reduced operating costs to correct this deficit. During the years ended June 30, 2011 and 2010, the unrestricted fund noted deficit ending balances of (\$68,968) and (\$886,990), respectively. The Board is in the process of seeking unrestricted resources to bring the operating fund to a positive position.

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010

NOTE 12 - BEQUESTS

The Foundation received notification of a bequest which is considered to be a special kind of pledge. The bequest received generally requires compliance with terms and conditions specified in the agreement and is not collectible until the death of the donor. During the year ended June 30, 2009, the Foundation received a bequest which the donor bequeathed a life insurance policy to the Foundation which has a value of \$560,000. Under this agreement, the Foundation will pay premiums for the policy and is entitled to reimbursement by the donor. As this donation is conditional based on the terms of the bequest, it has not been recognized in the financial statements.

NOTE 13 - SUBSEQUENT EVENTS

The Foundation's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through October 18, 2011, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Board of Directors
Riverside Community College District Foundation
Riverside, California

We have audited the financial statements of Riverside Community College District Foundation for the years ended June 30, 2011 and 2010, and have issued our report thereon dated October 18, 2011. 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.

Internal Control Over Financial Reporting

The management of Riverside Community College District Foundation is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Riverside Community College District Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Riverside Community College District Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Riverside Community College District Foundation's internal control over financial reporting.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Riverside Community College District Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Riverside Community College District Foundation in a separate letter dated October 18, 2011.

This report is intended solely for the information and use of the Board of Directors, Audit Committee, Management, others within Riverside Community College District Foundation, and Federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

 Laurine K. Irine Day, Co. U.P.

Rancho Cucamonga, California
October 18, 2011

Supplementary Information

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)

SCHEDULE OF UNRESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

| | Balance July 1, 2010 | Additions/ Transfers | Expenditures/ Transfers | Balance June 30, 2011 |
|--|-------------------------|-------------------------|----------------------------|--------------------------|
| Unrestricted | | | | |
| Undesignated | \$ 244,469 | \$ 95,695 | \$ (74,554) | \$ 265,610 |
| Major Gifts Campaign | (1,145,600) | 889,800 | (95,065) | (350,865) |
| Total Unrestricted - Undesignated | <u>(901,131)</u> | <u>985,495</u> | <u>(169,619)</u> | <u>(85,255)</u> |
| Unrestricted - Board Designated | | | | |
| Powell, Berkeley Douglas Endowment | 14,141 | 2,446 | (300) | 16,287 |
| Total Unrestricted | <u>\$ (886,990)</u> | <u>\$ 987,941</u> | <u>\$ (169,919)</u> | <u>\$ (68,968)</u> |

See accompanying notes to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)**

**SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011**

| | Balance July 1, 2010 | Additions/ Transfers | Expenditures/ Transfers | Balance June 30, 2011 |
|--|-------------------------|-------------------------|----------------------------|--------------------------|
| TEMPORARILY RESTRICTED PROGRAMS | | | | |
| Allied Health | \$ 95,000 | \$ - | \$ - | \$ 95,000 |
| Alumni House Bricks | (14,145) | 600 | 13,545 | - |
| Alumni House Library | 14,559 | - | (14,559) | - |
| Avd Technology Center Norco | 10,631 | - | - | 10,631 |
| Alumni House Program | 65,746 | 19,110 | (6,190) | 78,666 |
| Art Gallery | 534 | - | - | 534 |
| Annual Recognition Event | 1,000 | 18,600 | (13,263) | 6,337 |
| Airey, Wilfred J. Library Fund | 237 | - | - | 237 |
| Associates | 9,713 | 2,969 | (2,740) | 9,942 |
| Arbor Fund | 5,750 | 5,000 | - | 10,750 |
| African American Heritage Fund | 4,901 | - | 29 | 4,930 |
| Art Department Supply Fund | 1,190 | - | 10 | 1,200 |
| Aquatics Complex | 542,699 | 96,679 | (610,814) | 28,564 |
| Athletics Department | 16,151 | 2,714 | (2,235) | 16,630 |
| Baseball Program Fund | 200 | - | - | 200 |
| Best Technician Academy | 347 | - | - | 347 |
| Campus Account-Moreno Valley | 4,040 | 200 | - | 4,240 |
| Basic Skills & Readiness-Riv | 3,158 | 130 | (589) | 2,699 |
| Basic Skills & Readiness-Norco | 558 | - | - | 558 |
| Basic Skills & Readiness-MV | 1,878 | - | 15 | 1,893 |
| Center for Primary Educ La Sierra | 1,990 | - | (190) | 1,800 |
| Carpenter Foundation Grant | - | 35,500 | (10,500) | 25,000 |
| CAP Program | - | 713 | (5) | 708 |
| Chancellor Retirement | 4,002 | - | - | 4,002 |
| Chemistry Department Equipment | 428 | - | 5 | 433 |
| Chemistry Inst. Improv. (Bond) | 306 | - | - | 306 |
| College Safety & Police | 98 | - | - | 98 |
| Community Events | 132 | - | (132) | - |
| Construction Technology | 2,000 | - | - | 2,000 |
| DSP&S | 209 | 250 | - | 459 |
| Dental Assisting Program | 427 | - | - | 427 |
| Dental Hygiene Program | 187 | 17,254 | (18,134) | (693) |
| Dental Hygiene for Low-Income | 20,000 | 25,000 | (20,000) | 25,000 |
| Early Childhood Studies | 6,669 | 258 | - | 6,927 |
| Early Childhood Studies-Mo Val | 369 | 536 | (90) | 815 |
| EMS Program | 2,427 | - | - | 2,427 |

See accompanying notes to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)

SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2011

| | Balance July 1, 2010 | Additions/ Transfers | Expenditures/ Transfers | Balance June 30, 2011 |
|--|-------------------------|-------------------------|----------------------------|--------------------------|
| Faculty Association Riverside | \$ 8,849 | \$ - | \$ - | \$ 8,849 |
| Faculty Association Norco | 1,249 | - | - | 1,249 |
| Faculty Development - MV | 1,484 | - | 15 | 1,499 |
| Faculty Association Moreno Valley | 1,666 | - | - | 1,666 |
| Ford Asset | 96 | - | (96) | - |
| Forensics Program | 53,141 | 20,493 | (12,725) | 60,909 |
| Foundation Restricted | 255 | - | (255) | - |
| Friends of Dental Hygiene | - | 5,925 | (861) | 5,064 |
| Guthrie Insurance Policy Gift | 41,117 | - | (5,507) | 35,610 |
| Handicapped Students | 1,164 | - | - | 1,164 |
| Instructional Media Services | 79 | - | - | 79 |
| International Students Program | 250 | - | - | 250 |
| Journalism Department | 1,635 | - | - | 1,635 |
| Library Acquisition | 8,521 | 10 | 30 | 8,561 |
| Library, MV | 153 | - | - | 153 |
| Loma Linda Toy Project | 283 | - | - | 283 |
| McGaugh Building Fund | 8,850 | - | - | 8,850 |
| Machine Shop | 604 | - | - | 604 |
| Manufacturing - Norco College | 1,900 | - | - | 1,900 |
| Men's Tennis Program (Riv) | 2,537 | - | 30 | 2,567 |
| Model United Nations | - | 1,140 | (59) | 1,081 |
| Moreno Valley College Lap Top | - | 21,067 | (21,067) | - |
| Moreno Valley Outreach | 60 | - | (60) | - |
| Music Department | 4,328 | 750 | (410) | 4,668 |
| Musical Theater Conservatory | 100 | - | - | 100 |
| Moreno Valley College Grounds Beautification | 1,934 | 1 | 16 | 1,951 |
| Moreno Valley Music Dept | 550 | - | - | 550 |
| New Nursing Prep Program-MV | 766 | - | 6 | 772 |
| Norco Children's Playground | 154 | - | - | 154 |
| Norco ECS Fund | 792 | - | - | 792 |
| Norco College Fund | 3,912 | 983 | 50 | 4,945 |
| Norco Student Success | 380 | - | - | 380 |
| Norco Choir Fund | - | 500 | - | 500 |
| Off-Broadway | 509 | - | - | 509 |
| Okubo, Mine Memorial Fund | 4,379 | 20 | - | 4,399 |
| Passport Plus | 260 | - | - | 260 |

See accompanying notes to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)

SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2011

| | Balance July 1, 2010 | Additions/ Transfers | Expenditures/ Transfers | Balance June 30, 2011 |
|--|-------------------------|-------------------------|----------------------------|--------------------------|
| Performance Riverside City Arts Grant | \$ - | \$ 27,250 | \$ (27,000) | \$ 250 |
| Performance Riverside | 40,768 | 122,703 | (164,002) | (531) |
| Performance Riverside City Sponsorship | 1 | 7,000 | (6,202) | 799 |
| Physician Assistant Program | 1,272 | - | - | 1,272 |
| Performance Riverside Bank of America Grant | 8,398 | 645 | (9,043) | - |
| Planetarium Development | 934 | - | - | 934 |
| RCC President's Fund for Excellence | 149 | 4,560 | (485) | 4,224 |
| Professional Auto Tech Center | 1,110 | 96 | 10 | 1,216 |
| Public Safety & Homeland Security | 1,827 | - | - | 1,827 |
| Puente Alumni Fund | 915 | - | (250) | 665 |
| RCC Tailgates | - | 16,000 | (16,000) | - |
| Retiree Luncheon | 175 | - | - | 175 |
| Ribbon Cutting - Aquatics Complex | 22,500 | 8,759 | (31,259) | - |
| Riverside City College Fund | - | 833 | - | 833 |
| Riverside Master Chorale Guild | 1,495 | 200 | - | 1,695 |
| Riverside Public Art Fund | 2,533 | - | - | 2,533 |
| RSA Rotella Fund | 5,245 | - | - | 5,245 |
| School of Nursing | 12,736 | 215 | 47 | 12,998 |
| Showcase Singers | 200 | (175) | - | 25 |
| Starting Blocks Aquatic Project | - | 21,988 | (10,282) | 11,706 |
| Stover Fund For Music & Arts | 555 | 100 | - | 655 |
| Teacher Preparation Program | 1,320 | 250 | - | 1,570 |
| Theatre Department | 135 | - | - | 135 |
| Toyota T-Ten | 3,097 | - | - | 3,097 |
| Toyota T-Ten Books | 2,999 | - | - | 2,999 |
| Toyota T-Ten Regionals | 518 | - | - | 518 |
| Veteran's Fund | 2,731 | 2,838 | (2,322) | 3,247 |
| Wells Fargo Grant | 7,270 | - | - | 7,270 |
| Young at Heart | 163 | 25,000 | (24,484) | 679 |
| Total Temporarily Restricted Programs | \$ 1,074,394 | \$ 514,664 | \$ (1,018,002) | \$ 571,056 |

See accompanying notes to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)

SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2011

| | Balance July 1, 2010 | Additions/ Transfers | Expenditures/ Transfers | Balance June 30, 2011 |
|--|-------------------------|-------------------------|----------------------------|--------------------------|
| TEMPORARILY RESTRICTED SCHOLARSHIPS | | | | |
| Baxter, Agatha J. Memorial Scholarship | \$ - | \$ 12,544 | \$ (12,500) | \$ 44 |
| Aiko, Dora Katano Scholarship | - | 300 | (150) | 150 |
| Air Force Assoc Scholarship | 1,700 | 1,000 | (1,000) | 1,700 |
| Allied Health Scholarship | 200 | - | - | 200 |
| Alpha Delta Kappa Iota Chapter Scholarship | 5,721 | 1,140 | (1,000) | 5,861 |
| American Legion Scholarship | 190 | 250 | (200) | 240 |
| Applied Technology Scholarship | 2,997 | - | (300) | 2,697 |
| Art Club Scholarship | - | 300 | (300) | - |
| Anderberg Nursing Scholarship | 2,956 | 1,261 | (975) | 3,242 |
| Armstrong, Devonne Music Scholarship | 950 | 50 | (1,000) | - |
| Baum, Drs Bradley & Carla Lidner | 1,000 | - | - | 1,000 |
| Bigbee, Elizabeth Scholarship | 25 | - | (25) | - |
| Brodie James Smith Memorial Scholarship | 6,475 | 1,044 | (150) | 7,369 |
| Belote, Roberta Memorial Scholarship | 927 | 10 | (485) | 452 |
| Business Office Scholarship | 1,935 | 570 | (318) | 2,187 |
| Blaker, Bill Memorial Scholarship | 1,220 | - | - | 1,220 |
| Best, Patricia Leigh Scholarship | 100 | 100 | - | 200 |
| Boyd, Allan Memorial Scholarship | - | 738 | (500) | 238 |
| Catholic Charities Scholarship | 2,850 | 1,500 | (2,500) | 1,850 |
| Courbat, Thomas Citizen Activist Scholarship | 1,450 | 950 | (1,000) | 1,400 |
| Communication Dept Scholarship-Norco | 1,653 | 30 | 16 | 1,699 |
| Cancer Federation Award Scholarship | 488 | 238 | (250) | 476 |
| Carnes, Carl & Margaret Scholarship | 250 | - | - | 250 |
| Carranza, Rosalie Memorial Scholarship | 530 | 190 | (198) | 522 |
| Clark, Christopher A. Scholarship | 250 | - | - | 250 |
| Thomas/Vallejo Family Scholarship | 3,658 | 25 | (1,343) | 2,340 |
| Clarke, Megan E Memorial Scholarship | 3,266 | - | (500) | 2,766 |
| College for Kids Scholarship | 3,580 | 370 | - | 3,950 |
| Community Foundation Scholarship | 14,823 | 37,731 | (41,130) | 11,424 |
| Community Foundation Designated Scholarship | 4,000 | 5,000 | (4,500) | 4,500 |
| Community Foundation Edna Bailey Lockhart | 1,456 | - | (1,456) | - |
| Creative Writing Scholarship | 4,695 | 300 | (418) | 4,577 |
| Cunnison, Dale Memorial Scholarship | - | 250 | - | 250 |
| Cutter, Albert B. Memorial Scholarship | - | 1,800 | (1,800) | - |
| Deutsch, Oskar Memorial Nursing | - | 250 | (250) | - |
| Dance Department Scholarship | 4,694 | 850 | (425) | 5,119 |
| Dassow Memorial Scholarship | 86 | 250 | - | 336 |
| Dance-Dorella Anderson Scholarship | 750 | - | - | 750 |

See accompanying notes to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)

SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2011

| | Balance July 1, 2010 | Additions/ Transfers | Expenditures/ Transfers | Balance June 30, 2011 |
|--|-------------------------|-------------------------|----------------------------|--------------------------|
| Chasteen, Darrell Memorial Scholarship | \$ 276 | \$ 674 | \$ - | \$ 950 |
| Dieguez, Alcira Memorial Scholarship | 996 | - | (246) | 750 |
| DLLRC Scholarship | 488 | 387 | (375) | 500 |
| Dyer, Bob Memorial Scholarship | 1,575 | - | - | 1,575 |
| Ehret, Dr. Charles F. Memorial Scholarship | 2,855 | 115 | (491) | 2,479 |
| Ellis, Robert Memorial Scholarship | 50 | - | (50) | - |
| EOPS Scholarship Fund | 1,250 | - | - | 1,250 |
| Eslamidoust, Pouran Memorial Scholarship | 295 | - | - | 295 |
| Exchange Club Scholarship | 3,375 | 2,375 | (2,500) | 3,250 |
| Faculty Memorial Scholarship | 13,599 | 1,273 | 446 | 15,318 |
| Farmer, William M.(Max) Memorial Scholarship | 485 | - | (300) | 185 |
| Foreman Scholarship | 900 | 1,045 | (1,000) | 945 |
| Gateway to College | 11,266 | - | (7,586) | 3,680 |
| Gear-Up Scholarship | 691,199 | 3,812 | (274,888) | 420,123 |
| Excellence Through Opportunity Scholarship | - | 250 | (250) | - |
| Gonzalez, Jesse Memorial Scholarship | 190 | 250 | (250) | 190 |
| Gospel Singers Scholarship | 555 | - | (250) | 305 |
| Grant, David Memorial Scholarship | 549 | - | (95) | 454 |
| Griffin Communities Const. Mgmt. Program | 4,793 | - | (4,793) | - |
| Guzman, Manuel F. Memorial Scholarship | 1,350 | - | (400) | 950 |
| History Dept Scholarship | 231 | 2,500 | (310) | 2,421 |
| Hispanic Educators Scholarship | 285 | - | - | 285 |
| History Day Scholarship | 86 | - | 15 | 101 |
| Honore, Annie and Raymond Scholarship | 950 | 1,000 | (1,000) | 950 |
| International Student Scholarship | 553 | - | - | 553 |
| Jackson, Henry Welding Scholarship | 1,645 | - | (440) | 1,205 |
| Jacobs, Doug Memorial Scholarship | 1,512 | 130 | (398) | 1,244 |
| Kaiser Hospital Volunteer Scholarship | 450 | 550 | (500) | 500 |
| Kinser, William M. Nursing Scholarship | 7,671 | 1,017 | (490) | 8,198 |
| Kirkpatrick, Jeanne N. Nursing Scholarship | 545 | - | (250) | 295 |
| Latino Network Leadership Institute Scholarship | - | 300 | (300) | - |
| Locke, Owen Memorial Scholarship | 133,756 | - | (73,020) | 60,736 |
| Logistics Scholarship - APICS | 475 | 475 | - | 950 |
| Maguire Family Scholarship | 895 | - | (70) | 825 |
| Curtin, Mary Scholarship | 22,865 | 445 | (22,000) | 1,310 |

See accompanying notes to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)**

**SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2011**

| | Balance July 1, 2010 | Additions/ Transfers | Expenditures/ Transfers | Balance June 30, 2011 |
|--|-------------------------|-------------------------|----------------------------|--------------------------|
| Mason, Irene Re-Entry Scholarship | \$ - | \$ 300 | \$ - | \$ 300 |
| Medrano, Martin J. Memorial Scholarship | 997 | 600 | (748) | 849 |
| Mehegan, Dr. James Memorial Scholarship | 4,143 | 1,263 | (293) | 5,113 |
| Molly Adams Memorial Scholarship - Community Foundation | 1 | - | - | 1 |
| Mosaic Scholars Foster Youth Scholarship | 475 | - | (200) | 275 |
| Moors, Susen Study Abroad Scholarship | 2,079 | - | 15 | 2,094 |
| Moreno Valley Middle College High School Program | 290 | - | - | 290 |
| Music Dept Faculty Scholarship | 1,138 | - | (400) | 738 |
| Moreno Valley Math/Science Scholarship | 5,277 | 20 | (176) | 5,121 |
| Nightingales, Memorial Scholarship | 760 | 800 | (800) | 760 |
| Norco College Creative Writing Scholarship | 360 | 260 | - | 620 |
| Norco College Student Book Scholarship | 3,800 | - | - | 3,800 |
| Norco College Math Tutor Scholarship | 1,450 | - | (1,000) | 450 |
| Nursing Leadership Scholarship | 1,388 | 175 | (450) | 1,113 |
| Ogata-Sarafian Family Memorial Scholarship | 95 | 100 | (100) | 95 |
| Oksman, Dr. Linda Cosmetology | 150 | 50 | - | 200 |
| OSHER Fund | 6,500 | 40,506 | (38,000) | 9,006 |
| Pardee, Dr. Ron Scholarship | 975 | - | (500) | 475 |
| Panhellenic Association Scholarship | 575 | 475 | (500) | 550 |
| Parker, Chrystine Memorial Scholarship | 2,647 | 100 | (100) | 2,647 |
| Pauley, Blaga S. Memorial Scholarship | 4,281 | 150 | 19 | 4,450 |
| Perkic, Alex Memorial Telecom Scholarship | 2,767 | - | (500) | 2,267 |
| Pond, Lena T. Scholarship - Community Foundation | 4 | 11,363 | (11,105) | 262 |
| Pepsi Bottling Group Scholarship | 675 | 750 | (750) | 675 |
| Quin Piano Scholarship | 730 | 100 | (700) | 130 |
| RCCD Management Association Scholarship - Riverside | - | 300 | - | 300 |
| RCCD Management Association Scholarship - Norco | 450 | 300 | - | 750 |
| RCCD Management Association Scholarship - Moreno Valley | 950 | 300 | (262) | 988 |
| Reyes, Nick and Lucy Memorial Scholarship | 285 | 415 | (150) | 550 |

See accompanying notes to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)

SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2011

| | Balance July 1, 2010 | Additions/ Transfers | Expenditures/ Transfers | Balance June 30, 2011 |
|---|-------------------------|-------------------------|----------------------------|--------------------------|
| Moreno Valley College Student Services | \$ 4,632 | \$ 105 | \$ (998) | \$ 3,739 |
| Renaissance Scholars - Moreno Valley | 981 | (5) | (240) | 736 |
| Rickson, Roger Memorial Scholarship | 2,804 | 15,637 | (14,114) | 4,327 |
| Richards, Regina Education Scholarship | 950 | 950 | (1,000) | 900 |
| Riverside Community Hospital Auxiliary Nursing Scholarship | - | 1,500 | (1,500) | - |
| Riverside School for the Arts | 16,461 | 4,000 | (11,600) | 8,861 |
| Riverside Scholars Scholarship--Community Foundation | 35,700 | 15,000 | (16,500) | 34,200 |
| Riverside Women's Club Scholarship | - | 2,000 | (2,000) | - |
| Roby, Paul Memorial Nursing Scholarship | 1,250 | 488 | (500) | 1,238 |
| Rotary Club of Magnolia Center Scholarship | - | 1,500 | (1,500) | - |
| Riverside Woman's Club Dental Hygiene Scholarship | 475 | 500 | (500) | 475 |
| Rotary Club of Norco Scholarship | 1,395 | 500 | (1,000) | 895 |
| Ruiz, Shawn Marie Memorial CIS Scholarship | 4,170 | (500) | (445) | 3,225 |
| Russell, Hazel M. Hawkins Scholarship | 372 | - | - | 372 |
| Ryan Memorial Scholarship | 2,580 | 625 | (300) | 2,905 |
| Scileppi, Professor Patricia Interpersonal Communication Scholarship | 3,065 | - | - | 3,065 |
| Schmitt, Chuck Memorial Scholarship | 138 | - | - | 138 |
| Smith, V.C. "Smitty" Memorial Scholarship | 350 | - | - | 350 |
| So Cal Restaurant Writers Scholarship | 246 | 1,550 | (750) | 1,046 |
| Spoto, Luciana Memorial Scholarship | 428 | 100 | (200) | 328 |
| Spencer, Mary Jo Memorial Scholarship | 100 | 100 | - | 200 |
| Stalder, Cecil Scholarship | 1,225 | 500 | (500) | 1,225 |
| Stalder, Evelyn RN Scholarship | 475 | 500 | (500) | 475 |
| Strickland, Dean E. Memorial Scholarship | 6,638 | - | (250) | 6,388 |
| Student Financial Aid Scholarship | 239 | - | - | 239 |
| Student Equity Scholarship | 15,134 | 850 | (395) | 15,589 |
| Slocum, Grace D. Nursing Scholarship | 950 | 1,050 | (1,000) | 1,000 |
| Semonella Scholarship | - | 3,415 | (3,415) | - |
| Student Insurance Agency | 150 | - | - | 150 |
| Stone-Miller Family Nursing Scholarship | - | 1,000 | - | 1,000 |
| Taylor, Gary & Patty Education Scholarship | 1,475 | - | (488) | 987 |
| Taylor, Patricia Shelton Scholarship | - | 950 | - | 950 |

See accompanying notes to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)**

**SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2011**

| | Balance July 1, 2010 | Additions/ Transfers | Expenditures/ Transfers | Balance June 30, 2011 |
|--|-------------------------|-------------------------|----------------------------|--------------------------|
| Textbook Assistance | \$ 2,021 | \$ - | \$ - | \$ 2,021 |
| Thompson, Wilson Memorial Scholarship | 1,450 | 50 | (1,500) | - |
| Tworek, Dr R K President Scholarship | - | - | - | - |
| Norco College Faculty Scholarship | 47 | 280 | (250) | 77 |
| Vargas, Gina Memorial Scholarship | 12,091 | 2,040 | (235) | 13,896 |
| Veteran's - Dale Adams Scholarship | 1,425 | 3,425 | (500) | 4,350 |
| Veltum, Ann Memorial Scholarship | 1,482 | - | - | 1,482 |
| Victor, Lucille Book Fund | 10,800 | - | - | 10,800 |
| Vocational Nursing Scholarship/Loan | - | 2,345 | - | 2,345 |
| Villareal, Sandra Bravo Memorial Scholarship | - | 925 | (19) | 906 |
| Vocational/Occupational Scholarship | 123 | - | - | 123 |
| Voiture 394 Scholarship | 2,500 | 2,375 | (2,500) | 2,375 |
| Wills, Riley Memorial Scholarship | - | 500 | - | 500 |
| Wilds, Dr Dennis & Leilani Scholarship | - | 500 | (500) | - |
| Williamson, Afton Memorial Scholarship | 5,892 | - | - | 5,892 |
| Wright Family Scholarship | 915 | 675 | (200) | 1,390 |
| Zimmer, Don Memorial Scholarship | 1,306 | 388 | (706) | 988 |
| Zimmerman Family Scholarship | 600 | - | - | 600 |
| Total Temporarily Restricted Scholarships | 1,169,117 | 209,784 | (589,253) | 789,648 |
| GRAND TOTAL TEMPORARILY RESTRICTED NET ASSETS | \$ 2,243,511 | \$ 724,448 | \$ (1,607,255) | \$ 1,360,704 |

See accompanying notes to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)**

**SCHEDULE OF PERMANENTLY RESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011**

| | Balance July 1, 2010 | Additions/ Transfers* | Losses/ Transfers* | Balance June 30, 2011 |
|--|-------------------------|--------------------------|-----------------------|--------------------------|
| Angimson, Sharon Evans Nursing Endowed | \$ 14,518 | \$ 2,525 | \$ (2,235) | \$ 14,808 |
| Blakely, Marjorie C. Memorial Endowed | 9,569 | 1,722 | (191) | 11,100 |
| Brown, Bartholomew Memorial Endowed | 14,212 | 2,510 | (598) | 16,124 |
| Bushman, Fran Memorial Endowed Scholarship | 15,867 | 2,803 | (817) | 17,853 |
| Coudures, John M. Health Sciences Endowed Scholarship | 49,172 | 8,639 | (2,983) | 54,828 |
| Coudures, John M. Health Sciences Endow - OSHER | 54,938 | 62 | - | 55,000 |
| Colucci, Dr. Marie Endowed Nursing Scholarship - OSHER | 2,550 | 23,031 | (11,084) | 14,497 |
| Day, Betty Endowed Scholarship | 27,492 | 4,872 | (1,075) | 31,289 |
| Distribution Mgmt Assoc of So Cal Endowed | 24,970 | 4,441 | (749) | 28,662 |
| Distribution Management Association - OSHER | 23,868 | 3,132 | - | 27,000 |
| Fuentes/Osher-Science & Technology | - | 13,988 | (655) | 13,333 |
| Doss, F.M. Memorial Endowed - OSHER Scholarship | 12,011 | 1,489 | - | 13,500 |
| Fuentes/OSHER-Special Needs | - | 13,988 | (655) | 13,333 |
| Hawkins-Newstead Endowed Scholarship | 100,625 | 17,886 | (3,506) | 115,005 |
| Hayashi, Norio Endowed Scholarship | 11,071 | 1,924 | (511) | 12,484 |
| Hockett, Bruce Memorial Directors Choice Award | 12,730 | 2,291 | (255) | 14,766 |
| Hord, Roy Athletic Endowed Scholarship | 16,155 | 2,839 | (860) | 18,134 |
| Hunt, Debby R.N. Endowed Nursing Scholarship | 23,107 | 4,397 | (731) | 26,773 |
| Information Services Endowed Scholarship | 20,158 | 4,118 | (1,000) | 23,276 |
| Jaeger, Edmund Endowment | 14,573 | 2,515 | (891) | 16,197 |
| Kincell, Dorothy - Foreign Language Endowment | 27,092 | 4,742 | (1,263) | 30,571 |
| Kincell, Dorothy - Spanish Endowment | 26,413 | 4,626 | (1,264) | 29,775 |
| Knox, Harley Endowed Scholarship | 103,409 | 18,645 | (29,065) | 92,989 |
| Beal Anderson, Lorraine Endowed Music Scholarship - OSHER | - | 13,333 | - | 13,333 |
| Arlington/Riverside Gakuen Endowment | 11,854 | 2,101 | (319) | 13,636 |
| ASRCC Endowment | 192,683 | 34,744 | (1,927) | 225,500 |
| Associates Endowment | 49,541 | 9,635 | (2,495) | 56,681 |
| Barron, Paul Memorial Endowment | 27,226 | 4,803 | (1,272) | 30,757 |
| Bates, Cheri Jo Endowment | 11,634 | 2,071 | (266) | 13,439 |
| Birren, Coach Don Endowed Scholarship | 13,982 | 3,665 | (780) | 16,867 |
| Inland Valley Association of Realtors Endowed Scholarship | 27,377 | 4,822 | (1,548) | 30,651 |
| Brauti, T. Martin Memorial Endowment | 16,985 | 2,936 | (870) | 19,051 |
| Castro, Rodolpho Endowment | 81,622 | 14,429 | (2,409) | 93,642 |

* Transfers include intrafund transfers to segregate the corpus from accumulated earnings.

See accompanying notes to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)

SCHEDULE OF PERMANENTLY RESTRICTED NET ASSETS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2011

| | Balance July 1, 2010 | Additions/ Transfers* | Losses/ Transfers* | Balance June 30, 2011 |
|--|-------------------------|--------------------------|-----------------------|--------------------------|
| Chemistry/Allied Health Endowment | \$ 10,000 | \$ 1,798 | \$ (251) | \$ 11,547 |
| Chin, Harry S.P. Endowment | 14,466 | 2,518 | (645) | 16,339 |
| Coil, Horace O. Endowment | 14,034 | 2,458 | (740) | 15,752 |
| Coil, James L. Endowment | 14,953 | 2,588 | (750) | 16,791 |
| Corona, Frank & Mary Endowment | 20,372 | 3,667 | (407) | 23,632 |
| Curtain, Mary Endowed - OSHER | - | 22,445 | (445) | 22,000 |
| Davis, Drs. William and Brenda Endowment | 4,265 | 12,237 | (5,067) | 11,435 |
| Darowwalla, T. & N. Endowed - OSHER | - | 29,231 | (1,462) | 27,769 |
| DeAro, Steven Memorial Endowment | 11,814 | 2,120 | (318) | 13,616 |
| DeFrancisco, Nate Endowment | 15,856 | 2,830 | (159) | 18,527 |
| Diederich, Antoinette "Tavy" Endowment | 14,893 | 2,500 | (1,298) | 16,095 |
| Riverside Public Utilities Energy Tech Endowment | 41,634 | 7,394 | (1,416) | 47,612 |
| Faculty Memorial Endowment | 43,350 | 7,803 | (2,934) | 48,219 |
| Fauth, Bette Memorial Endowment | 23,147 | 4,006 | (1,231) | 25,922 |
| Finch, Vernon & Sylvia Endowment | 18,485 | 3,291 | (585) | 21,191 |
| Ford, Charles & Elaine Endowment | 119,178 | 20,714 | (5,692) | 134,200 |
| Foster, Sandra Filion Memorial Endowment | 10,000 | 1,803 | (119) | 11,684 |
| FOF- Virginia Blumenthal Endowment | 10,085 | 1,816 | (602) | 11,299 |
| Friends of Forensics Endowment | 15,015 | 2,644 | (750) | 16,909 |
| FOF- Pauw Endowment | 10,774 | 1,943 | (408) | 12,309 |
| Ferne McCoy FOF Endowment | 12,032 | 2,170 | (120) | 14,082 |
| FOF- Louise Griffin Endowment | 9,899 | 1,786 | (49) | 11,636 |
| FOF- Lionel Rentschler Endowment | 10,147 | 1,830 | (101) | 11,876 |
| FOF- John W. & Dina Stallings Endowment | 11,775 | 2,123 | (118) | 13,780 |
| FOF- Leila Vahdani Endowment | 20,000 | 3,599 | (1,252) | 22,347 |
| General Scholarship Endowment | 106,076 | 21,545 | (7,996) | 119,625 |
| General Scholarship Endowment-Riverside | 61,539 | 11,225 | (2,668) | 70,096 |
| General Scholarship Endowment-Moreno Valley | 50,114 | 9,042 | (1,044) | 58,112 |
| General Scholarship Endowment-Norco | 34,636 | 6,079 | (1,754) | 38,961 |
| Griffin, Dale and Theresa Endowment | 44,487 | 13,666 | (890) | 57,263 |
| Grindstaff, Leonard Memorial Endowment | 11,054 | 1,951 | (511) | 12,494 |
| Groves, Eleanore Endowed Nursing Scholarship | 14,966 | 2,575 | (959) | 16,582 |
| Heers, John C. Memorial Endowment | 16,939 | 2,964 | (669) | 19,234 |
| Holmes, Clifford W., Jr. Endowment | 20,812 | 3,918 | (1,208) | 23,522 |
| Holmes, Dale S. Endowment | 21,907 | 3,788 | (1,119) | 24,576 |
| Hunt, Glenn Endowment | 9,783 | 4,939 | (696) | 14,026 |
| Johnson, Tom Memorial Endowed Scholarship | 13,111 | 2,468 | (629) | 14,950 |
| Kaiser Allied Health Endowment | 27,082 | 4,837 | (542) | 31,377 |
| Kaiser Permanente Nursing Endowment | 86,495 | 14,964 | (4,365) | 97,094 |

* Transfers include intrafund transfers to segregate the corpus from accumulated earnings.

See accompanying notes to supplementary information.

RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)

SCHEDULE OF PERMANENTLY RESTRICTED NET ASSETS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2011

| | Balance July 1, 2010 | Additions/ Transfers* | Losses/ Transfers* | Balance June 30, 2011 |
|---|-------------------------|--------------------------|-----------------------|--------------------------|
| Kane, Charles A. Endowment | \$ 26,038 | \$ 4,476 | \$ (1,581) | \$ 28,933 |
| Kinnear, Ellen Ed.D. Endowed Scholarship | 13,239 | 2,383 | (265) | 15,357 |
| Kipper, Daniel J. Memorial Civil Engineering Endowment | 29,636 | 5,254 | (796) | 34,094 |
| Kiwanis Club of Riverside Endowment | 33,812 | 5,894 | (1,238) | 38,468 |
| Knopf, Arthur C. Memorial Endowment | 41,868 | 7,443 | (1,419) | 47,892 |
| Knopf, Dorothy Memorial Endowment | 27,961 | 4,997 | (530) | 32,428 |
| Lamar, Margaret Farr Endowment | 13,787 | 2,414 | (538) | 15,663 |
| Leonard, John L. Memorial Endowment | 22,182 | 3,855 | (822) | 25,215 |
| L.E.T. Endowed Scholarship | 12,982 | 2,288 | (630) | 14,640 |
| Locke Family Endowed | 12,927 | 2,290 | (859) | 14,358 |
| MacDonald Family Endowed Scholarship | 14,985 | 4,084 | (1,300) | 17,769 |
| Management Association Endowment | 15,452 | 2,716 | (815) | 17,353 |
| Marsh, Jack and Jean Endowment | 18,837 | 3,312 | (988) | 21,161 |
| McCoy, Ferne Future Teachers Endowment | 16,593 | 2,992 | (166) | 19,419 |
| McCroskey, Alyssa Rayne "Aly" Memorial Endowment | 14,190 | 2,598 | (534) | 16,254 |
| Moeller, Karen/Harold Memorial Endowment | 142,250 | 24,985 | (8,845) | 158,390 |
| Moore, Jennie Bell Memorial Endowed - OSHER | - | 14,002 | (669) | 13,333 |
| Moors/Goodwill Memorial Endowment | 12,500 | 2,254 | (125) | 14,629 |
| Moreno Valley Associated Students Endowed - OSHER | - | 13,333 | - | 13,333 |
| Moreno Valley Community Partners Endowment | 3,097 | 10,558 | (10,010) | 3,645 |
| Moreno Valley Community Health Fnd Endowment | 3,837 | 25,600 | (25,577) | 3,860 |
| Moreno Valley Community Health Fnd Endowment - OSHER | 46,123 | (1,123) | - | 45,000 |
| School of Nursing Endowed Scholarship | 20,306 | 5,746 | (1,244) | 24,808 |
| Patterson, Lewis/Jessie Memorial Endowment | 14,343 | 2,456 | (743) | 16,056 |
| Pauw, Alan and Jan Endowment | 67,928 | 12,047 | (2,679) | 77,296 |
| Performance Riverside Endowment | 5,462 | 10,983 | (10,109) | 6,336 |
| Playday for Women Endowed Scholarship | 21,259 | 3,745 | (888) | 24,116 |
| Poison Garden Endowment | 11,577 | 2,084 | (232) | 13,429 |
| Puente/Kathy Gonzales Memorial Book Scholarship | 15,646 | 2,954 | (1,063) | 17,537 |
| Ramirez Family Endowed Scholarship | 10,885 | 1,943 | (109) | 12,719 |
| Rickson, Roger Endowed Scholarship - OSHER | - | 13,333 | - | 13,333 |
| Riemer, Judith Endowed Scholarship | 10,718 | 2,330 | (714) | 12,334 |
| Riverside Sunrise Rotary Endowment | 16,256 | 2,814 | (813) | 18,257 |
| Roberts, Dell Endowed Scholarship | 22,495 | 3,978 | (625) | 25,848 |

* Transfers include intrafund transfers to segregate the corpus from accumulated earnings.

See accompanying notes to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)**

**SCHEDULE OF PERMANENTLY RESTRICTED NET ASSETS, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2011**

| | Balance July 1, 2010 | Additions/ Transfers* | Losses/ Transfers* | Balance June 30, 2011 |
|---|-------------------------|--------------------------|-----------------------|--------------------------|
| Rotary Club of Riverside Endowment | \$ 14,619 | \$ 2,528 | \$ (746) | \$ 16,401 |
| Schlein, David & Sadie Memorial Endowment | 10,571 | 1,924 | (406) | 12,089 |
| Semonella, Gary Memorial Endowed - OSHER | - | 13,333 | - | 13,333 |
| Sherman, Arnie Memorial Endowed Scholarship | - | 1,150 | - | 1,150 |
| Singleton Family Endowment | 17,576 | 3,079 | (676) | 19,979 |
| Southern California Edison - OSHER Scholarship | 24,493 | 2,174 | - | 26,667 |
| Soroptimist Intl Corona/Norco Endowment | 15,569 | 2,744 | (756) | 17,557 |
| Stover Fellowship Endowment | 45,908 | 8,278 | (459) | 53,727 |
| Swoffer, Betty J. & Gordon N. Endowment | 10,000 | 1,803 | (120) | 11,683 |
| Taber Family Endowment | 17,994 | 3,118 | (880) | 20,232 |
| Tegley, Coral Ann Memorial Endowment | 9,301 | 1,806 | (486) | 10,621 |
| Thompson and Colegate Endowment | 14,259 | 2,463 | (743) | 15,979 |
| Thonis Family Endowed Scholarship | 11,712 | 2,473 | (1,234) | 12,951 |
| Toro Company Endowment | 14,849 | 2,569 | (148) | 17,270 |
| Tworek, Dr Richard K. Health Services Endowment | 14,729 | 1,041 | (732) | 15,038 |
| Wadding, Richard Nursing Endowment | 12,066 | 2,085 | (621) | 13,530 |
| Waite, Martha/Ernest K. Endowment | 24,101 | 4,233 | (991) | 27,343 |
| Wecksler, Becky Endowment | 15,048 | 4,799 | (150) | 19,697 |
| Western Community Bank Endowment | 15,320 | 2,753 | (453) | 17,620 |
| Williams, Clarence R. Memorial Endowment | 4,956 | 10,886 | (10,299) | 5,543 |
| Willmon, David C., Jr. Endowment | 14,848 | 2,614 | (748) | 16,714 |
| Wilson, Dorcas B. Nursing Endowment | 23,835 | 4,149 | (1,328) | 26,656 |
| Woodruff, Timilie Endowment | 11,486 | 2,038 | (396) | 13,128 |
| Wright, Martha Jane, Art and Design Endowment - OSHER | 12,011 | 1,489 | - | 13,500 |
| Wright, Ralph Endowed - OSHER | - | 13,333 | - | 13,333 |
| Ybarra, Cecil and Mildred Endowment | 12,185 | 2,107 | (622) | 13,670 |
| Young, Arthur Edward Memorial Endowment | 11,219 | 2,481 | (1,224) | 12,476 |
| Yount, Gwen Endowment | 13,066 | 2,351 | (131) | 15,286 |
| Zimmer, Don Memorial Endowed - OSHER | - | 13,428 | (90) | 13,338 |
| Zonta Club of Riverside Endowment | 10,000 | 2,816 | (251) | 12,565 |
| Total Permanently Restricted | <u>\$ 3,173,471</u> | <u>\$ 824,062</u> | <u>\$(225,859)</u> | <u>\$ 3,771,674</u> |

* Transfers include intrafund transfers to segregate the corpus from accumulated earnings.

See accompanying notes to supplementary information.

**RIVERSIDE COMMUNITY COLLEGE DISTRICT FOUNDATION
(A California Nonprofit Corporation)**

**NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2011**

***NOTE 1 - SCHEDULES OF UNRESTRICTED, TEMPORARILY RESTRICTED, AND PERMANENTLY
RESTRICTED NET ASSETS***

These schedules are presented as optional schedules at the request of management. The schedules show the changes under the various funds within the larger classifications. These schedules are prepared on the same basis as the financial statements.



To the Board of Directors
Riverside Community College District Foundation
Riverside, California

We have audited the financial statements of the Riverside Community College District Foundation (the Foundation) for the years ended June 30, 2011 and 2010, and have issued our report thereon dated October 18, 2011. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter for the June 30, 2011, year-end audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Foundation are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the 2011 fiscal year. We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

The calculation of the allowance for uncollectible promises to give is described in Note 4 to the financial statements. This estimate is provided by management to determine the collectability and valuation of long-term promises to give. We have reviewed management's calculations and analysis in determining the fair presentation of these balances in the financial statements.

The unrealized gains as described in Note 5 to the financial statements are based upon market analysis as of June 30, 2011. We have obtained information from the investment managers in determining the fair presentation of these amounts and have verified individual investment values through third party analysis such as quoted market prices within The Wall Street Journal.

To the Board of Directors
Riverside Community College District Foundation
Page 2

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has reviewed all proposed audit adjustments noted during the audit and has corrected the entries in the financial records of the Foundation.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 18, 2011. Management has reviewed this letter, signed it, and returned it to our office.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Foundation's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of the Riverside Community College District Foundation and is not intended to be and should not be used by anyone other than these specified parties.


Rancho Cucamonga, California
October 18, 2011



To the Board of Directors and Management of
Riverside Community College District Foundation
Riverside, CA

In planning and performing our audit of the financial statements of Riverside Community College District Foundation as of and for the year ended June 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered Riverside Community College District Foundation's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiencies in Riverside Community College District Foundation's internal control to be significant deficiencies:

Deficit Net Assets

As noted in our prior year communications with the Board and Management, the Unrestricted Net Asset Balance has ended the year in a deficit position. During the 2010-11 fiscal year the Riverside Community College District provided a donation to the Foundation which essentially forgave a significant debt related to the Major Gift Campaign undertaken by the Foundation. As a result of this donation and other donations and fundraising efforts, the ending balance was increased by over \$800,000. However, there remains an unrestricted deficit at June 30, 2011 of \$68,968.

Recommendation

The Foundation must continue to work to address the unrestricted operating requirements of the Foundation, and provide for a plan to raise unrestricted resources which will allow the Foundation to continue operations without utilizing temporarily or restricted resources.

Board of Directors and Management of
Riverside Community College District Foundation

Management Response

The Riverside Community College District Foundation Board of Directors has established policies that allow for a five percent stewardship fee on all new gifts to the Foundation, as well as one to two percent annual fees on its endowed Funds. These fees provide unrestricted revenue for the Riverside Community College District Foundation.

In September, 2011, the Riverside Community College District Foundation initiated Invest in Excellence, a comprehensive fundraising initiative that will culminate at the 100th anniversary of Riverside Community College District in 2016. We project significant fundraising will occur as part of this Campaign. In addition, as part of the Campaign, in January, 2012, the Riverside Community College District Foundation will announce the establishment of the Century Club, which will recognize donors who make annual unrestricted gifts of \$1,000 or more. This is expected to generate significant ongoing unrestricted income.

In addition, we have received notification of a bequest that will be a minimum of \$1 million that is completing probate and that we should receive no later than January, 2012. The allocation to our unrestricted fund for this gift will be a minimum of \$50,000.

The following comment represents an opportunity for strengthening the operational efficiencies and enhancing the internal controls of the Foundation.

Temporarily Restricted Account Balances

The Foundation manages a significant number of individual scholarship and departmental program accounts. A number of these accounts have been inactive for several years, or the balances have fallen below \$100. The maintenance of these accounts is a time consuming process, and the small balances do not create a sufficient amount to use for the stated purposes.

Recommendation

The Foundation management and Board should analyze these small account balances. By setting a floor for an individual account to be maintained, or a period of time with no activity, the Foundation can better utilize the resources to fund scholarships to students or provide resources to college departments and programs which are in need of funding. We recommend a policy be set to allow management to make decisions as to the floor for account balances, or a length of time for inactivity to provide better allocations of the Foundation's time and funding.

Management Response

Management has already taken action to adopt new policies that require a larger minimum balance to open a new account, and has begun a comprehensive review of inactive accounts, and those with small account balances, to streamline our account listings.

We will review the status of these comments during our next audit engagement. We have already discussed comments and recommendations with 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.

This communication is intended solely for the information and use of management, the Board of Directors and Audit Committee, and others within the organization, and is not intended to be, and should not be used by anyone other than these specified parties.

Vanninek, Irine, Day's, Co. LLP

Rancho Cucamonga, CA
October 18, 2011