



MATSON
& ISOM

COLUMBIA COLLEGE FOUNDATION

Sonora, California

FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITORS' REPORT

June 30, 2013 and 2012

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Columbia College Foundation
Sonora, California

We have audited the accompanying financial statements of Columbia College Foundation (the Foundation), a nonprofit organization, which comprise the statements of financial position as of June 30, 2013 and 2012; the related statements of activities 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.

Auditors' 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 audits 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 auditors' 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 Foundation'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 Foundation'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 the Foundation as of June 30, 2013 and 2012, 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.

November 19, 2013
Chico, California

STATEMENTS OF FINANCIAL POSITION*Columbia College Foundation*

June 30	2013	2012
ASSETS		
CURRENT ASSETS		
Cash	\$ 120,808	\$ 124,102
Accounts receivable	16,910	-
Total Current Assets	137,718	124,102
OTHER ASSETS		
Restricted cash and cash equivalents	12,634	30,098
Investments	794,979	701,160
George Poore mineral collection	7,633	7,633
Charles Surendorf prints	10,850	10,850
Charles Surendorf paintings	5,000	5,000
Mihaly painting collection	3,158	3,158
Bill Walter Indian collection	50,000	50,000
Joel Barber art collection	4,650	4,650
Blaisdell art collection	1,200	1,200
Total Other Assets	890,104	813,749
Total Assets	\$ 1,027,822	\$ 937,851
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 4,074	\$ 4,389
Accrued expenses	1,582	-
Due to Yosemite Community College District	19,079	15,631
Total Liabilities	24,735	20,020
NET ASSETS		
Unrestricted	90,809	54,415
Temporarily restricted	615,846	566,984
Permanently restricted	296,432	296,432
Total Net Assets	1,003,087	917,831
Total Liabilities and Net Assets	\$ 1,027,822	\$ 937,851

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

STATEMENTS OF ACTIVITIES

Columbia College Foundation

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Year Ended June 30, 2013	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE				
Donations	\$ 33,978	\$ 119,290	\$ -	\$ 153,268
Investment gain	5,015	63,616	-	68,631
Management fee income	5,960	-	-	5,960
City hotel wine tasting - net	-	20,547	-	20,547
Net assets released from restrictions	154,591	(154,591)	-	-
Total Revenue	199,544	48,862	-	248,406
FUNCTIONAL EXPENSES				
Program expenses:				
Scholarships	83,550	-	-	83,550
Program support	40,190	-	-	40,190
Supplies and miscellaneous	2,338	-	-	2,338
Investment fees	9,198	-	-	9,198
Other	12,567	-	-	12,567
Total Program Expenses	147,843	-	-	147,843
Fundraising expenses - indirect	15,307	-	-	15,307
Total Functional Expenses	163,150	-	-	163,150
Change in Net Assets	36,394	48,862	-	85,256
Net Assets - Beginning of Year	54,415	566,984	296,432	917,831
Net Assets - End of Year	\$ 90,809	\$ 615,846	\$ 296,432	\$ 1,003,087

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

STATEMENTS OF ACTIVITIES

Columbia College Foundation

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Year Ended June 30, 2012	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE				
Donations	\$ 40,044	\$ 32,120	\$ -	\$ 72,164
Investment gain (loss)	(4,926)	23,655	-	18,729
Management fee income	5,717	-	-	5,717
City hotel wine tasting - net	-	31,750	-	31,750
Net assets released from restrictions	69,228	(69,228)	-	-
Total Revenue	110,063	18,297	-	128,360
FUNCTIONAL EXPENSES				
Program expenses:				
Scholarships	38,844	-	-	38,844
Program support	10,239	-	-	10,239
Supplies and miscellaneous	2,419	-	-	2,419
Investment fees	8,696	-	-	8,696
Other	6,432	-	-	6,432
Total Program Expenses	66,630	-	-	66,630
Fundraising expenses - indirect	20,971	-	-	20,971
Total Functional Expenses	87,601	-	-	87,601
Change in Net Assets	22,462	18,297	-	40,759
Net Assets - Beginning of Year	31,953	548,687	296,432	877,072
Net Assets - End of Year	\$ 54,415	\$ 566,984	\$ 296,432	\$ 917,831

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

STATEMENTS OF CASH FLOWS*Columbia College Foundation*

Years Ended June 30	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 85,256	\$ 40,759
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net realized gain on investments	(3,071)	-
Unrealized gain on investments	(65,560)	(29,642)
Increase in accounts receivable	(16,910)	-
Increase in other current liabilities	3,133	11,341
Increase in accrued expenses	1,582	-
Net Cash Provided by Operating Activities	4,430	22,458
CASH FLOWS FROM INVESTING ACTIVITIES		
Net purchase of investments	(25,188)	(3,709)
Net Increase (Decrease) in Cash	(20,758)	18,749
Cash - Beginning of Year	154,200	135,451
Cash - End of Year	\$ 133,442	\$ 154,200

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

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization Columbia College Foundation (the Foundation) serves to support and enhance the educational excellence of Columbia College. The Foundation provides the community the opportunity to assist and invest in the development of comprehensive educational resources at Columbia College. Columbia College is a part of the Yosemite Community College District (the District), and provides higher education instruction in the surrounding area. The Foundation is included as a component unit in the District's financial statements.

Basis of Presentation Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted Net Assets: Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets: Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Permanently Restricted Net Assets: Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on any related investments for general or specific purposes.

Cash and Cash Equivalents The Foundation maintains its cash balance in one financial institution and at times, the balance may exceed the Federal Deposit Insurance Corporation limit. The Foundation at times may include in its depository account cash that has been restricted as to its use by donors.

Accounts Receivable The Foundation utilizes the allowance method for accounting for uncollectible accounts receivable. No allowance was necessary at June 30, 2013 and 2012, respectively.

Restricted Cash and Cash Equivalents Cash that is externally restricted and held within the Foundation for California Community Colleges. The funds are to be used to award scholarships.

Fair Value Measurements The Foundation accounts for certain assets and liabilities in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosure*. The Foundation measures some assets for fair value on a recurring basis as described in note 1. The Foundation may be required, from time to time, to measure certain assets and liabilities at fair value on a non-recurring basis. The Foundation had no assets that were required to be measured on a non-recurring basis as of June 30, 2013 and 2012.

The Foundation classifies its fair value assets and liabilities into a hierarchy of three levels based on the markets in which they are traded and the reliability of the assumptions used to determine fair value. The asset or liability measurement level within the hierarchy is based on the lowest level of any assumption that is significant to the measurement.

Valuations within the hierarchy levels are based upon the following:

- Level 1:* Quoted market prices for identical instruments traded in active exchange markets.
- Level 2:* Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.
- Level 3:* Model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the Foundation's estimates of assumptions that market participants would use on pricing the asset or liability. Valuation techniques include management's judgment and estimation which may be significant.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used during the years ended June 30, 2013 and 2012.

Money Market Funds: Amounts are interest-bearing deposit accounts, which at times may be in excess of the Federal Deposit Insurance Corporation insurance limit.

Debt and Fixed Income Securities: Corporate and municipal bonds and other debt and fixed income securities are generally valued by a computerized pricing service or, for less actively traded issues, by utilizing a yield-based matrix system to arrive at an estimated market value.

Mutual Funds: Each investor in the mutual fund will typically receive units of participation in the mutual fund. These units are valued daily, based on the underlying securities owned by the mutual fund, which are usually publically traded equity securities.

Artwork and Furniture: The fair value of the artwork and collections have been estimated by the Foundation. The Foundation's estimates are based on general information known about the artwork and furniture.

Investment and Spending Policies The Foundation follows the Uniform Prudent Management of Institutional Funds Act of 2008 (UPMIFA) and its own governing documents. UPMIFA requires the historical dollar amount of a donor-restricted endowment fund to be preserved. In the absence of donor restrictions, the net appreciation on a donor-restricted endowment fund is spendable under UPMIFA. The Foundation's donors have not placed restrictions on the use of the investment income or net appreciation resulting from the donor-restricted endowment funds.

The Foundation has adopted an investment for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long term. The Foundation's investment policies work together to achieve this objective. The investment policy establishes an achievable return objective through diversification of asset classes. The current long-term return objective is a rate of 3%. Actual returns in any given year may vary from this amount. To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places an emphasis on money market funds, mutual funds, bond funds, and equity based investments to achieve its long-term return objective within prudent risk parameters.

Estimates In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Functional Allocation of Expenses The costs of providing the various activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Restricted and Unrestricted Revenue and Support Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restrictions are accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Income Taxes The Foundation is exempt from income taxes under Section 501(c)(3) of the *Internal Revenue Code* and Section 23701(d) of the *California Revenue and Taxation Code*. The Foundation has been classified as an organization that is not a private foundation under Section 509(a)(2). The Foundation has not entered into any activities that would jeopardize its tax-exempt status. Accordingly, no provision for income taxes is required.

The Foundation files exempt organization returns in the U.S. federal and California jurisdictions. The federal returns for tax years 2009 and beyond, and the California returns for tax years 2008 and beyond, remain subject to examination by the taxing authorities.

NOTES TO THE FINANCIAL STATEMENTS

Columbia College Foundation

June 30, 2013 and 2012

The Foundation adopted FASB ASC 740, *Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in the Foundation's financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. FASB ASC 740 also provides guidance on derecognition and measurement of a tax position taken or expected to be taken in a tax return.

Subsequent Events Management has evaluated subsequent events through November 19, 2013, the date on which the financial statements were available to be issued.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013 and 2012

*Columbia College Foundation***2. FAIR VALUES**

The following tables break down the assets at fair value, by level within the fair value hierarchy, for the years ended June 30:

June 30, 2013	Level 1	Level 2	Level 3	Total
CASH AND CASH EQUIVALENTS				
Money market funds	\$ 2,585	\$ -	\$ -	\$ 2,585
Amounts Included as Cash and Cash Equivalents	2,585	-	-	2,585
RESTRICTED CASH				
Money market funds	12,634	-	-	12,634
Amounts Included as Restricted Cash	12,634	-	-	12,634
INVESTMENTS				
Debt and fixed income securities:				
Mortgage backed securities	50,634	-	-	50,634
Corporate	120,182	-	-	120,182
U.S. treasury	61,357	-	-	61,357
Other	68,091	-	-	68,091
Mutual funds by investment objective:				
Blend	240,777	-	-	240,777
Value	77,400	-	-	77,400
Growth	21,050	-	-	21,050
Other	145,488	-	-	145,488
Artwork and furniture	-	-	10,000	10,000
Amounts Included as Investments	784,979	-	10,000	794,979
Total Assets at Fair Value	\$ 800,198	\$ -	\$ 10,000	\$ 810,198

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013 and 2012

Columbia College Foundation

June 30, 2012	Level 1	Level 2	Level 3	Total
CASH AND CASH EQUIVALENTS				
Money market funds	\$ 3,170	\$ -	\$ -	\$ 3,170
Amounts Included as Cash and Cash Equivalents	3,170	-	-	3,170
RESTRICTED CASH				
Money market funds	30,098	-	-	30,098
Amounts Included as Restricted Cash	30,098	-	-	30,098
INVESTMENTS				
Debt and fixed income securities:				
Corporate	84,852	-	-	84,852
Foreign governments	16,285	-	-	16,285
U.S. treasury	40,434	-	-	40,434
Other	75,246	-	-	75,246
Mutual funds by investment objective:				
Blend	220,625	-	-	220,625
Value	97,056	-	-	97,056
Growth	57,018	-	-	57,018
Other	109,644	-	-	109,644
Amounts Included as Investments	701,160	-	-	701,160
Total Assets at Fair Value	\$ 734,428	\$ -	\$ -	\$ 734,428

Investment gains and losses and its classification in the statement of activities, are as follows for the years ended June 30, 2013 and 2012:

June 30, 2013	Unrestricted	Temporarily	Restricted Permanently	Total
Realized gain	\$ -	\$ 3,071	\$ -	\$ 3,071
Unrealized gain	5,015	60,545	-	65,560
Total	\$ 5,015	\$ 63,616	\$ -	\$ 68,631

June 30, 2012	Unrestricted	Temporarily	Restricted Permanently	Total
Dividends and interest	\$ 3	\$ 24	\$ -	\$ 27
Realized and unrealized gain (loss)	(4,929)	23,631	-	18,702
Total	\$ (4,926)	\$ 23,655	\$ -	\$ 18,729

Investment income shown net of broker fees was \$2,975 and \$2,726 for years ended June 30, 2013 and 2012, respectively.

3. RESTRICTED NET ASSETS

Temporarily restricted net assets at June 30, 2013 and 2012, are as follows:

	2013	2012
TEMPORARILY RESTRICTED COLLECTIONS		
George Poore mineral collection	\$ 7,633	\$ 7,633
Charles Surendorf prints	10,850	10,850
Charles Surendorf paintings	5,000	5,000
Mihaly painting collection	3,158	3,158
Bill Walter Indian collection	50,000	50,000
Joel Barber art collection	4,650	4,650
Blaisdell art collection	1,200	1,200
Total Temporarily Restricted Collections	82,491	82,491
TEMPORARILY RESTRICTED FUNDS		
Amundsen Memorial	7,900	7,142
Associated Student Body Scholarship Fund	-	6,505
Don Brady Memorial Fund	10,233	10,240
Elsie Bruno Scholarship	6,575	6,087
Carkeet Park Capital Project	6,398	28,769
Irving Cobb Memorial Fund	3,130	3,278
Columbia College Faculty Scholarship	46,529	53,119
Columbia College Foundation Scholarship Fund	13,547	531
Columbia College Foundation Endowment Fund	78,316	71,427
Rose Hassly Art Scholarship Fund	791	840
Hospitality Management Scholarship Fund	52,991	51,661
Roberta Hughes Scholarship Fund	34,848	30,715
W. J. James Culinary Arts Scholarship Fund	34,192	31,923
Lingren Memorial Scholarship	1,935	2,080
McGee Library Fund	99,591	92,873
Ernest Meylan Scholarship	596	553
John Christopher Rogers Memorial Fund	17,351	12,240
Val's STEM Scholarship Fund	464	1,732
Ben Vogel Memorial Fund	13,594	13,362
John and Millie Wise Fund	12,686	12,523
Scientific Equipment and Supply Fund	23,366	20,568
Tennis Court Improvement Fund	6,555	6,085
Program support grants	30,550	247
Balance Forward	\$ 502,138	\$ 464,500

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2013 and 2012

Columbia College Foundation

	2013	2012
Balance Brought Forward	\$ 502,138	\$ 464,500
Bernard Osher Fund	976	622
Wise Family Osher Scholarship Fund	6,486	4,154
Joyce and Ed Brockman Osher Scholarship Fund	2,162	1,385
Irving J. Symons Memorial Osher Scholarship Fund	2,162	1,385
Bob and Helen Francis Memorial Osher Scholarship Fund	2,135	1,368
Majorie L. Coffill Memorial Osher Scholarship Fund	2,162	1,385
Elwood and Elizabeth Johnson Memorial Osher Scholarship Fund	2,162	1,385
Holder Family Osher Scholarship Fund	2,162	1,385
Mick Grimes Osher Scholarship Fund	2,162	1,385
Front Porch Osher Scholarship Fund	8,648	5,539
Total Temporarily Restricted Funds	533,355	484,493
Total Temporarily Restricted Net Assets	\$ 615,846	\$ 566,984

Permanently restricted net assets at June 30, 2013 and 2012, are as follows:

	2013	2012
Elsie Bruno Scholarship	\$ 10,000	\$ 10,000
Rose Hassly Art Scholarship Fund	5,000	5,000
Roberta Hughes Scholarship Fund	85,000	85,000
W. J. James Culinary Arts Scholarship Fund	1,437	1,437
Bernard Osher Fund	6,161	6,161
Wise Family Osher Scholarship Fund	40,500	40,500
Joyce and Ed Brockman Osher Scholarship Fund	13,500	13,500
Irving J. Symons Memorial Osher Scholarship Fund	13,500	13,500
Bob and Helen Francis Memorial Osher Scholarship Fund	13,334	13,334
Majorie L. Coffill Memorial Osher Scholarship Fund	13,500	13,500
Elwood and Elizabeth Johnson Memorial Osher Scholarship Fund	13,500	13,500
Holder Family Osher Scholarship Fund	13,500	13,500
Mick Grimes Osher Scholarship Fund	13,500	13,500
Front Porch Osher Scholarship Fund	54,000	54,000
Total Permanently Restricted Net Assets	\$ 296,432	\$ 296,432