



December 19, 2017

Board of Directors
Los Rios Foundation
1919 Spanos Court
Sacramento, CA 95825

We have audited the financial statements of Los Rios Foundation for the year ended June 30, 2017, and have issued our report thereon dated December 19, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 27, 2017. 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 Los Rios 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 2017. We noted no transactions entered into by the Organization 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 Foundation did not have any sensitive estimate affecting the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no sensitive disclosures affecting the financial statements

The financial statement disclosures are neutral, consistent, and clear.

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 misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No such items were noted.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's 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 December 19, 2017.

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 Organization's financial statements or a determination of the type of auditor's 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 Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the board of directors and management of Los Rios Foundation and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Vavrinek, Trine, Day & Co LLP

Vavrinek, Trine, Day & Co, LLP
Pleasanton, California
December 19, 2017

LOS RIOS FOUNDATION
(A California Nonprofit Corporation)

ANNUAL FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2017

LOS RIOS FOUNDATION
(A California Nonprofit Corporation)

June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Los Rios Foundation
Sacramento, California

We have audited the accompanying financial statements of Los Rios Foundation (a California nonprofit corporation) (the Foundation), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Los Rios Foundation as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental information as listed in the table of contents, is presented for purposes of additional analysis and is 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.

Vavinek, Trine, Day & Co LLP

Pleasanton, California
December 19, 2017

LOS RIOS FOUNDATION
(A California Nonprofit Corporation)

STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 716,536
Accounts receivable	5,787
Pledges receivable, current portion	2,600
Total Current Assets	<u>724,923</u>

NONCURRENT ASSETS

Investments	11,966,255
Long-term pledges receivable	48,000
Total Noncurrent Assets	<u>12,014,255</u>
TOTAL ASSETS	<u>\$ 12,739,178</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 407,837
TOTAL LIABILITIES	<u>407,837</u>

NET ASSETS

Unrestricted	1,417,576
Temporarily restricted	5,925,948
Permanently restricted	4,987,817
Total Net Assets	<u>12,331,341</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 12,739,178</u>

See the accompanying notes to financial statements.

LOS RIOS FOUNDATION
(A California Nonprofit Corporation)

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenues				
Contributions	\$ 256,947	\$ 1,403,546	\$ 155,010	\$ 1,815,503
Fundraising and events	90,733	-	-	90,733
Investment earnings	102,696	889,054	27,828	1,019,578
In-kind contributions	317,985	-	-	317,985
Net assets released from restrictions/transfers	1,491,792	(1,524,973)	33,181	-
Total Support and Revenues	<u>2,260,153</u>	<u>767,627</u>	<u>216,019</u>	<u>3,243,799</u>
Expenses				
Scholarships	620,808	-	-	620,808
College support	1,315,515	-	-	1,315,515
Grants and sponsorships	80,085	-	-	80,085
Administrative	92,636	-	-	92,636
Fundraising	93,111	-	-	93,111
Total Expenses	<u>2,202,155</u>	<u>-</u>	<u>-</u>	<u>2,202,155</u>
Total Revenues in Excess of Expenses	<u>57,998</u>	<u>767,627</u>	<u>216,019</u>	<u>1,041,644</u>
CHANGE IN NET ASSETS	57,998	767,627	216,019	1,041,644
NET ASSETS, BEGINNING OF YEAR	1,359,578	5,158,321	4,771,798	11,289,697
NET ASSETS, END OF YEAR	<u>\$ 1,417,576</u>	<u>\$ 5,925,948</u>	<u>\$ 4,987,817</u>	<u>\$ 12,331,341</u>

See the accompanying notes to financial statements.

LOS RIOS FOUNDATION
(A California Nonprofit Corporation)

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017

	Scholarships	College support	Grants and Sponsorships	Total Program Expenses	Administrative	Fundraising	Total Expenses
Scholarships	\$ 620,808	\$ -	\$ -	\$ 620,808	\$ -	\$ -	\$ 620,808
College support	-	1,315,515	-	1,315,515	-	-	1,315,515
Grants and sponsorships	-	-	80,085	80,085	-	-	80,085
Fundraising expenses	-	-	-	-	-	93,111	93,111
Supplies and materials	-	-	-	-	39,032	-	39,032
Office expense	-	-	-	-	52,638	-	52,638
Awards	-	-	-	-	966	-	966
Total Expenses	<u>\$ 620,808</u>	<u>\$ 1,315,515</u>	<u>\$ 80,085</u>	<u>\$ 2,016,408</u>	<u>\$ 92,636</u>	<u>\$ 93,111</u>	<u>\$ 2,202,155</u>

See the accompanying notes to financial statements.

LOS RIOS FOUNDATION
(A California Nonprofit Corporation)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES

Proceeds from:	
Contributions for scholarships	\$ 1,389,040
Fundraising	90,733
Capital and endowment campaign	70,408
Annual fund	147,529
Other Contributions	346,278
Interest and dividend income	15
Payments for:	
Scholarships awarded	(620,808)
Payments to suppliers	(155,357)
Payments to reimburse District for staff time	(7,711)
Payments for services	(95,904)
Payments for travel, conferences and meetings	(85,547)
Other operating costs	(931,920)
Net Cash Flows From Operating Activities	<u>146,756</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales of investments	4,414,342
Interest and dividends on investments	256,683
Investment expenses	(86,781)
Purchases of investments	(4,595,261)
Net Cash Flows Used By Investing Activities	<u>(11,017)</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS	135,739
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	580,797
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 716,536</u>

SUPPLEMENTAL DISCLOSURE OF NONCASH AMOUNTS

In-kind donations	<u>\$ 317,985</u>
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See the accompanying notes to financial statements.

**LOS RIOS FOUNDATION
(A California Nonprofit Corporation)**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Los Rios Foundation (the Foundation) was incorporated in the State of California as a nonprofit public benefit corporation operating solely for the benefit of Los Rios Community College District (the District) and its students and is authorized by the District to solicit contributions on its behalf. The Foundation periodically awards scholarships to assist students in pursuing education beyond the secondary or high school level. The Foundation also provides aid to education, supplemental to state and local tax means, for the support and benefit of the District. The Foundation is included as a component unit in the District's financial statements. The Foundation is supported primarily through public contributions and grants.

Financial Statement Presentation

The accompanying financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-210-50. Under ASC 958-210-50, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Foundation is required to present a statement of cash flows. The Foundation does not use fund accounting. Revenues are recognized when earned, and expenses are recognized when incurred in accordance with the accrual basis of accounting.

The Foundation and the Los Rios Community College District (the District) are financially interrelated organizations as defined by ASC 958-605-05, *Transfers of Assets to a Nonprofit or Charitable Trust that Holds Contributions for Others*. 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.

Cash and Cash Equivalents

Cash and cash equivalents for the purposes of the statement of cash flows consist of cash held in checking. The Foundation maintains cash balances in financial institutions which are insured up to \$250,000. At June 30, 2017, the amount in excess of Federal depository insurance coverage was approximately \$344,000.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are recorded in the appropriate classification of net assets. If the restrictions are met either by passage of time or by use in the reporting period in which the income and gains are recognized, the income is recorded as increases in the unrestricted net assets. Investments are classified as short or long term based upon the Foundation's intent to use for current operations.

LOS RIOS FOUNDATION
(A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Contributions and Promises to Give

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in the appropriate classification of net assets as temporarily or permanently restricted. When a restriction expires through either the passage of time or use, the assets are reclassified as assets released from restrictions in the statement of activities.

The Foundation uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence or nature of any donor restrictions.

Donated Services, Goods, and Facilities

A substantial number of volunteers have donated their time and experience to the Foundation's program services and fundraising campaigns during the year. However, these donated services are not reflected in the financial statements since there is no readily determined method of valuing the services.

Donated equipment, supplies and materials totaling \$317,985 were recorded. This consisted of \$311,940 for College Support and \$6,045 for fundraising purposes.

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. Actual results could differ from those estimates. Significant estimates include the value of the beneficial interest in a charitable remainder trust.

Income Taxes

The Foundation is a nonprofit public benefit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and classified by the Internal Revenue Service (IRS) as other than a private organization. Contributions received qualify as tax deductible gifts as provided in Section 170(b)(1)(A)(vi). The Foundation is also exempt from California State franchise and income taxes under Section 23701(d) of the California Revenue and Taxation Code. Accordingly, no provision for income taxes has been reflected in these financial statements. The Foundation's Federal Form 990, *Return of Organization Exempt From Income Tax*, and State Form 109, *California Exempt Organization Business Income Tax Return*, are subject to examination by the IRS for three years, and by the State Franchise Tax Board for four years, after they were filed. The Foundation is not aware of any such examinations at this time.

The Foundation has adopted FASB ASC Topic 740 that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Management believes that all tax positions taken to date are highly certain, and, accordingly, no accounting adjustment has been made to the financial statements.

LOS RIOS FOUNDATION
(A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Allocation of Functional Expenses

The costs of providing the various programs, fundraising, and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and fundraising activities benefited.

NOTE 2 - PLEDGES RECEIVABLE

Pledges receivable represent unconditional promises to give, which have been made by donors, but not received. Pledges receivable at June 30, 2017, were as follows:

Receivable in less than one year	\$ 2,600
Receivable in one to five years	48,000
Net contributions receivable	<u>\$ 50,600</u>

NOTE 3 - INVESTMENTS

Investments are recorded at fair value on the statement of financial position. The following table summarizes the investment returns which are recorded in the statement of activities:

Realized gains on investments	\$ 388,302
Unrealized gains on investments	461,360
Interest and dividends	169,916
Total Investment Income, Net of Expenses	<u>\$ 1,019,578</u>

Investment Policies

Return Objectives and Risk Parameters

The Foundation has a Finance Committee responsible for oversight of the Foundation's investments. The Board has adopted Rules, Objectives and Guidelines for the investment of funds that attempt to provide a predictable stream of funding to programs supported by its endowed funds while also maintaining the purchasing power of those assets over the long-term. Endowment assets are invested in cash and cash equivalents, equity and debt securities, that are intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4% while growing the funds, if possible. The Foundation expects its endowment assets, over time, to produce an average rate of return of approximately 6% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

LOS RIOS FOUNDATION
(A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Board of the Foundation has adopted the following spending policy for endowed funds: (1) The calculation for spending in the upcoming calendar year will be based on the fund value as of the September 30 balance; and (2) unless a donor requests otherwise, a fund will participate in spending for the immediate next calendar year, even if the value of the fund is below corpus. The Foundation expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 2% annually, which is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

NOTE 4 - 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 FASB ASC 820-10-50, 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 assets 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 mortgages, 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, retained residual interests in securitizations, residential Mortgage Servicing Rights (MSRs), asset-backed securities (ABS), highly-structured or long-term derivative contracts, and certain collateralized debt obligations (CDO) where independent pricing information was not able to be obtained for a significant portion of the underlying assets.

LOS RIOS FOUNDATION
(A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

Assets and Liabilities Recorded at Fair Value on a Recurring Basis

The table below shows the Foundation's investments according to their hierarchical level as of June 30, 2017:

	Level 1	Level 2	Level 3	Total
Cash	\$ 285,166	\$ -	\$ -	\$ 285,166
Money market funds	960	-	-	960
Fixed income securities	4,588,676	-	-	4,588,676
Equities	6,081,010	-	-	6,081,010
Alternative investments	851,548	-	-	851,548
FCCC endowment	-	158,895	-	158,895
Total	<u>\$ 11,807,360</u>	<u>\$ 158,895</u>	<u>\$ -</u>	<u>\$ 11,966,255</u>

The Foundation did not have any liabilities measured at fair value on a recurring basis nor any assets or liabilities recorded at fair value on a non-recurring basis.

NOTE 5 - NET ASSETS

Temporarily restricted net assets available for various scholarships and education programs as of June 30, 2017 are held for the following:

American River College	\$ 1,444,326
Cosumnes River College	310,377
Folsom Lake College	951,826
Sacramento City College	2,827,981
Entity wide	391,438
Total	<u>\$ 5,925,948</u>

Permanently restricted net assets, for which investment and interest earnings may be used for scholarship grants, consisted of the historical gift balance of the endowed funds in the amount of \$4,987,817 at June 30, 2017.

The Foundation has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the

LOS RIOS FOUNDATION
(A California Nonprofit Corporation)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

appreciation of investments, (6) other resources of the Foundation, and (7) the Foundation's investment policies.

The composition of endowment net assets for this fund and the changes in endowment net assets as of June 30, 2017, are as follows:

	Unrestricted	Permanently Restricted	Total
Donor restricted endowments	\$ -	\$4,987,817	\$4,987,817
Board designated endowments	1,063,805	-	1,063,805
Total	<u>\$ 1,063,805</u>	<u>\$4,987,817</u>	<u>\$6,051,622</u>
Endowment net assets - beginning of year	\$ 956,175	\$4,771,798	\$5,727,973
Contributions	9,085	155,010	164,095
Investment earnings and realized gains	59,617	11,475	71,092
Unrealized income	60,882	16,353	77,235
Transfers	(1,080)	-	(1,080)
Amounts appropriated for expenditures	(20,874)	33,181	12,307
Endowment net assets - end of year	<u>\$ 1,063,805</u>	<u>\$4,987,817</u>	<u>\$6,051,622</u>

NOTE 6 – RELATED PARTY TRANSACTIONS

The Foundation receives and invests contributions for the development of endowed funds on behalf of the District. These funds, pending distribution, are administered and held according to the specific organization's direction and invested by the Foundation in an agent capacity, on behalf of the District, and the activities are included in the Foundation's statements of financial position and activities.

The Foundation receives the use of management, accounting, personnel and office space provided by the District. There are no salaries or other expenses recognized by the Foundation for these services. The Foundation incurs expenses related to college instructional support on behalf of the District which are included on the Foundation's statement of activities. The Foundation paid the District \$6,829 during the year ended June 30, 2017 for various administrative costs.

The Foundation's receipt of noncash donations related to instructional support are contributed to the District. During the year, the Foundation contributed \$311,940 of noncash donations to the District.

NOTE 7 - 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 December 19, 2017, 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.

SUPPLEMENTARY INFORMATION

LOS RIOS FOUNDATION
(A California Nonprofit Corporation)

SCHEDULE OF NET ASSETS BY COLLEGE
JUNE 30, 2017

AMERICAN RIVER COLLEGE

Permanently Restricted Net Assets

Allen J. Chinn Memorial Endowment	\$	50,000
American River Hospital Scholarship		34,000
Andy Hoover Memorial		10,000
Armando Magri Memorial Endowment		13,000
Bernice Slater Garnson-Scholar		25,000
C.S. Shelley Foreign Language School		10,000
Charles Borowiak Gerontology		10,000
Chemistry Dept Scholar Endowment		23,000
David/Eloise Janecke Endowment		10,000
Donna/Jerry White Endowment		17,500
Earth Sciences Endowment		17,500
Epler Chemistry/Social Sciences Endowment		25,000
FCCC Other Scholarship		178,238
Geraldine Olson Nursing Scholarship		164,294
Jerry R. Cole Memorial Scholarship		10,000
Joseph Harris		15,000
K.J. Lonie Jr. Memorial Scholarship		11,870
Kaiser Endowment		10,000
Lu Magri Scholarship		10,000
Lucas H. Keye Memorial		20,000
Lynne M. Chaimson Memorial Scholarship		20,000
M. Lial Math Major Scholar Endowment		10,000
Maddock Figure Drawing		10,000
Margaret Alice Harris Memorial		15,000
Margaret Radsliff AAUW Scholarship		21,563
Marie Perino Business Scholarship		10,000
Math & Science Endowment		14,943
Mercy A.R. Hospital Aux Scholarship		20,000
M. Nadolski Memorial Teacher Endowment		10,000
Perla Warren Endowment Music		23,371
Physics Department Scholarship		10,000
Q.F. Randall Teaching Scholarship		10,000
Ronald K. Rose Scholarship		28,000
Rose Marks Memorial Scholarship		95,450
S. McGrath Eng/International Scholarship		37,889
S. Olson-Hansen Memorial Scholarship		10,000
Science Support Endowment		34,000
Sibley-Hatchell Theatre Arts		10,000
Sue Ward Honorary Endowment		10,000
Terrie Bellis Hospitality Management		10,000
Wendy Hunt Memorial Endowment		10,000
Other permanently restricted net assets (under \$10,000)		96,187
Total Permanently Restricted Net Assets		1,180,805

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SCHEDULE OF NET ASSETS BY COLLEGE
JUNE 30, 2017

AMERICAN RIVER COLLEGE

Permanently Restricted Net Assets

Allen J. Chinn Memorial Endowment	\$	50,000
American River Hospital Scholarship		34,000
Andy Hoover Memorial		10,000
Armando Magri Memorial Endowment		13,000
Bernice Slater Garnson-Scholar		25,000
C.S. Shelley Foreign Language School		10,000
Charles Borowiak Gerontology		10,000
Chemistry Dept Scholar Endowment		23,000
David/Eloise Janecke Endowment		10,000
Donna/Jerry White Endowment		17,500
Earth Sciences Endowment		17,500
Epler Chemistry/Social Sciences Endowment		25,000
FCCC Other Scholarship		178,238
Geraldine Olson Nursing Scholarship		164,294
Jerry R. Cole Memorial Scholarship		10,000
Joseph Harris		15,000
K.J. Lonie Jr. Memorial Scholarship		11,870
Kaiser Endowment		10,000
Lu Magri Scholarship		10,000
Lucas H. Keye Memorial		20,000
Lynne M. Chaimson Memorial Scholarship		20,000
M. Lial Math Major Scholar Endowment		10,000
Maddock Figure Drawing		10,000
Margaret Alice Harris Memorial		15,000
Margaret Radsliff AAUW Scholarship		21,563
Marie Perino Business Scholarship		10,000
Math & Science Endowment		14,943
Mercy A.R. Hospital Aux Scholarship		20,000
M. Nadolski Memorial Teacher Endowment		10,000
Perla Warren Endowment Music		23,371
Physics Department Scholarship		10,000
Q.F. Randall Teaching Scholarship		10,000
Ronald K. Rose Scholarship		28,000
Rose Marks Memorial Scholarship		95,450
S. McGrath Eng/International Scholarship		37,889
S. Olson-Hansen Memorial Scholarship		10,000
Science Support Endowment		34,000
Sibley-Hatchell Theatre Arts		10,000
Sue Ward Honorary Endowment		10,000
Terrie Bellis Hospitality Management		10,000
Wendy Hunt Memorial Endowment		10,000
Other permanently restricted net assets (under \$10,000)		96,187
Total Permanently Restricted Net Assets		1,180,805

LOS RIOS FOUNDATION
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SCHEDULE OF NET ASSETS BY COLLEGE
JUNE 30, 2017

COSUMNES RIVER COLLEGE

Permanently Restricted Net Assets

Bill Daly Memorial Scholarship	\$ 12,000
CRC Emeritt Scholarship Endowment	10,000
D. Williams Re-Entry Scholarship	20,200
Dr. Queen Randall Award Endowment	10,000
James Clark Memorial Scholarship Endowment	10,000
John Landes Music Scholarship	35,166
Ellis-Lawrence Arch Scholarship	10,000
McConnell Family Scholarship Endowment	10,000
Methodist Hospital Endowment	15,000
Mike Daly Music Endowment	10,000
Sharp Lewis Endowment	10,000
Other permanently restricted net assets (under \$10,000)	21,591
Total Permanently Restricted Net Assets	<u>173,957</u>

Temporarily Restricted Net Assets

Bill Daly Memorial Scholarship	\$ 15,419
James Clark Memorial Scholarship Endowment	20,119
John Landes Music Scholarship	19,076
Mike Daly Music Endowment	35,975
Sharp Lewis Endowment	47,179
Foundation Book Scholarship	27,628
Osher Scholarship	12,510
Other temporarily restricted net assets (under \$10,000)	132,471
Total Temporarily Restricted Net Assets	<u>310,377</u>

Unrestricted Net Assets

Undesignated	<u>39,753</u>
Total Unrestricted Net Assets	<u>39,753</u>
Total Net Assets	<u><u>\$ 524,087</u></u>

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SCHEDULE OF NET ASSETS BY COLLEGE
JUNE 30, 2017

FOLSOM LAKE COLLEGE

<u>Permanently Restricted Net Assets</u>	
ASFLC Scholarship Endowment	10,000
Caramagno Memorial Scholarship Endowment	10,000
Celine Alexandre Memorial Scholarship Endowment	25,000
City of Folsom Arts Endowment	75,000
Kikkoman Foods Scholarship Endowment	10,000
Mercy Folsom Scholarship Endowment	11,500
Total Permanently Restricted Net Assets	<u>141,500</u>
<u>Temporarily Restricted Net Assets</u>	
Children's Theatre Program - VAPA	\$ 10,791
City of Folsom Arts Endowment	24,911
EDC Veterans Book Scholarship	58,258
FLC Marketplace	33,550
FLC Scholarships	10,823
Founding President's Scholarships	11,695
Patron's Club	18,382
President's Fund	38,623
RC Promise	117,000
Salute to Valro Vet Grant	25,679
Savarino & Neva Cimaroli Charitable Remainder Trust	332,233
Three Stages memberships	121,209
Veteran's Center	33,677
Other temporarily restricted net assets (under \$10,000)	114,995
Total temporarily restricted net assets	<u>951,826</u>
<u>Unrestricted Net Assets</u>	
Undesignated	<u>148,986</u>
Board designated endowments	
Harris Center for the Arts	<u>52,917</u>
Total board designated endowments	<u>52,917</u>
Total Unrestricted Net Assets	<u>201,903</u>
Total Net Assets	<u><u>\$ 1,295,229</u></u>

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SCHEDULE OF NET ASSETS BY COLLEGE
JUNE 30, 2017

SACRAMENTO CITY COLLEGE

Permanently Restricted Net Assets

Alice and Charles Cusick Endowment	\$	30,000
Berneice and Norman Clayton		10,000
Brosin Family Endowment		17,000
Burton Adunson Memorial Scholarship		10,000
Capital Campaign Nursing Endowment		125,000
Charlotte Wehrman Scholarship		50,000
Dorothy V. Vincent Memorial		10,000
Dr. Joseph Dowdell Memorial Scholarship		11,110
Dr. Queen Randall		10,000
Ethel Muhs Nursing Scholarship		40,000
Faustman Award for Excellence		12,430
Gallant J. Chinn Endowment		50,000
George and Jean Turpen Forbes		21,152
Geraldine Olsen Estate - SCC Nursing Program		164,295
Harold/Elizabeth Kimball Scholarship		20,000
Hopkins Art Scholarship Endowment		60,000
HSI Endowment		15,000
Hulda Mae Stone Endowed Scholarship		687,500
Ing Family CIS Program		10,000
Jack Mauger Endowment		20,000
Jean Stephens Endowed Scholarship		20,000
Joan Gunterman Scholarship		10,000
Jonathan Youngs Second Chance		10,787
Joyce Schaeuble Out Psych Award Endowment		15,969
Kabara Science Endowment		30,554
Kambara Science Endowment		200,000
Kastanis Library/IT Scholarship		25,000
Linda Stroh Memorial		12,000
Lorrie Morris Endowment		10,000
Major John Fino		10,000
Marlis Zoe Clary Memorial Fund		10,000
McConnell Family		10,000
MET Endowment		100,000
Robert and Clarice Rodda		10,000
E. Robinson SCC Emeriti Scholarship		10,000
Rothschild Literacy in Law & Business Endowment		15,000
Russ Soloman Scholarship		21,135

LOS RIOS FOUNDATION
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SCHEDULE OF NET ASSETS BY COLLEGE
JUNE 30, 2017

SACRAMENTO CITY COLLEGE (continued)

SCC Foundation Scholarship	73,109
SCC Hulda Mae Stone Loan Endowment	687,500
SCC Quon Family Endowment	20,000
Spencer and June Severance	10,000
Steward Solnick Family Scholarship	12,500
Stillwell William Memorial Endowment	10,000
Teiko and Warren Sasser Scholarship Endowment	20,000
Thorpe-Martinez Scholarship	50,000
V.S. Groza Memorial Math Scholarship	100,000
Other permanently restricted net assets (under \$10,000)	64,514
Total Permanently Restricted Net Assets	2,941,555

Temporarily Restricted Net Assets

Capital Campaign Nursing Endowment	449,159
Chinese Women's New Life Endowment	15,791
Ethel Muhs Nursing Scholarship	17,418
Faustman Award for Excellence	69,925
George and Jean Turpen Forbes	22,977
Geraldine Olsen Estate - SCC Nursing Program	223,212
Harold/Elizabeth Kimball Scholarship	10,424
Hopkins Art Scholarship Endowment	18,264
Hulda Mae Stone Endowed Scholarship	76,422
Hulda Mae Stone Loan Endowment	219,222
Jack Mauger Endowment	11,488
Joan Gunterman Scholarship	13,462
Joyce Schaeuble Out Psych Award Endowment	12,787
Kambara Science Endowment	216,905
Kastanis Library/IT Scholarship	13,825
Larry Welden Emeriti Endowment	10,330
Linda Stroh Memorial	31,067
Maxine Phillips Endowment	10,788
MET Endowment	86,934
Nakano Family Endowment	28,548
Political Science Department Endowment	15,242
E. Robinson SCC Emeriti Scholarship	17,079
SCC Foundation Scholarships	75,537
Steward Solnick Family Scholarship	39,688
Stillwell William Memorial Endowment	37,904
Teiko and Warren Sasser Scholarship Endowment	15,986
V.S. Groza Memorial Math Scholarship	73,434

LOS RIOS FOUNDATION
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SCHEDULE OF NET ASSETS BY COLLEGE
JUNE 30, 2017

SACRAMENTO CITY COLLEGE (continued)

Alumni Association	24,697
Barr Family	41,630
Biology Programs	69,034
CA Endowment Student Need	25,000
Chemistry Department	88,267
Elizabeth Anderson Woods Memorial	12,680
Emeriti Vocational	11,238
Matthew Prentice	19,318
Phyllis Smith	10,941
Sarasohn History & International Studies	21,446
SCC Continuing Student Scholarship	209,000
SCC LRC Capital Campaign	44,721
Student Textbook Fund	52,882
Other temporarily restricted net assets (under \$10,000)	363,309
Total Temporarily Restricted Net Assets	<u>2,827,981</u>

Unrestricted Net Assets

Undesignated	<u>91,406</u>
Board designated endowments	
Charles Block Perpetual	<u>183,799</u>
Total Board Designated Endowments	<u>183,799</u>
Total Unrestricted Net Assets	<u>275,205</u>
Total Net Assets	<u>\$ 6,044,741</u>

LOS RIOS FOUNDATION
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SCHEDULE OF NET ASSETS BY COLLEGE
JUNE 30, 2017

ENTITY WIDE FUNDS

Permanently Restricted Net Assets

North State BIA Endowment	\$ 150,000
Sutter Scholarship Endowment	190,000
Student Success Endowment	125,000
CRTA Division 5 Scholarship Endowment	85,000
Total Permanently Restricted Net Assets	550,000

Temporarily Restricted Net Assets

North State BIA Endowment	\$ 79,689
Sutter Scholarship Endowment	78,344
Student Success Endowment	18,356
CRTA Division 5 Scholarship Endowment	92,270
Annual Fund	12,184
Chancellor's Circle	49,640
Enterprise Cell EW	12,658
Los Rios Scholars	14,704
Other temporarily restricted net assets (under \$10,000)	33,593
Total Temporarily Restricted Net Assets	391,438

Unrestricted Net Assets

Undesignated	(224,540)
Board-designated endowments	
Harris Fine Arts	331,476
Total board designated endowments	331,476
Total Unrestricted Net Assets	106,936
Total Net Assets	\$ 1,048,374