



Foundation Board Meeting

Full Board Session: 3:00 p.m.

Wednesday – May 22, 2013

Meeting Location(See map)
Foundation Board Room

BOARD PACKETS ARE REQUIRED AT EVERY MEETING.
Please bring yours.

Our Mission:

The mission of the Foundation is to enhance the quality of education by advancing the College of the Desert through building relationships, securing philanthropic support and stewarding assets.

Our Vision:

To positively impact the lives of students who are striving to achieve a purposeful education and to enhance the communities of the Coachella Valley and the region.

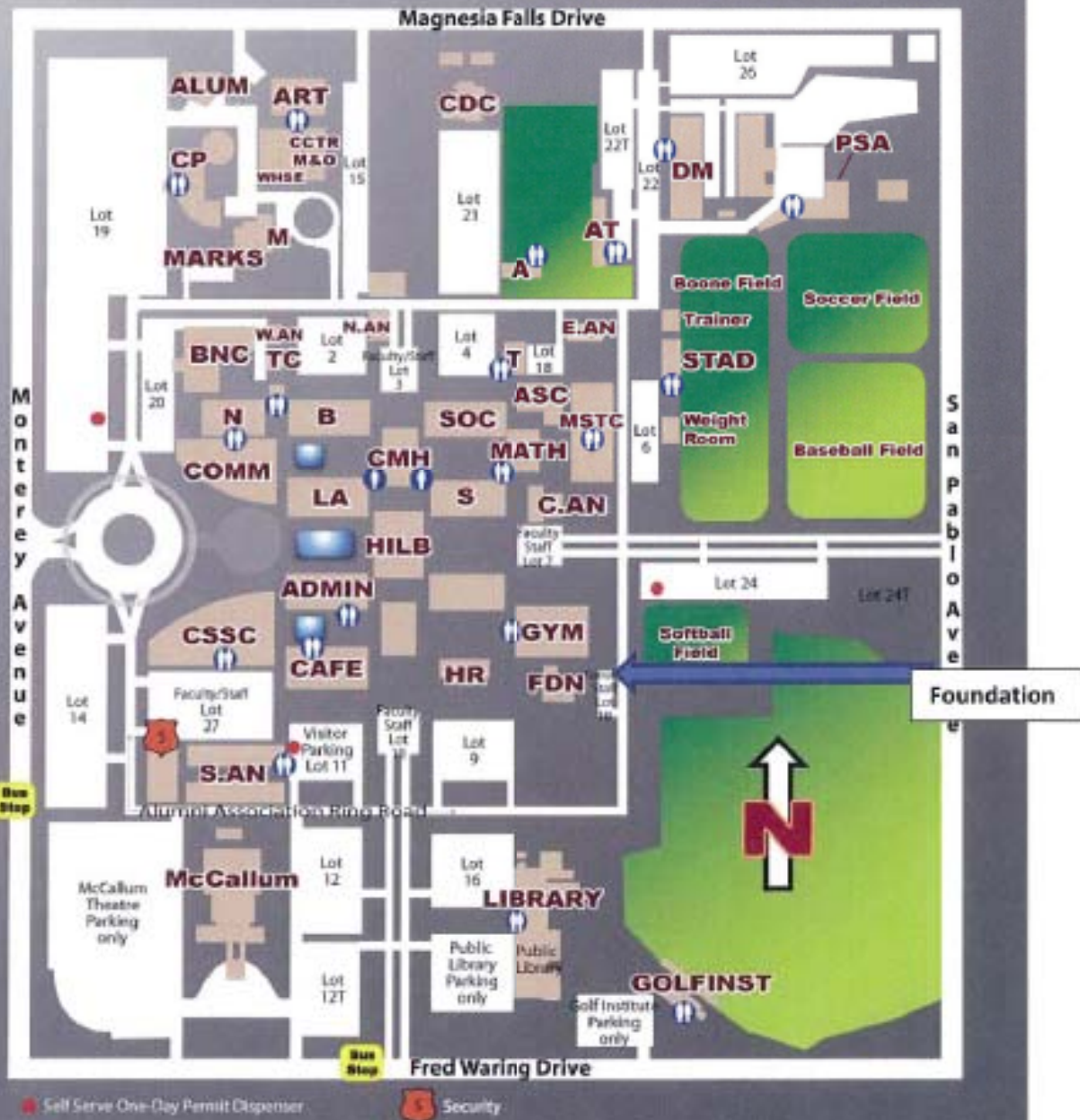
Core Values:

- ✓ Accountability
- ✓ Integrity
- ✓ Service Excellence
- ✓ Trust



COLLEGE of the DESERT

Campus Guide





**May 22, 2013 Board Packet
Table of Contents**

Page 1.....	Cover
Page 2.....	Meeting Location Map
Page 3.....	Table of Contents
Page 4.....	Board of Directors Meeting Agenda
Page 5.....	Executive Committee Meeting Minutes 04/24/2013
Page 7.....	Board Meeting Minutes 04/24/2013
Page 11.....	March Key Information & Financials
Page 18.....	April Key Information & Financials
Page 25.....	Donna MacMillan Bio
Page 26.....	JoAnn McGrath Bio
Page 27.....	Peter Sturgeon Contract
Page 30.....	McCarthy Child Development Center Request for Funding
Page 31.....	KCOD Radio Station Request for Funding
Page 32.....	List of Planned Giving Advisory Committee
Page 33.....	List of Staff and Contract Personnel
Page 34.....	Board of Trustee Schedule of Meetings
Page 35.....	Foundation Board Schedule of Meetings
Page 36.....	Auxiliary Board Schedule of Meetings
Page 37.....	IPS (Investment Policy Statement) approved. 04-24-2013

**Board meeting location,
Foundation Board (see map on Page 3)**



**Board of Directors Meeting Agenda
Wednesday, May 22, 2013
Foundation Board Room**

(Board action required)**

- 1) Call to Order
- 2) Public Invitation to speak as per the Brown Act
- 3) ****Approval of April Executive Board Minutes (page: 5)**
- 4) ****Approval of April Board Minutes (page: 7)**
- 5) Financials—Review
 - a) ****Approval of Financials-March 2013 (page: 11)**
 - b) ****Approval of Financials-April 2013 (page: 18)**
- 6) Reports – Information
 - a) COD Priorities – Pam Hunter
 - b) Academic Senate President – Zerryl Becker
 - c) COD Trustee – Bonnie Stefan
 - d) Alumni – Gene Marchu
 - e) Development – Peter Sturgeon
- 7) Foundation Board Items:
 - a) **Appointment of New Foundation Board Members (page: 25)**
 - i) Donna MacMillan
 - ii) JoAnn McGrath

Discussion/Action
 - b) **Items for approval:**
 - i) Contract extension- Peter Sturgeon from June 1st to September 30 (page: 27)
 - ii) Request for Funding – Child Development Center (page: 30)
 - iii) Request for Funding – KCOD radio station (page: 31)

Discussion/Action
- 8) Fundraising Report - Foundation Directors – Time set aside for Directors to report in their Fundraising efforts and contacts.
- 9) Foundation Information Items:
 - a) List of Planned giving advisory committee (Page: 32)
 - b) List of Staff and Contract personnel (Page: 33)
 - c) Board of Trustee schedule of meetings (Page: 34)
 - d) Foundation Board schedule of meetings (Page: 35)
 - e) Auxiliary Board schedule of meetings (Page: 36)
 - f) IPS (Investment Policy Statement) approved 04/24/2013 (Page: 37)
- 10) New Business
- 11) Adjournment

Next meeting, June 26, 2013 at the Cravens Multi-Purpose Room

5/15/13



**Executive Committee Meeting
April 24, 2013 – 2:00pm
Desert Willow Golf Resort
MINUTES**

Present:

Robert Archer, Dr. Bob Chell, Peggy Cravens, Donna Jean Darby, Diane Gershowitz, Brian Holcombe, Susan Hunt, Dr. Joel Kinnamon, Dr. Chuck Monell, Bonnie Stefan, Larry Spicer.

Staff/Guests

Jim Hummer, Kippy Laflame, Pam Hunter

Call to Order

Dr. Bob Chell called the meeting to order at 2:05 p.m. with a quorum of members present.

Brown Act Invitation for Public Comment

No cards to speak were submitted from the public.

Modification to By-Laws

Review and discussion of proposed modification to the Foundation By-Laws combining the Finance and Investment Committees

M/S/C to present the full board with the proposed amendment with the following changes to the by-law amendment included on page 5 of 25 of the Executive Committee board packet:

The Finance/Investment Committee shall be responsible for:

- *Reviewing and recommending Annual Operating Budget for the Foundation as prepared by the staff*
- *Monitoring funds coming into the operational budget and funds being dispersed through the operational budget*

Presentation and discussion of FY 2013/2014 Operating Budget

Review of revenues and expenditures and alternative budget scenarios via Power Point presented by Jim Hummer. A hand-out of presentation was given to everyone present. Discussion of pros and cons of multi-year commitment.

M/S/C Bob Archer, Diane Gershowitz to recommend to full board to adopt the Proposed 2013/2014 Operating Budget as distributed on p15 or 25 of the Executive Committee board packet.

Proposed change to the Investment Policy

Discussion of the proposed changes to ISP recommended by the Investment Committee presented on page 16 of 25 of the Executive Committee board packet.

Page 9 now reads: Permitted alternative investments are: commodities and real estate.

To read: Permitted alternative investments include, but are not limited to: commodities and real estate.

M/S/C Susan Hunt/Bob Archer to recommend to full board to adopt the proposed change to the ISP as distributed

Review of proposed Committee assignments

Discussion of the proposed assignments. Only correction is the addition of Marcia Stein to the Resource Development Committee.

Adjournment at 2:50pm

Minutes taken by Kippy Laflame



**Board of Director Meeting
April 24, 2013 – 3:00pm
Desert Willow Golf Resort
M I N U T E S**

Present:

Carol Ammon, Bob Archer, Zerryl Becker, Dr. Bob Chell, Peggy Cravens, Donna Jean Darby, Diane Gershowitz, Brian Holcombe, Susan Hunt, Dr. Joel Kinnamon, John Marman, Dr. Chuck Monell, Russ Russell, Elizabeth Sealey, Dominique Shwe, Sally Simonds, Kate Spates, Larry Spicer, Bonnie Stefan, Marcia Stein, Dr. Ed Tauber

Absent:

John J. Benoit, Joan Busick, James Carona, Jean Carrus, Norma Castaneda, Dr. Bill Kroonen, Mary Latta, Penny Mason, John Marman, Penny Mason, Mark Nickerson,

Staff/Guests

Jim Hummer, Kippy Laflame, Pam Hunter, Gene Marchu

Call to Order

Dr. Bob Chell called the meeting to order at 3:00 p.m. with a quorum of members present.

Brown Act Invitation for Public Comment

No cards to speak were submitted from the public.

Approval of Minutes

It was M/S/C Bob Archer/Russ Russell to approve the March Board Minutes as distributed.

Member John Marman gave everyone present a sheet entitled "Where all Students Reside by City."

Modification to By-Laws

The Executive Committee recommended to the full board to accept the proposed modifications to the Foundation By-Laws combining the Finance and Investment Committees. The new wording will be:

The Finance and Investment Committee shall consist of the Treasurer as chairman, and nine other Board members appointed by the Board President. One additional member will be appointed as an alternate member. The Committee terms of office shall be for one year, or until the next annual meeting. Any vacancy shall be filled by appointment of the Board President.

The Finance Committee shall be responsible for:

- *reviewing of monthly financial reports*
- *reviewing and recommending Annual Operating Budget for the Foundation as prepared by the staff*
- *recommending necessary adjustments, if any, at the end of December each year*
- *monitoring funds coming into the operational budget and funds being dispersed through the operational budget*
- *oversee the investment of the Corporation assets in accordance with the Investment Policy Statement*

The Finance and Investment Committee will meet monthly or as needed. The Committee will report to the Board of Directors, when appropriate, on the allocation and makeup of the Corporation's assets, recommend any changes in advisors and inform the Board of any matters which pertain to the investments.

It was M/S/C Marcia Stein/Larry Spicer to accept the recommendation as written.

Financials

Due to the delay in getting these out they will be reviewed at next month's meeting.

Presentation and discussion of FY 2013/2014 Operating Budget

Review of revenues and expenditures and alternative budget scenarios via Power Point presented by Jim Hummer. A hand-out of presentation was given to everyone present.

M/S/C Donna Jean Darby/Susan Hunt to adopt the Proposed 2013/2014 Operating Budget as distributed on p. 17 or 38 of the Foundation Board packet.

Motion carried with one opposed, John Marman

Proposed change to the Investment Policy

Discussion of the proposed changes to ISP recommended by the Investment Committee presented on page 18 of 38 of the Foundation Board packet.

Page 9 now reads: Permitted alternative investments are: commodities and real estate.

To read: Permitted alternative investments include, but are not limited to: commodities and real estate.

M/S/C Bob Archer/Larry Spicer to adopt the proposed change to the ISP as distributed

Foundation Annual Bard Election

Slate of new Directors:

Carol Ammon

Bob Archer

Zerryl Becker

John J. Benoit

Joan Busick

James Carona

Jean Carrus

Norma Castaneda

Dr. Robert Chell

Peggy Cravens

Donna Jean Darby

Diane Gershowitz

Brian Holcombe

Susan Kay Hunt

Dr. Joel Kinnamon

Dr. Bill Kroonen

Mary Latta

John Marman

Penny Mason

Dr. Charles Monell, MD

Mark Nickerson

Russ Russell

Elizabeth Sealey

Dominique Shwe

Sally Simonds

Kate Spates

Larry Spicer

Bonnie Stefan

Marcia Stein

Dr. Edward Tauber

It was M/S/C Bob Archer/Marcia Stein to approve the election of the presented slate of Directors for the 2013-2014 Foundation Board of Directors

Slate of Officers:

Donna Jean Darby, President

Dr. Robert M. Chell, Past President

Mark Nickerson, Vice President

Russ Russell, Treasurer

Diane Marcus Gershowitz, Secretary

Dr. Charles Monell, Parliamentarian

It was M/S/C Peggy Cravens/Susan Hunt to approve the election of the presented slate of Officers for the 2013-2014 Foundation Board of Directors

The following presentations were made:

Plaques from the Foundation and from the College to outgoing President, Dr. Bob Chell. Donna Jean thanked Dr. Chell for his leadership

The passing of the gavel to new Foundation Board President Donna Jean Darby.

Reports

- a) College of the Desert President – Dr. Joel Kinnamon
Dr. Kinnamon informed the board that there will be some organizational changes in the leadership of the College. He discussed his vision for making our Culinary and Agricultural flagship programs at our new West and East campuses. Donna Jean Darby has asked him what the priorities are for the College. Dr. Kinnamon will have a list of the top 4 priorities to discuss at the next meeting.
- b) Academic Senate President – Zerryl Becker
Zerryl informed the board of upcoming events such as the graduation and commencement ceremonies.
- c) COD Trustee – Bonnie Stefan
Bonnie explained the new Trustees appointment process for replacing Trustee John Marman who resigned in April. They received 23 applications. The next Trustee meeting is May 17 and everyone is welcome to attend.
- d) Alumni – Gene Marchu
2013 marks the 30th anniversary of the Alumni Association. During that time they have given over \$1.5 Million for student scholarships.
- e) Development Update – Peter Sturgeon
Paul Norris, a 1968 COD grad, gave a \$50,000 scholarship.
We are expecting the \$1.2 Million from the Moore estate to be deposited any day now. April campus tours were successful in bringing in new PC member and much interest in the College.

The Board was invited to enjoy refreshments served.

Adjournment at 4:00 pm

Minutes taken by Kippy Laflame

COLLEGE OF THE DESERT FOUNDATION
FINANCIAL SUMMARY
March 31, 2013

Key Financial Information

	<u>March 2012</u>	<u>March 2013</u>
Total Net Assets:	<u>24,107,443</u>	<u>24,132,098</u>
Total Revenue Received July 1, 2012-March 31, 2013:	\$ 3,040,887	
Permanently Restricted:	<u>234,920</u>	
Temporarily Restricted:	<u>2,006,119</u>	
Unrestricted:	<u>799,848</u>	
Total Revenue received in March 2013:	\$ <u>944,705</u>	
Total Funds transferred to College for Use:		
July 1, 2012 –March, 2013:	\$ <u>633,614</u>	
Scholarships:	\$ <u>428,389</u>	
Programs:	\$ <u>205,225</u>	
Total Funds in endowments: March 2013:	\$ <u>16,669,318</u>	
Total Funds in Unrestricted Funds:	\$ <u>1,276,672</u>	
Carry over from July 2012---balance as of Mar. 2013:	\$ <u>571,032</u>	
Ackerman Fund ++(Unrestricted) Balance: Feb 2013:	\$ <u>219,980</u>	
++ fund for College Classes---\$100,000		

Revenue and Expenditure Comparison March 31, 2013

	Total Revenues to Foundation	Operating Expense Actual	Wages & Salaries
Fiscal Year 2009-2010	1,145,189	984,251	627,590
Fiscal Year 2010-2011	2,479,240	811,422	600,238
Fiscal Year 2011-2012	3,344,880	805,598	544,915
Fiscal Year 2012-2013	3,040,887	817,061	453,294
	Contributions to College	Scholarships	Programs
Fiscal Year 2009-2010	1,689,721	656,010	1,033,711
Fiscal Year 2010-2011	1,345,889	547,082	798,807
Fiscal Year 2011-2012	1,934,770	581,156	1,353,614
Fiscal Year 2012-2013 through 03/31/2013	633,614	428,389	205,225
	2/28/2013	2/28/2012	Change from Prior Fiscal Year
Total Net Assets	24,132,098	24,107,443	24,655
Total Endowments	16,699,318	16,161,806	537,512
	Fiscal YTD thru 3/31/2013	Same Period Last Fiscal year	Change from Prior Fiscal Year
Operating Revenue:	764,823	817,176	-52,353
Operating Expenses	817,061	675,686	141,375
Scholarships to College	428,389	581,001	-152,612
Programs to College	205,225	161,540	43,685
Total Funds to College	633,614	742,541	-108,927

COLLEGE OF THE DESERT FOUNDATION
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2013
WITH COMPARATIVE TOTALS FOR MARCH 31, 2012

	Unrestricted Fund	Temporarily Restricted Fund	Permanently Restricted Fund	Totals (Memorandum Only)	
				2013	2012
ASSETS					
Cash and cash equivalents	\$ 724,789	\$ 550,452	\$ -	\$ 1,275,241	\$ 2,893,067
Investments	600,000	5,449,734	14,980,715	21,030,449	18,338,996
Pledges receivable	5,000	60,000	1,375,590	1,440,590	2,007,947
Accrued interest receivable	15,600	37,939	6,464	60,003	61,167
Property and equipment, net	5,091	-	-	5,091	3,221
FCCC - Scholarship Endowment	-	14,461	336,549	351,010	336,549
Split interest agreements	-	506,383	-	506,383	587,329
TOTAL ASSETS	\$ 1,350,480	\$ 6,618,969	\$ 16,699,318	\$ 24,668,767	\$ 24,228,276
LIABILITIES					
Accounts payable	\$ 73,808	\$ 462,861	\$ -	\$ 536,669	\$ -
Accrued expenses	-	-	-	-	120,833
TOTAL LIABILITIES	73,808	462,861	-	536,669	120,833
NET ASSETS	1,276,672	6,156,108	16,699,318	24,132,098	24,107,443
Unrestricted:					
Undesignated	676,672	-	-	676,672	773,065
Board designated	600,000	-	-	600,000	600,000
Temporarily restricted	-	6,156,108	-	6,156,108	6,572,572
Permanently restricted	-	-	16,699,318	16,699,318	16,161,806
NET ASSETS	1,276,672	6,156,108	16,699,318	24,132,098	24,107,443
TOTAL LIABILITIES AND NET ASSETS	\$ 1,350,480	\$ 6,618,969	\$ 16,699,318	\$ 24,668,767	\$ 24,228,276

COLLEGE OF THE DESERT FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR NINE MONTHS ENDED MARCH 31, 2013
WITH COMPARATIVE TOTALS FOR MARCH 31, 2012

YEAR TO DATE

	Unrestricted Fund	Temporarily Restricted Fund	Permanently Restricted Fund	Totals (Memorandum Only)	
				2013	2012
REVENUE AND SUPPORT					
Interest	\$ 111,661	\$ 324,007	\$ 35,017	\$ 470,685	\$ 446,484
Donations	44,801	25,096	-	69,897	435,388
Annual Fund	9,775	-	-	9,775	-
Auxiliary donations	11,915	2,000	-	13,915	10,720
COD Alumni donations	-	55,600	-	55,600	162,729
Grants	-	50,000	67,014	117,014	196,292
Estate Gifts	-	446	-	446	48,693
Capital Campaign	-	35,000	250	35,250	-
Management Services	247,418	-	-	247,418	224,165
Membership	1,000	-	-	1,000	-
Other Income	9,283	2,602	-	11,885	-
President's Circle	63,551	-	-	63,551	83,171
Scholarship donations	-	494,400	75,450	569,850	317,427
Special events (net)	280,025	11,000	-	291,025	262,109
TOTAL REVENUE AND SUPPORT	779,429	1,000,151	177,731	1,957,311	2,187,178
EXPENDITURES					
Contributions to college	10,237	194,988	-	205,225	161,540
Interfund transfers	732	24,268	(25,000)	-	-
Operating expenses	791,453	234,092	17,460	1,043,005	675,686
Refund Alumni funds (requested)	1,200	71,241	-	72,441	-
Scholarships	350	428,039	-	428,389	581,001
TOTAL EXPENDITURES	803,972	952,628	(7,540)	1,749,060	1,418,227
EXCESS OF REVENUE AND SUPPORT OVER EXPENDITURES BEFORE OTHER INCOME AND EXPENSES					
	(24,543)	47,523	185,271	208,251	768,951
OTHER INCOME AND EXPENSES					
Investment gain/(loss), net of investment expenses	20,419	1,005,968	57,189	1,083,576	(192,108)
INCREASE (DECREASE) IN NET ASSETS	\$ (4,124)	\$ 1,053,491	\$ 242,460	\$ 1,291,827	\$ 576,843

COLLEGE OF THE DESERT FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR CURRENT MONTH ENDED MARCH 31, 2013
WITH COMPARATIVE TOTALS FOR MARCH 31, 2012

	CURRENT MONTH				
	Unrestricted Fund	Temporarily Restricted Fund	Permanently Restricted Fund	Totals (Memorandum Only)	
				2013	2012
REVENUE AND SUPPORT					
Interest	\$ 36,941	\$ 95,304	\$ 5,318	\$ 137,563	\$ 52,962
Donations	13,675	10,100	-	23,775	169,424
Auxiliary donations	350	-	-	350	100
COD Alumni donations	-	-	-	-	45,000
Capital Campaign	-	-	50	50	-
Estate Gifts	-	-	-	-	47,600
Management Services	171,591	-	-	171,591	74,145
President's Circle	7,250	-	-	7,250	9,219
Scholarship donations	-	12,467	75,000	87,467	62,378
Special events (net)	1,849	-	-	1,849	11,201
TOTAL REVENUE AND SUPPORT	231,656	117,871	80,368	429,895	472,029
EXPENDITURES					
Contributions to college	-	13,906	-	13,906	7,252
Operating expenses	65,222	159,893	11,698	236,813	95,041
Refund Alumni funds (requested)	(300)	-	-	(300)	-
Scholarships	-	20,784	-	20,784	26,264
TOTAL EXPENDITURES	64,922	194,583	11,698	271,203	128,557
EXCESS OF REVENUE AND SUPPORT OVER EXPENDITURES BEFORE OTHER INCOME AND EXPENSES	166,734	(76,712)	68,670	158,692	343,472
OTHER INCOME AND EXPENSES					
Investment gain/(loss), net of investment expenses	14,120	481,511	19,179	514,810	854,668
INCREASE (DECREASE) IN NET ASSETS	\$ 180,854	\$ 404,799	\$ 87,849	\$ 673,502	\$ 1,198,140

COLLEGE OF THE DESERT FOUNDATION
SUMMARY REPORT
FOR CURRENT MONTH ENDED 03/31/2013
WITH COMPARATIVE TOTALS FOR YTD 03/31/2012

	One Month Actual	YTD Actual	Total Annual Budget	Budget Remaining	YTD Actual 03/31/2012
Revenue					
President's Circle	7,250	64,551	130,000	65,449	83,171
Business Council	-	-	60,000	60,000	-
Annual Fund/Direct Mail	-	9,775	35,000	25,225	-
Auxiliary/Membership	350	11,915	30,000	18,085	10,720
Auxiliary Special Events (net)	2,149	63,735	60,000	(3,735)	75,945
Individual Gifts	13,675	36,952	100,000	63,048	37,530
Estate Gifts	-	446	-	(446)	47,600
McCallum Events (net)	-	-	-	-	-
Barry Manilow (*Rita/Lt.Dan)	-	49,773	60,000	10,227	126,234 *
Stepping Out for COD	-	113,387	60,000	(53,387)	75,006
Other	-	52,543	100,000	47,457	(15,076)
Title V reimbursement	-	-	59,350	59,350	48,104
Interest	36,941	111,661	135,600	23,939	103,777
Management Services	171,591	250,085	300,000	49,915	224,165
Total Revenue	231,956	764,823	1,129,950	365,127	817,176
Expenditures					
President's Circle	78	9,181	5,000	(4,181)	2,146
Auxiliary/Membership	-	6,158	5,000	(1,158)	3,125
Auditor	-	19,750	16,750	(3,000)	14,000
Bank Charges	154	5,491	7,000	1,509	5,425
Board/Staff Training	209	1,975	1,000	(975)	1,219
Repairs & Maintenance	58	583	1,000	417	330
Marketing	22,749	148,393	150,000	1,607	57,228
Donor Development	-	58,526	10,000	(48,526)	21,880
Equipment Lease	612	4,356	7,500	3,144	3,910
Other	-	807	1,000	193	17,433
Insurance D & O	-	5,219	5,500	281	2,930
Legal/Financial/Professional	3,276	40,735	1,000	(39,735)	160
Membership Dues	250	875	1,000	125	425
Office Supplies & Equipment	298	6,695	14,000	7,305	9,984
Postage	12	98	2,000	1,902	363
President's Fund	1,787	4,687	60,000	55,313	60,000
Printing/Design/Graphics	-	13,839	10,000	(3,839)	3,519
Recognition	756	4,701	5,000	299	3,762
Service Contracts	-	3,555	4,500	945	1,037
Staff Mileage Reimburse	-	-	1,000	1,000	373
Subscriptions & Publications	55	55	1,000	945	65
Telephone	79	893	1,200	307	1,437
Travel	112	1,176	-	-	-
Wages & Benefits	34,737	453,294	585,000	131,706	410,440
Independent Contractors	-	-	229,000	229,000	50,796
Kay Hazen & Co.	-	48,560	-	-	-
Maryann Madsen	-	19,800	-	-	-
Mtn View Bookkeeping	-	35,670	-	-	-
Peter Sturgeon	-	56,509	-	-	-
Website	-	1,495	5,500	4,005	3,699
Total Expenditures before Contributions	65,222	841,097	1,129,950	338,589	675,686
Contributions to College	-	(4,349)	-	-	-
Realized/Unrealized Gains	(14,120)	(20,419)	-	-	-
Interfund transfer	-	732	-	-	-
Total Expenditures	51,102	817,061			
Excess or (Deficit)	180,854	(52,238)			
General Fund Carryover from 6/30/12		623,270			
Total excess at 03/31/2013		571,032			
Ackerman Fund		227,011			

COLLEGE OF THE DESERT FOUNDATION
FINANCIAL SUMMARY
April 30, 2013

Key Financial Information

	<u>April 2012</u>	<u>April 2013</u>
Total Net Assets:	\$ 23,974,244	\$ 24,036,495

Total Revenue Received July 1, 2012-April 30, 2013: \$ 3,057,661

Permanently Restricted:	\$ 235,613
Temporarily Restricted:	\$ 2,019,640
Unrestricted:	\$ 802,408

Total Revenue received in April 2013: \$ 17,043

Total Funds transferred to College for Use:

July 1, 2012 –April 30, 2013	<u>\$ 661,352</u>
Scholarships:	\$ 438,439
Programs:	\$ 222,913

Total Funds in endowments: April 2013: \$ 16,700,012

Total Funds in Unrestricted Funds:	\$ 1,135,690
Carry over from July 2012---balance as of Apr. 2013:	\$ 475,971
Ackerman Fund ++(Unrestricted) Balance: Apr 2013:	\$ 227,011
++ fund for College Classes---\$100,000	

Revenue and Expenditure Comparison

	Total Revenues to Foundation	Operating Expense Actual	Wages & Salaries
Fiscal Year 2009-2010	1,145,189	984,251	627,590
Fiscal Year 2010-2011	2,479,240	811,422	600,238
Fiscal Year 2011-2012	3,344,880	805,598	544,915
Fiscal Year 2012-2013	3,057,661	935,087	318,468

	Contributions to College	Scholarships	Programs
Fiscal Year 2009-2010	1,689,721	656,010	1,033,711
Fiscal Year 2010-2011	1,345,889	547,082	798,807
Fiscal Year 2011-2012	1,934,770	581,156	1,353,614
Fiscal Year 2012-2013 through 04/30/2013	661,352	438,439	222,913

	4/30/2013	4/30/2012	Change from Prior Fiscal Year
Total Net Assets	23,974,244	24,036,495	-62,251
Total Endowments	16,700,012	16,161,806	538,206

	Fiscal YTD thru 4/30/2013	Same Period Last Fiscal year	Change from Prior Fiscal Year
Operating Revenue:	764,483	825,662	-61,179
Operating Expenses	935,818	659,504	276,314
Scholarships to College	438,439	582,735	-144,296
Programs to College	222,913	163,729	59,184
Total Funds to College	661,352	746,464	-85,112

COLLEGE OF THE DESERT FOUNDATION
STATEMENT OF FINANCIAL POSITION
APRIL 30, 2013
WITH COMPARATIVE TOTALS FOR APRIL 30, 2012

	Unrestricted Fund	Temporarily Restricted Fund	Permanently Restricted Fund	Totals (Memorandum Only)	
				2013	2012
ASSETS					
Cash and cash equivalents	\$ 586,487	\$ 772,535	\$ -	\$ 1,359,022	\$ 3,052,618
Investments	600,000	5,210,940	15,416,675	21,227,615	18,109,657
Pledges receivable	5,000	60,000	940,324	1,005,324	2,007,763
Accrued interest receivable	15,600	37,939	6,464	60,003	61,167
Property and equipment, net	5,091	-	-	5,091	3,221
FCCC - Scholarship Endowment	-	14,461	336,549	351,010	336,549
Split interest agreements	-	506,383	-	506,383	587,329
TOTAL ASSETS	\$ 1,212,178	\$ 6,602,258	\$ 16,700,012	\$ 24,514,448	\$ 24,158,304
LIABILITIES					
Accounts payable	\$ 76,488	\$ 463,716	\$ -	\$ 540,204	\$ -
Accrued expenses	-	-	-	-	121,809
TOTAL LIABILITIES	76,488	463,716	-	540,204	121,809
NET ASSETS	1,135,690	6,138,542	16,700,012	23,974,244	24,036,495
Unrestricted:					
Undesignated	535,690	-	-	535,690	647,952
Board designated	600,000	-	-	600,000	600,000
Temporarily restricted	-	6,138,542	-	6,138,542	6,626,737
Permanently restricted	-	-	16,700,012	16,700,012	16,161,806
NET ASSETS	1,135,690	6,138,542	16,700,012	23,974,244	24,036,495
TOTAL LIABILITIES AND NET ASSETS	\$ 1,212,178	\$ 6,602,258	\$ 16,700,012	\$ 24,514,448	\$ 24,158,304

COLLEGE OF THE DESERT FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR TEN MONTHS ENDED APRIL 30, 2013
WITH COMPARATIVE TOTALS FOR APRIL 30, 2012

YEAR TO DATE

	Unrestricted Fund	Temporarily Restricted Fund	Permanently Restricted Fund	Totals (Memorandum Only)	
				2013	2012
REVENUE AND SUPPORT					
Interest	\$ 111,661	\$ 324,007	\$ 35,017	\$ 470,685	\$ 454,859
Donations	43,467	27,408	143	71,018	456,726
Annual Fund	9,775	-	-	9,775	-
Auxiliary donations	12,015	2,000	-	14,015	10,820
COD Alumni donations	-	55,600	-	55,600	166,529
Grants	-	50,000	67,014	117,014	201,292
Estate Gifts	-	446	-	446	49,182
Capital Campaign	-	35,000	800	35,800	-
Management Services	247,418	-	-	247,418	224,165
Membership	1,000	-	-	1,000	-
Other Income	6,920	2,602	-	9,522	-
President's Circle	70,528	-	-	70,528	99,390
Scholarship donations	-	505,609	75,450	581,059	319,062
Special events (net)	279,205	11,000	-	290,205	237,758
TOTAL REVENUE AND SUPPORT	781,989	1,013,672	178,424	1,974,085	2,219,783
EXPENDITURES					
Contributions to college	12,338	210,575	-	222,913	163,729
Interfund transfers	732	24,268	(25,000)	-	-
Operating expenses	935,087	237,358	17,460	1,189,905	811,253
Refund Alumni funds (requested)	1,200	73,427	-	74,627	-
Scholarships	350	438,089	-	438,439	582,735
TOTAL EXPENDITURES	949,707	983,717	(7,540)	1,925,884	1,557,717
EXCESS OF REVENUE AND SUPPORT OVER EXPENDITURES BEFORE OTHER INCOME AND EXPENSES					
	(167,718)	29,955	185,964	48,201	662,066
OTHER INCOME AND EXPENSES					
Investment gain/(loss), net of investment expenses	20,419	1,005,968	57,189	1,083,576	(192,108)
INCREASE (DECREASE) IN NET ASSETS	\$ (147,299)	\$ 1,035,923	\$ 243,153	\$ 1,131,777	\$ 469,958

COLLEGE OF THE DESERT FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR CURRENT MONTH ENDED APRIL 30, 2013
WITH COMPARATIVE TOTALS FOR APRIL 30, 2012

CURRENT MONTH

	Unrestricted Fund	Temporarily Restricted Fund	Permanently Restricted Fund	Totals (Memorandum Only)	
				2013	2012
REVENUE AND SUPPORT					
Interest	\$ -	\$ -	\$ -	\$ -	\$ 49,304
Donations	925	374	10	1,309	21,344
Auxiliary donations	100	-	-	100	100
COD Alumni donations	-	-	-	-	3,800
Capital Campaign	-	-	550	550	-
Estate Gifts	-	-	-	-	489
Grants	-	-	-	-	5,000
Other Income	215	-	-	215	-
President's Circle	5,000	-	-	5,000	16,219
Scholarship donations	-	10,689	-	10,689	1,635
Special events (net)	(820)	-	-	(820)	(29,349)
TOTAL REVENUE AND SUPPORT	5,420	11,063	560	17,043	68,542
EXPENDITURES					
Contributions to college	2,102	15,586	-	17,688	2,189
Operating expenses	143,633	3,266	-	146,899	135,567
Refund Alumni funds (requested)	-	2,186	-	2,186	-
Scholarships	-	10,050	-	10,050	1,734
TOTAL EXPENDITURES	145,735	31,088	-	176,823	139,490
INCREASE (DECREASE) IN NET ASSETS	\$ (140,315)	\$ (20,025)	\$ 560	\$ (159,780)	\$ (70,948)

**COLLEGE OF THE DESERT FOUNDATION
SUMMARY REPORT
FOR CURRENT MONTH ENDED 04/30/2013
WITH COMPARATIVE TOTALS FOR YTD 04/30/2012**

	One Month Actual	YTD Actual	Total Annual Budget	Budget Remaining	YTD Actual 04/30/2012
Revenue					
President's Circle	5,000	71,528	130,000	58,472	99,390
Business Council	-	-	60,000	60,000	-
Scholarships	-	(2,000)	-	2,000	-
Annual Fund/Direct Mail	-	9,775	35,000	25,225	-
Auxiliary/Membership	100	12,015	30,000	17,985	10,820
Auxiliary Special Events (net)	(2,757)	60,979	60,000	(979)	78,476
Individual Gifts	925	43,467	100,000	56,533	90,304
Estate Gifts	-	-	-	-	-
McCallum Events (net)	-	-	-	-	-
Barry Manilow (*Rita/Lt.Dan)	-	49,723	60,000	10,277	102,440 *
Stepping Out for COB	(2,108)	111,279	60,000	(51,279)	84,945
Other	2,158	48,638	100,000	51,362	(28,103)
Title V reimbursement	-	-	59,350	59,350	48,104
Interest	-	111,661	135,600	23,939	115,121
Management Services	-	247,418	300,000	52,582	224,165
Total Revenue	3,318	764,483	1,129,950	365,467	825,662
Expenditures					
President's Circle	77	9,258	5,000	(4,258)	14,305
Auxiliary/Membership	2,659	8,816	5,000	(3,816)	3,936
Auditor	-	19,750	16,750	(3,000)	14,000
Bank Charges	836	6,327	7,000	673	7,186
Board/Staff Training	-	1,975	1,000	(975)	1,841
Repairs & Maintenance	-	583	1,000	417	385
Marketing	80,726	229,119	150,000	(79,119)	700
Donor Development	-	58,526	10,000	(48,526)	6,154
Equipment Lease	931	5,288	7,500	2,212	4,315
Other	-	807	1,000	193	17,433
Insurance D & O	-	5,219	5,500	281	5,150
Legal/Financial/Professional	-	40,735	1,000	(39,735)	180
Membership Dues	-	875	1,000	125	425
Office Supplies & Equipment	1,047	7,742	14,000	6,258	12,524
Postage	793	892	2,000	1,108	776
President's Fund	810	5,502	60,000	54,498	60,000
Printing/Design/Graphics	170	14,009	10,000	(4,009)	3,519
Recognition	506	4,857	5,000	143	4,431
Service Contracts	58	3,613	4,500	887	933
Staff Mileage Reimburse	-	-	1,000	1,000	388
Subscriptions & Publications	-	55	1,000	945	65
Telephone	79	971	1,200	229	1,648
Travel	-	1,176	-	(1,176)	-
Wages & Benefits	-	318,468	585,000	266,532	455,493
Independent Contractors	54,760	189,585	229,000	39,414	39,886
Kay Hazen & Co.	30,500	53,347	-	-	-
Maryanov Madsen	6,000	25,803	-	-	-
Mtn View Bookkeeping	4,260	39,930	-	-	-
Peter Sturgeon	14,000	70,509	-	-	-
Website	175	1,669	5,500	3,831	3,831
Total Expenditures before Contributions	174,133	935,818	1,129,950	194,132	659,504
Contributions to College	-	(4,349)	-	-	-
Realized/Unrealized Gains	-	(20,419)	-	-	-
Interfund transfer	-	732	-	-	-
Total Expenditures	174,133	911,782			
Excess or (Deficit)	(170,815)	(147,299)			
General Fund Carryover from 6/30/12		623,270			
Total excess at 04/30/2013		475,971			
Ackerman Fund		227,011			



Donna MacMillan

Data From March 2012

- Source of Wealth: **Cargill Inc.**
- Country of Citizenship: **United States**
- Marital Status: **Widowed**
- Children: **6**

Forbes Lists

Donna MacMillan is the widow of Cargill heir Cargill MacMillan, who died in November 2011. She is one of seven billionaire relatives who hold a majority of Cargill, the largest private company in the U.S. Based in Minneapolis, Cargill makes money in all areas of food production from animal feed, meat, and crops to commodity trading and risk management. The company divested itself of its stake in fertilizer maker Mosaic in 2011. William Cargill, the son of a Scottish sea captain, founded the Iowa grain storage business after the Civil War. Will's son-in-law John MacMillan took control in 1909, and no family member has run the company since Whitney MacMillan stepped down as chief executive in 1995.



JoAnn McGrath

JoAnn McGrath is a well-known community volunteer. A leader of the Catholic School Foundation in the Archdiocese of Boston, she is devoted to the support of inner-city Catholic Schools. McGrath has also given her time and talents to the Children's Hospital League, the Massachusetts General Hospital Cancer Center, Hospice of Boston and the Eisenhower Medical Center in California. A patron of the arts, she is a graduate of Alverno College in Milwaukee, Wis.

JoAnn also serves on the McCallum Theatre Board and the Palm Springs Museum Board of Directors. JoAnn, having been a nurse, is a major supporter of the College of the Desert Nursing Program. She has joined forces with Diane Gershowitz to Co-Chair the "Stepping Out for COD" McCallum benefit for the College of the Desert for the past two years.



43-500 Monterey Avenue
Palm Desert, California 92260

AGREEMENT FOR INDEPENDENT CONTRACTOR SERVICES

This agreement made and entered into this 1st day of January, 2013, by and between the **COLLEGE OF THE DESERT FOUNDATION**, Riverside County, California, hereinafter referred to as the "FOUNDATION" and Peter Sturgeon hereinafter referred to as the "CONTRACTOR".

CONTRACTOR agrees to provide the FOUNDATION the services enumerated in Section 7 of this Agreement under the following terms and conditions:

1. Services shall begin on the 1st day of July, 2013, and shall end upon the 30th day of September, 2013.
2. CONTRACTOR understands and agrees that he and/or all of his employees are not employees of the FOUNDATION and are not entitled to benefits of any kind or nature normally provided employees of the FOUNDATION and/or to which FOUNDATION employees are normally entitled, including, but not limited to, State Unemployment Compensation or Workers' Compensation. CONTRACTOR shall assume full responsibility for payment of all federal, state and local taxes or contributions including Unemployment Insurance, Social Security and Income Taxes with respect to CONTRACTOR'S employees.
3. CONTRACTOR shall furnish, at his own expense, all labor, materials, equipment and other items necessary to carry out the terms of this Agreement.
4. In the performance of the work herein contemplated, CONTRACTOR is an independent contractor per IRS Publication 15-A page 4, with the authority to control and direct the performance of the details of the work, FOUNDATION being interested only in the results obtained.
5. CONTRACTOR agrees to defend, indemnify and hold harmless the FOUNDATION, its Board of Trustees, employees and agents from any and all liability or loss arising in any way out of CONTRACTOR'S negligence in the performance of this Agreement, including, but not limited to any claim due to injury and/or damage sustained by CONTRACTOR, and/or the CONTRACTOR'S employees or agents. FOUNDATION agrees to defend, indemnify and hold harmless the CONTRACTOR, its employees and agents from any and all liability or loss arising in any way out of the negligence of the FOUNDATION, its employees or agents, including, but not limited to any claim due to injury and/or damage sustained by FOUNDATION, and/or FOUNDATION'S employees or agents.

6. Services to be rendered to the FOUNDATION by the CONTRACTOR are as follows:
 - a. The implementation of the Annual Giving Campaigns including the Business Circle Program and President's Circle Program, Country Club Outreach, Assist with Phase 2 of the "StepUpforCOD" campaign, Assist with Donor Development and Relations, and Sponsorship Solicitation. For details See Attachment A: scope of Work.
7. Neither party shall assign or delegate any part of this Agreement without the written consent of the other party.
8. The work completed herein must meet the approval of the FOUNDATION and shall be subject to the FOUNDATION'S general right of inspection and supervision to secure the satisfactory completion thereof. CONTRACTOR agrees to comply with all Federal, State, Municipal and FOUNDATION laws, rules and regulations that are now, or may in the future become applicable to CONTRACTOR, CONTRACTOR'S business, equipment and personnel engaged in operations covered by this Agreement or accruing out of the performance of such operations.
10. Payments will be made by the FOUNDATION to the CONTRACTOR as follows: All invoices for services shall be presented to the FOUNDATION office for approval. Payment shall be made within 22 working days of presentation of invoice.
Contractor shall be compensated a total amount not to exceed \$21,000, payable monthly at a rate of \$7,000 based on approved invoice.
11. This agreement may be terminated by either party notifying the other, in writing, no less than thirty (30) days prior to the date of termination.

COLLEGE OF THE DESERT FOUNDATION

INDEPENDENT CONTRACTOR

James E. Hummer

Authorized Signature

Date

Signature

Date

Russ Russell

Authorized Signature

Date

Address

I.R.S. Taxpayer ID# (United States)

Attachment A

Scope of Services

Title V Activities:

- Formulate a Business Circle Program for review of the Executive Director, and implement the program following approval.
- Identify businesses in selected business sectors for potential membership in the Business Circle.
- Provide a business inventory of industries to expand the Foundation data base with contact information including but not limited to Names of Business, address, e-mail address of contact, phone number, and relevant information for the Foundation.
- Prepare an Annual Giving plan.
- Plan two Wealth Managers Receptions at the College of the Desert Campus.
- Plan presentations concerning the College of the Desert, to members of Country Clubs.
- Research Family and Corporate Foundations as potential grant opportunities.
- Contractor shall list all contacts, contact information, and summary of meetings with each contact.
- Contractor will assist the Executive Director of the Foundation and the Executive Director of Institutional Advancement/Title V Project Director in accomplishing specific assignments.

Foundation Activities:

- Implement Business Circle Program and create engagement opportunities by making personal contact with businesses.
- Implement the Annual Giving Campaign in conjunction with the Executive Director of Institutional Advancement/Title V Project Director.
- Coordinate, and present, in conjunction with the Foundation staff, two Wealth Managers Receptions at the College of the Desert Campus.
- Contractor shall list all contacts, contact information, and summary of meetings with each contact.
- Contractor will assist the Executive Director of the Foundation and the Executive Director of Institutional Advancement/Title V Project Director in accomplishing specific assignments.



Date: May 9th, 2013

To: Foundation Board Members

Subject: Request for Funding – McCarthy Child Development & Training Center

The Early Childhood Development Center has submitted a request for funding to upgrade and replace carpeting, equipment and play equipment.

The request includes:

A: Replace worn, stained, carpet with flooring:	\$30,000
B: Replace children's personal storage cubbies throughout center (140 children)	\$21,000
C: Photocopy machine	\$7,000
D: Commercial washer & dryer (children's nap bedding, smocks, etc. washed daily)	\$6,500
E: iPads for Master Teachers (child assessments, Data collection, curriculum planning)	\$5,200
F: Outdoor play equipment (replace wagons, trikes Water/sensory tables)	\$3,500
E: Indoor climbing equipment for infants	\$1,500
Total Request:	\$74,700

Recommendation: It is recommended that the Board of Directors of the COD Foundation authorize the amount of \$74,700 for use by the early Childhood Development Center for the above listed items.



Date: May 9th, 2013

To: Foundation Board Members

Subject: Request for Funding—KCOD

KCOD has submitted a request for funding for various needed equipment for the radio station.

The request includes:

A: Carloid condenser mics	\$ 450
B: Shure mic	\$ 198
C: Mic arms	\$ 450
D: Mic Flags	\$ 125
E: Headphones (studio)	\$ 150
F: Headphones (remotes)	\$ 400
G: Shotgun Mic	\$ 149
H: 4-channel mixer	\$ 300
I: Digital Auto Recorders	\$ 200
J: Production Software	\$ 1,899
K: Professional Digital Camera	\$ 1,500
L: Camera w/ lenses	\$ 1,699
M: Web camera	\$ 100
N: Mac Book	\$ 2,200
O: Wireless Internet Card	\$ 600
P: 6 ft. Table w/ chairs	\$ 80
Q: Vinyl burner	\$ 200
R: Portable PA system	\$ 1,000
Total Request:	\$ 11,700

Recommendation: It is recommended that the Board of Directors of the COD Foundation authorize the amount of \$11,700.00 for use by KCOD for the above listed items.



Ad Hoc Planned Giving Advisory Committee – 2013/2014

The Ad Hoc Planned Giving Advisory Committee is appointed by the Board President and is responsible to provide professional advice to the Foundation on all aspects of Planned Giving. The COD Foundation Board and staff will be responsible for administering the Planned Giving Program, but the advisory Committee will provide the professional advice and counsel on the program.

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Foundation Staff & Contract Members

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Casey Strachan
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DCCD Board of Trustees Meeting Schedule

NOTE: Meetings are held at **9:30** a.m. in the Cravens Student Services Center

Multi-Purpose Room unless otherwise noted.

- Friday, April 19, 2013
- Friday, May 10, 2013 - TENTATIVE SPECIAL MEETING
- Friday, May 17, 2013
- Thursday, June 20, 2013
- Thursday, July 18, 2013
- Friday, August 16, 2013
- Friday, September 20, 2013
- Friday, October 18, 2013
- Friday, November 15, 2013
- Friday, December 13, 2013



Foundation Board Meeting Dates

Location

Unless otherwise indicated the meetings will be held:

Cravens Student Services
Multi-Purpose Room
43500 Monterey Avenue
Palm Desert, CA 92260

Time

Unless otherwise indicated

The Executive Committee meets at 2:00pm

The Board of Directors meets at 3:00pm

On the last Wednesday of the month

Board does not meet in July, August and December

2013 Board Meeting Dates

January 30, 2013

February 27, 2013

March 27, 2013

ANNUAL MEETING April 24, 2013

May 29, 2013

June 26, 2013

September 25, 2013

October 30, 2013

November 27, 2013

2014 Board Meeting Dates

January 29, 2014

February 26, 2014

March 26, 2014

ANNUAL MEETING April 30, 2014

May 28, 2014

June 25, 2014

September 24, 2014

October 29, 2014

November 26, 2014



Auxiliary Board Meeting Dates

Location

Unless otherwise indicated the meetings will be held:
Public Safety Academy
Classroom 19B

Time

Unless otherwise indicated
The Executive Committee meets at 9:00am
The Board of Directors meets at 10:00am
On the second Tuesday of the month
Board does not meet in July, August and September

2013 Board Meeting Dates

January 08, 2013
February 12, 2013
March 12, 2013
ANNUAL MEETING April 09, 2013
May 14, 2013
June 11, 2013
October 08, 2013
November 12, 2013
December 10, 2013

2014 Board Meeting Dates

January 14, 2014
February 11, 2014
March 11, 2014
ANNUAL MEETING April 08, 2014
May 13, 2014
June 10, 2014
October 14, 2014
November 11, 2014
December 09, 2014

Investment Policy Statement
for
College of the Desert Foundation
April 25, 2011

Revised April 24, 2013

Table of Contents

I.	Introduction	2
II.	Responsibilities of the Foundation Representatives	3
III.	Objectives	4
IV.	Asset Allocation Strategy	5
V.	Responsibilities of the Investment Managers	6
VI.	Investment Strategy	7
VII.	Constraints	9
VIII.	Performance Evaluation	10
IX.	Guidelines for Corrective Action	10
X.	Meetings and Communications	11
XI.	Approval	12

I. Introduction

Information about the Foundation and the Purpose of the Funds

College of the Desert Foundation

43-500 Monterey Avenue
Palm Desert, CA 92262

(760) 773-2561

Primary Contact: Russ Russell, Chairman of the Investment Committee

Foundation Assets: \$18,691,941 (*As of 9/30/2010*)

Foundation Assets: \$24,036,495 (*As of 4/30/2013*)

About College of the Desert Foundation

The College of the Desert Foundation is a Private Foundation.

Purpose of this Investment Policy Statement

This Investment Policy Statement (the "Policy Statement") outlines the goals and investment objectives of College of the Desert Foundation ("the Foundation"). Since this Policy Statement is intended to provide guidance for the Investment Committee ("the Committee") and the investment managers responsible for managing the Foundation's assets, it outlines certain specific investment policies which will govern how to seek to achieve those goals and objectives. This Policy Statement, upon the review and approval of the Investment Committee:

- Describes a risk posture for the investment of the Foundation's assets;
- Specifies the target asset allocation policy for those assets;
- Establishes investment guidelines regarding the selection of investment manager(s), permissible securities and diversification of assets;
- Specifies the criteria for evaluating the performance of the Foundation's investment manager(s) and of the Foundation investment portfolio as a whole; and
- Defines certain responsibilities of the Committee, the consultant, the investment managers, and other specified parties.

The Committee believes that the investment policies described in this Policy Statement should be dynamic. These policies should reflect the Foundation's current financial status, and the Committee's philosophy regarding the investment of assets. These policies should be reviewed by the Committee periodically and revised as necessary to ensure that they continue to reflect the current financial situation of the Foundation and the capital markets.

This Policy Statement was prepared based upon the information provided by the Committee in the Merrill Lynch Investment Policy Statement Service Questionnaire. It is the Committee's responsibility to provide all the necessary and relevant information for its preparation. This information, as well as the Policy Statement itself, should be reviewed periodically for its continued accuracy and completeness.

II. Responsibilities of the Foundation Representatives :

The Investment Committee

As fiduciaries, the Investment Committee is ultimately responsible to the Foundation.

The Investment Committee

The primary fiduciary responsibilities of the Committee with respect to the oversight of the investment portfolio are:

- Establish and approve an investment policy statement and periodically review that statement for continued accuracy and completeness;
- Prudently diversify, or oversee the diversification of, the portfolio assets to meet an agreed upon risk/return profile;
- Prudently select investment options, including the selection of one or more investment managers; with input from the consultants;
- Monitor the investment managers and the performance of the accounts under management;
- Consider the information provided by the consultant and other professional advisors and act accordingly;
- Control and oversee all investment, record keeping and administrative expenses associated with the accounts; and
- Review and deal prudently with conflicts of interest.

The Consultant

The Committee should retain an advisor or consultant (the "consultant") to:

- Assist the Committee in strategic investment planning for the Foundation by providing assistance in developing an investment policy, an asset allocation strategy, and portfolio structure;
- Provide written performance measurement reports on at least a quarterly basis;
- Assist the Committee in its selection of investment manager(s) and strategies; and
- Meet with the Committee annually to help it review investment performance and consider whether any changes or other actions are called for with respect to the investment portfolio.

The Custodian

The Custodian is responsible for the safekeeping of the Foundation's investment assets. The specific duties and responsibilities of the custodian include:

- Maintain separate accounts by legal registration;
- Value the holdings;
- Collect all income and dividends owed to the Foundation in its custody;
- Settle all transactions initiated by the investment manager; and
- Provide monthly reports that detail transactions, cash flows, securities held and their current value, and change in value of each security and the overall portfolio since the previous report.

III. Objectives

Risk Tolerance

Investment theory and historical capital market return data suggest that, over long periods of time, there is a relationship between the level of risk assumed and the level of return that can be expected in an investment program. In general, higher risk (i.e., volatility of return) is associated with higher return.

Given this relationship between risk and return, a fundamental step in determining the investment policy for the Foundation is the determination of an appropriate risk tolerance. The Committee examined its willingness to take risk and the Foundation's financial ability to take risk based upon relevant factors, including:

Factors that contribute to a higher risk tolerance are:

- 1) The Foundation can take advantage of a long time horizon;
- 2) The Foundation has no defined finite liabilities.

Offsetting these factors are:

- 1) The Foundation has no other sources of income to meet its spending needs;
- 2) Large fluctuations may affect Foundation's willingness to maintain the investment strategy;

Based on these factors, the Committee chose a moderate risk profile. This profile is for investors who are willing to take a moderate level of risk. Primary emphasis is to strike a balance between portfolio stability and portfolio appreciation. Investors using this model should be willing to assume a moderate level of volatility and risk of principal loss. A typical portfolio will primarily include a balance of fixed income and equities.

Investment Objectives

The Foundation's assets should be invested in accordance with sound investment practices that emphasize long-term investment fundamentals. The objectives of this Foundation are to maximize long-term returns consistent with prudent levels of risk. Investment returns are expected to provide adequate funds to sufficiently support designated needs and preserve or enhance the real value of the Foundation. In establishing the investment objectives of the Foundation, the Committee has taken into account the time horizon available for investment, the nature of the Foundation's cash flows and liabilities, and other factors that affect the Foundation's risk tolerance. Accordingly, the investment objective of the Foundation is growth and income. This investment objective is a balanced investment approach that is expected to achieve a positive rate of return over the long-term that would contribute to the Portfolio's income needs.

Return Objectives

The return objective is an actuarially determined target of 6.0% net of fees.

IV. Asset Allocation Strategy

In line with the Foundation's return objectives and risk parameters, the mix of assets should be maintained as follows (percentages are of the market value of the Foundation's investments):

Asset Class	Minimum	Target	Maximum	Benchmark
Large Cap Equity	0.0%	10.0%	14.0%	Russell 1000
Large Cap Growth	4.0%	10.0%	14.0%	Russell 1000 Growth
Large Cap Value	2.0%	10.0%	12.0%	Russell 1000 Value
Small Cap Equity	0.0%	3.0%	5.0%	Russell 2000
Small Cap Growth	0.0%	2.0%	8.0%	Russell 2000 Growth
Small Cap Value	0.0%	2.0%	8.0%	Russell 2000 Value
Foreign Equity/EAFE	3.0%	10.0%	15.0%	MSCI EAFE Index
Emerging Markets	0.0%	2.0%	5.0%	MSCI EM Europe/Middle East
Agency Bonds	0.0%	2.0%	5.0%	US Agency Master
Core Fixed Income	40.0%	45.0%	60.0%	Barclays Capital U.S. Aggregate
Real Estate/REIT's	0.0%	1.0%	3.0%	Dow Wilshire REIT (full-cap)
Commodities	0.0%	1.0%	3.0%	Dow AIG Commodity Index
Cash Equivalents	1.0%	2.0%	5.0%	Citigroup 3-month T-bill

Asset Class Totals	Minimum	Target	Maximum
Total Equity	25.0%	49.0%	60.0%
Total Fixed Income	40.0%	47.0%	65.0%
Total Cash Equivalents	1.0%	2.0%	5.0%
Total Alternative Investments	0.0%	2.0%	10.0%

Rebalancing Procedures

The allocations to each asset class and to investment styles within asset classes are expected to remain stable over most market cycles.

Since capital appreciation (depreciation) and trading activity in each individually managed portfolio can result in a deviation from the overall Foundation's asset allocation, the aggregate asset allocation should be monitored; and the Committee may rebalance the Foundation's assets to the target allocation on an annual basis. The approval of the full Committee is necessary before any changes are made to the asset allocation strategy, provided they remain within the approved asset allocation strategy. The Chairman of the Investment Committee or the Executive Director is permitted to approve recommendations from the consultants for like replacements of individual investments that mature, are called, or otherwise have to be liquidated between scheduled committee meetings. To achieve the rebalancing of the Foundation, the Committee may re-direct contributions and disbursements from individual investment managers as appropriate, in addition to shifting assets from one investment manager to another.

V. Responsibilities of the Investment Managers

It is the Committee's responsibility to select prudent investment managers to manage the assets. Such managers can include regulated banks or insurance companies; mutual funds registered under the Investment Company Act of 1940, or registered investment advisors. With respect to any mutual or other commingled funds that have been purchased by the Foundation, the prospectus or Declaration of Trust documents of the fund(s) will govern the investment policies of those assets.

The following guidelines apply to separately managed accounts.

Fiduciary Responsibilities

Each investment manager is expected to prudently manage the Foundation's assets in a manner consistent with the investment objectives, guidelines, and constraints outlined in this Policy Statement and in accordance with applicable laws.

Each investment manager shall:

- Be a bank, insurance company or be registered as an investment adviser under the Investment Advisers Act of 1940 (where applicable);
- Maintain adequate fiduciary liability insurance and bonding for the management of this account; and
- Acknowledge in writing that it is a fiduciary with respect to the assets under its management.

Proxy Voting

Absent delegation to another service provider, each investment manager is responsible and empowered to exercise all rights, including voting rights, as are acquired through the purchase of securities, where practical. The investment manager(s) shall vote proxies according to their established Proxy Voting Guidelines. A copy of those guidelines, and/or summary of proxy votes shall be provided to the Committee upon request.

VI. Investment Strategy**Selection Criteria for Investment Managers**

Investment managers retained by the Committee should be chosen using the following criteria:

- The investment style and discipline of the investment manager;
- How well the investment manager's investment style or approach complements other investment managers in the portfolio;
- Level of experience, financial resources, and staffing levels of the investment manager;
- How consistent an investment manager is to the style for which they were hired ;
- Reasonableness of expense ratios/fees;
- Past performance, considered relative to other investments having the same investment objective. Consideration should be given to both consistency of performance and the level of risk taken to achieve results; and
- Stability of the organization.

Security Selection/Asset Allocation

- Except as noted below, each investment manager shall have the discretion to determine its portfolio's individual securities selection;
- The Foundation's portfolio is expected to operate within an overall asset allocation strategy defining the portfolio's mix of asset classes. This strategy, described below, sets a long-term percentage target for the amount of the portfolio's market value that is to be invested in any one asset class. The allocation strategy also defines the allowable investment shifts between the asset classes, above and below the target allocations; and
- The Committee is responsible for monitoring the aggregate asset allocation, and may direct a re-balancing of assets to the target allocation on an annual basis.

Diversification Requirements

The primary method to reduce risk for the Foundation portfolio is diversification through asset allocation. By allocating assets in different asset classes, the portfolio can reduce risk by avoiding concentration as well as reduce risk through the low-correlation between different asset classes. Each investment manager has discretion with regard to security selection and allocation within its respective portfolio. Unless otherwise noted below, under normal market conditions, each investment manager is expected to be invested consistent with its investment style as described in its relevant documentation. During an initial three month period after being retained, the investment manager may hold cash and cash equivalents in larger proportions in order to invest their portfolio on an orderly basis.

To minimize the risk of large losses, each investment manager shall maintain adequate diversification in their portfolio subject to the constraints outlined in this investment policy, and in their investment management agreement with the Foundation.

Derivatives and Structured Products

The Committee understands that derivatives and structured products can be used to efficiently reduce the risk of the portfolio and to expand the return opportunities. However, when used improperly, they can also increase the risk of the portfolio. Before an investment manager uses any security other than standard securities (such as: exchange traded common stock; interest bearing bonds and cash equivalents), the security, derivative or structured product must be explained to and approved by the Committee. Derivatives are allowed to hedge an underlying position and may be used to take a long position in anticipation of a cash inflow. Once the cash is used to open a position in the underlying security, the derivative position should be closed out. No derivative or structured product is allowed that will increase the potential for loss greater than that of a long position in the underlying security.

Alternative Investments

Alternative investments represent investments in investment vehicles that seek to provide diversification through innovative and flexible strategies (such as the ability to short, add leverage and hedge). Investments in such vehicles are expected to provide diversification and the opportunity for capital appreciation. Diversification standards within each investment vehicle shall be according to the prospectus or trust document. Investments in these investment vehicles carry special risks. The fund(s) may utilize speculative investment strategies, trade in volatile securities, and use leverage in an attempt to generate superior investment returns. The fund(s) may invest in illiquid securities for which there is no ready market and place restrictions on investors as to when funds may be withdrawn. The maximum restricted withdrawal period of the illiquid securities shall not exceed two years. Permitted alternative investments include, but are not limited to: commodities and real estate. Only investments in fund of fund vehicles that are diversified by investment style and typically utilize multiple investment managers within a fund are allowed.

Cash and Equivalents

It is generally expected that the investment manager will remain fully invested in securities; however, it is recognized that cash reserves may be utilized from time to time to provide liquidity or to implement some types of investment strategies. Cash reserves should be held in the custodian's money market fund, short-term maturity Treasury securities, and insured savings instruments of commercial banks and savings and loans.

Actions that may cause a significant deviation from these investment guidelines should be brought to the attention of the Committee and the consultant by the investment manager prior to execution. Such actions may be authorized by the Committee if it determines they do not constitute an inappropriate departure from the spirit of this Policy Statement. Similarly, unanticipated market action should also be brought to the attention of the Committee and consultant by the investment manager.

Exclusions

The Foundation's assets should not be invested in the following unless agreed to by the Committee pursuant to an approved strategy or specifically approved in writing by the Committee:

- Purchases of letter stock, private placements, or direct payments;
- Private placement convertible issues, also known as "144A" convertible securities;
- Commodities transactions unless by managers approved for that strategy;
- Purchases of real estate, oil and gas properties, or other natural resources related properties with the exception of Real Estate Investment Trusts or securities of real estate operating companies;
- Investments by the investment manager in their own securities or of their affiliates, or subsidiaries (excluding money market or other commingled funds as authorized by the Committee); and
- Any other security transaction not specifically authorized in this Policy Statement.

VII. Constraints

Time Horizon

The time horizon is longer than 10 years.

Liquidity Requirements and Spending

There is a moderate liquidity need. There should be liquid assets of 2.00% of total assets maintained. Estimated annual cash outflows are set annually by the investment committee according to the Foundation's spending policy. Spending should come from unallocated cash, then from securities in order of liquidity upon recommendation of investment manager.

Tax, Legal / Regulatory and Unique Considerations

The Foundation is not subject to federal or state income taxes.

The Foundation is subject to the following regulation(s):

Uniform Prudent Management of Institutional Funds Act and state laws & regulations.

VIII. Performance Evaluation

As noted above, the consultant should be retained to provide quarterly performance measurement reports and the Committee should monitor the Foundation's performance on a quarterly basis. The Committee will evaluate the Foundation's success in achieving the investment objectives outlined in this Policy Statement over a three- to five-year time horizon and a full market cycle.

The Foundation's (and investment managers') performance should be reported in terms of rate of return (time-weighted and dollar-weighted) and changes in dollar value. At the time of retention, the Committee and investment manager(s) will agree to appropriate benchmark(s). The returns should be compared to these appropriate market indexes for the most recent quarter and for annual and cumulative prior time periods. The Foundation's asset allocation should also be reported on a quarterly basis.

Risk as measured by volatility, or standard deviation, should be evaluated after twelve months of performance history have accumulated. An attribution analysis should also be performed by the consultant to evaluate how much of the Foundation's investment results are due to the investment managers' investment decisions, as compared to the effect of the financial markets. This analysis will use the policy index as the performance benchmark for evaluating both the returns achieved and the level of risk taken for the total portfolio and the individual investment managers.

IX. Guidelines for Corrective Action

The Committee recognizes the importance of a long-term focus when evaluating the performance of investment managers. The Committee understands the potential for performance over short-term periods to deviate significantly from the performance of representative market indexes. The Committee will not, as a rule, terminate an investment manager on the basis of short-term performance. If the investment manager is sound and is adhering to its investment style and approach, the Committee will allow a sufficient interval of time over which to evaluate performance. The Committee expects that the consultant will provide guidance to help it determine an appropriate length of time. The investment manager's performance will be viewed in light of the firm's particular investment style and approach, keeping in mind at all times the Foundation's diversification strategy as well as the overall quality of the relationship.

The Committee, however, may require an extra level of scrutiny, or consider termination, of an investment manager based on factors such as:

- Any material event that affects the ownership or capital structure of the investment management firm, or the management of this account;
- Any legal or regulatory action taken against the manager;
- Any material servicing deficiencies, including a failure to communicate in a timely fashion significant changes as outlined in Section X of this investment Policy Statement;
- Violation of the terms of the contract or changes to agreed upon services without prior written approval of the Committee;
- Significant style drift from the intended investment style that the manager was engaged to implement;
- Lack of diversification.

The investment manager may be replaced at any time as part of an overall restructuring of the portfolio or any other reason whatsoever.

X. Meetings and Communications

- As a matter of course, each investment manager should promptly communicate to the Committee and the Foundation's consultant any material changes in the investment manager's outlook, investment policy, and tactics.
- Each investment manager should be available on a reasonable basis for telephone communication when needed.
- Any material event that affects the ownership of each investment management firm, any brokerage affiliation of such firm, its key investment personnel, or its management must be reported promptly to the Committee and the Foundation's consultant.
- The Committee should obtain and review written performance measurement reports not less than monthly.
- The consultant should generally meet with the Committee in person quarterly.

This Policy Statement is intended to be a summary of an investment philosophy that provides guidance for the Committee and other parties responsible for the management of these assets. It is understood that there can be no guarantees about the attainment of the goals or investment objectives outlined here.

As noted previously, this Policy Statement was prepared based on the information provided in the Merrill Lynch Investment Policy Statement Service Questionnaire. It is the Committee's responsibility to provide all the necessary and relevant information for its preparation and the Policy Statement should be reviewed periodically to ensure that it is accurate and complete. It should be understood that any changes to this information would significantly impact this Policy Statement.

XI. Approval

This Policy Statement has been prepared for the review and approval of the Investment Committee. It is recommended that the Foundation's other professional advisors, such as an attorney, actuary, and/or accountant, review the Policy Statement. These professionals should be called upon by the Investment Committee to check relevant documentation, particularly in the case of trusts or retirement plans or where there are legal constraints or prohibitions that impact the Foundation's investment portfolio. The review and approval of the Policy Statement is the ultimate responsibility of the Investment Committee.

Upon final approval by the Investment Committee, the Policy Statement should be sent to the Foundation's investment managers. It is the Foundation's responsibility to confirm the investment manager's acceptance of the Policy Statement, and it is the investment manager's responsibility to adhere to the Policy Statement in managing the Foundation's account.

It is understood that this Policy Statement is to be reviewed periodically by the Foundation to determine if any revisions are warranted for any reasons including changing circumstances such as, but not limited to, changes in financial status, risk tolerance, or changes involving the Investment Managers.

By: Marvin Russell, Chairman of the Investment Committee

Date

By: Jim Hummer, Executive Director

Date