

**CUYAMACA COLLEGE  
FOUNDATION**

**(A California Nonprofit Corporation)**

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**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT**

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**JUNE 30, 2007**

**CUYAMACA COLLEGE FOUNDATION**  
**(A California Nonprofit Corporation)**

**JUNE 30, 2007**

**CONTENTS**

INDEPENDENT AUDITORS' REPORT.....	1
FINANCIAL STATEMENTS	
Statement of Financial Position.....	2
Statement of Activities.....	3
Statement of Cash Flows.....	4
NOTES TO FINANCIAL STATEMENTS.....	5



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Cuyamaca College Foundation  
El Cajon, California

We have audited the accompanying statement of financial position of Cuyamaca College Foundation (the Foundation) (a California Nonprofit Corporation) as of June 30, 2007, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cuyamaca College Foundation as of June 30, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Rancho Cucamonga, California  
December 2, 2007

**CUYAMACA COLLEGE FOUNDATION**  
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**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2007**

**ASSETS**

**Current Assets**

Cash and cash equivalents - unrestricted	\$ 246,407
Cash and cash equivalents - restricted	65,190
Total Current Assets	<u>311,597</u>

**Noncurrent Assets**

Investments	131,230
<b>TOTAL ASSETS</b>	<u><u>\$ 442,827</u></u>

**LIABILITIES AND NET ASSETS**

**NET ASSETS**

Unrestricted	
Board designated	\$ 5,000
Undesignated	241,407
Total Unrestricted	<u>246,407</u>
Temporarily restricted	196,420
<b>TOTAL NET ASSETS</b>	<u>442,827</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 442,827</u></u>

See the accompanying notes to financial statements.

**CUYAMACA COLLEGE FOUNDATION**  
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**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND GAINS</b>			
Contributions, gifts, and grants	\$ 58,208	\$ 40,800	\$ 99,008
Special events	30,805	-	30,805
Net assets released from restrictions	18,930	(18,930)	-
Total Revenues and Gains	107,943	21,870	129,813
<b>EXPENSES</b>			
Program Services:			
Program expenses	69,643	-	69,643
Scholarships	3,785	-	3,785
Total Program Services	73,428	-	73,428
Administrative Expenses:			
Management and general operations	4,665	-	4,665
Fundraising:			
Special events	30,805	-	30,805
Total Expenses	108,898	-	108,898
<b>OTHER REVENUES AND EXPENSES</b>			
Interest and dividends	13,804	7,259	21,063
Unrealized gains on investments	-	7,946	7,946
Total Other Revenues and Expenses	13,804	15,205	29,009
<b>Increase in Net Assets</b>	12,849	37,075	49,924
<b>NET ASSETS, BEGINNING OF YEAR</b>	233,558	159,345	392,903
<b>NET ASSETS, END OF YEAR</b>	\$ 246,407	\$ 196,420	\$ 442,827

See the accompanying notes to financial statements.

**CUYAMACA COLLEGE FOUNDATION  
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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2007**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 49,924
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>49,924</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	<u>(30,502)</u>
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>(30,502)</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	19,422
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>292,175</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 311,597</u>

See the accompanying notes to financial statements.

**CUYAMACA COLLEGE FOUNDATION**  
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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

***NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES***

The significant policies followed by Cuyamaca College Foundation (the Foundation) are described below to enhance the usefulness of the financial statements to the reader.

**Organization and Nature of Activities**

The Foundation was formed pursuant to the not-for-profit corporation laws of the State of California as an auxiliary organization of the Grossmont-Cuyamaca Community College District (the District) in accordance with the provisions of Section 72670 of the California Education Code for the primary purpose of encouraging public awareness, the receiving of contributions and, in turn, the making of donations to, and otherwise aiding and supporting Cuyamaca Community College (the College). Should the Foundation be dissolved, its assets remaining after payment of liabilities shall be distributed to the College.

**Basis of Accounting**

The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

**Revenue Recognition**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending upon the existence and/or nature of any donor restrictions. The Foundation did not have any permanently restricted net assets at June 30, 2007.

All donor-restricted contributions are recorded as increases in temporarily restricted net assets depending on the nature of the restriction. When a restriction expires, either by the passage of time or the purpose is satisfied, the temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as "net assets released from restrictions".

**Estimates**

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

**Income Taxes**

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been provided in the financial statements. The Foundation annually files Forms 990, 199, and RRF-1 with the appropriate agencies. There was no unrelated business income for the year ended June 30, 2007.

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**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2007**

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents.

**Investments**

The Foundation has adopted Statement of Financial Accounting Standard (SFAS) No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under SFAS No. 124, 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 reported as increases in unrestricted 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.

**NOTE 2 - CASH**

Cash accounts maintained by the Foundation are insured up to \$100,000 by the Federal Deposit Insurance Corporation (FDIC). At various times during the year, the amount on deposit at the financial institution may exceed \$100,000. Management monitors the cash balances closely during the year. Cash consists of the following at June 30, 2007:

Checking account	\$	727
Money market savings		310,870
Total Cash		\$ 311,597

**NOTE 3 - INVESTMENTS**

Investments are presented at fair value in the financial statements and are composed of the following at June 30, 2007:

	Adjusted Cost	Fair Market Value	Unrealized Appreciation (Depreciation)
Government Securities			
Franklin Templeton U.S. Government Securities Fund	\$ 5,875	\$ 5,882	\$ 7
Mutual Funds			
Dodge and Cox Balanced Fund	117,409	125,348	7,939
	\$ 123,284	\$ 131,230	\$ 7,946



**CUYAMACA COLLEGE FOUNDATION  
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**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2007**

**NOTE 4 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at June 30, 2007, were available for the following purposes:

	Available June 30, 2006	Net Revenue	Expenditures	Available June 30, 2007
Ornamental Horticulture Program	\$ 111,250	\$ 8,241	\$ -	\$ 119,491
Water and Waste Water	5,530	410	-	5,940
Faculty and Anderson Recognition	11,418	-	-	11,418
President's Fund	3,408	13,657	9,935	7,130
Ciccati Scholarship	15,602	15,006	2,000	28,608
Dorothy Cohen Scholarship	5,579	1,088	785	5,882
Career Center	5,558	7,160	2,767	9,951
Professional Development	-	5,000	-	5,000
Other	1,000	5,443	3,443	3,000
Total	<u>\$ 159,345</u>	<u>\$ 56,005</u>	<u>\$ 18,930</u>	<u>\$ 196,420</u>

**NOTE 5 - RELATED PARTY TRANSACTIONS**

The Foundation awards financial support for various programs and general support to the District in accordance with donor instructions.

During the year ended June 30, 2007, the Foundation transmitted payments to the District in the following amounts:

Transfers to the District	
Contribution to Cuyamaca College	\$ 66,875
Total Transfers	<u>\$ 66,875</u>

**NOTE 6 - DONATED ASSETS AND SERVICES**

During the year, many individuals donate significant amounts of time and services to the Foundation in an effort to advance the programs and objectives of the Foundation. These services have not been recorded in the financial statements because no objective basis is available to measure the value of such services as required by SFAS No. 116.