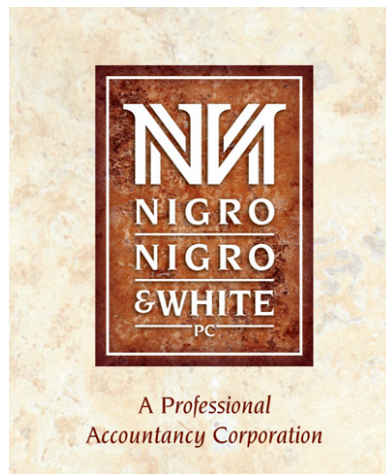


**Cuyamaca College Foundation**  
(A California Nonprofit Corporation)

**Audit Report**

**June 30, 2008**



**CUYAMACA COLLEGE FOUNDATION  
(A CALIFORNIA NONPROFIT CORPORATION)  
AUDIT REPORT  
June 30, 2008**

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Board of Accountancy

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

## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statement of financial position of the Cuyamaca College Foundation (the "Foundation") (a California Nonprofit Corporation) as of June 30, 2008, 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 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, 2008, 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.

San Diego, California  
September 16, 2008

## **Financial Section**

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**Cuyamaca College Foundation**  
**(A California Nonprofit Corporation)**  
**Statement of Financial Position**  
**June 30, 2008**

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**ASSETS**

**Current Assets**

Cash and cash equivalents \$ 352,999

**Non Current Assets**

Investments 113,144

**Total Assets** \$ 466,143

**LIABILITIES AND NET ASSETS**

**Liabilities**

Accounts Payable \$ 10,901

**Total Liabilities** 10,901

**Net Assets**

Unrestricted 243,418

Temporarily restricted 211,824

**Total Net Assets** 455,242

**Total Liabilities and Net Assets** \$ 466,143

See accompanying notes to financial statements.

**Cuyamaca College Foundation**  
**(A California Nonprofit Corporation)**  
**Statement of Activities**  
**For the Year Ended June 30, 2008**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES AND SUPPORT</b>			
Contributions, gifts, and grants	\$ 18,450	\$ 28,738	\$ 47,188
Special events	72,882	-	72,882
Net assets released from restriction	13,334	(13,334)	-
Total Revenues and Gains	<u>104,666</u>	<u>15,404</u>	<u>120,070</u>
<b>EXPENSES</b>			
Program Services:			
Program expenses	32,973	-	32,973
Scholarships	3,547	-	3,547
Total Program Services	<u>36,520</u>	<u>-</u>	<u>36,520</u>
Administrative Expenses:			
Management and general operations	36,087	-	36,087
Fundraising:			
Special events	29,901	-	29,901
Total Expenses	<u>102,508</u>	<u>-</u>	<u>102,508</u>
<b>OTHER REVENUES AND EXPENSES</b>			
Interest and dividends	24,859	-	24,859
Unrealized loss on investment	(30,006)	-	(30,006)
Total other revenues and expenses	<u>(5,147)</u>	<u>-</u>	<u>(5,147)</u>
<b>INCREASE IN NET ASSETS</b>	<u>(2,989)</u>	<u>15,404</u>	<u>12,415</u>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>246,407</u>	<u>196,420</u>	<u>442,827</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 243,418</u>	<u>\$ 211,824</u>	<u>\$ 455,242</u>

See accompanying notes to financial statements.

**Cuyamaca College Foundation**  
**(A California Nonprofit Corporation)**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2008**

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$	12,415
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Increase in accounts payable		10,901
Interest and dividends restricted for long-term investment		(12,420)
Net realized and unrealized losses on long-term investments		30,006
Net cash flows from operating activities		<u>40,902</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from sales of investments		<u>500</u>
Net cash flows from investing activities		<u>500</u>

**NET CHANGE IN CASH AND CASH EQUIVALENTS** 41,402

**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR** 311,597

**CASH AND CASH EQUIVALENTS, END OF YEAR** \$ 352,999

See accompanying notes to financial statements.

**Cuyamaca College Foundation**  
**(A California Nonprofit Corporation)**  
**Notes to Financial Statements**  
**June 30, 2008**

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**NOTE 1 – 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 contributions and, in turn, the making of donations to, and otherwise aiding and supporting Cuyamaca 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 of any donor restrictions. The Foundation did not have any permanently restricted net assets at June 30, 2008. 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 passage of time or satisfaction of purpose, 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, 2008.



**Cuyamaca College Foundation**  
**(A California Nonprofit Corporation)**  
**Notes to Financial Statements**  
**June 30, 2008**

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**NOTE 1 – ACCOUNTING POLICIES (continued)**

*Cash and Cash Equivalents*

For the statements 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 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, 2008:

Cash in transit	\$	1,531
Checking account		58,798
Money market savings		292,671
Total Cash	\$	<u>352,999</u>

**NOTE 3 – INVESTMENTS**

Investments are presented at fair value in the financial statements and are composed of the following at June 30, 2008:

	<u>Adjusted Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Government Securities			
Franklin Templeton U.S. Government Securities Fund	\$ 5,817	\$ 5,787	\$ (30)
Mutual Funds			
Dodge and Cox Balanced Fund	137,332	107,356	(29,976)
Total	<u>\$ 143,149</u>	<u>\$ 113,144</u>	<u>\$ (30,006)</u>

**Cuyamaca College Foundation**  
**(A California Nonprofit Corporation)**  
**Notes to Financial Statements**  
**June 30, 2008**

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**NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at June 30, 2008 were available for the following purposes:

	Available June 30, 2007	Net Revenue	Expenditures	Available June 30, 2008
Auto Technology Scholarship	\$ -	\$ 1,000	\$ -	\$ 1,000
Career Center	9,951	5,670	1,607	14,014
Celebration Foundation	-	8,070	325	7,745
Cicaccti Scholarship	28,608	-	-	28,608
Dorothy Cohen Scholarship	5,882	-	-	5,882
Faculty and Anderson Recognition	11,418	-	-	11,418
Music Scholarship	-	1,998	547	1,451
Ornamental Horticulture Program	119,491	1,000	10,855	109,636
President's Fund	7,130	-	-	7,130
Professional Development	5,000	-	-	5,000
Water and Waste Water	5,940	-	-	5,940
Other	3,000	11,000	-	14,000
Total	<u>\$ 196,420</u>	<u>\$ 28,738</u>	<u>\$ 13,334</u>	<u>\$ 211,824</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, 2008, the Foundation transmitted payments to the District in the following amounts:

Transfers to the District	
Contributions to Cuyamaca College	\$ 23,512
Total Transfers	<u>\$ 23,512</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.

**NOTE 7 – RECLASSIFICATIONS**

Certain amounts in prior year data have been reclassified in order to be consistent with the current year's presentation.