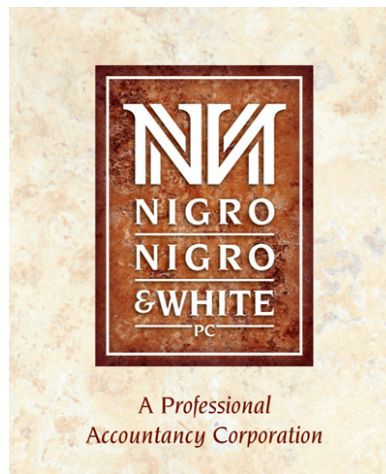


Cuyamaca College Foundation
(A California Nonprofit Corporation)

Audit Report

June 30, 2009



**CUYAMACA COLLEGE FOUNDATION
(A CALIFORNIA NONPROFIT CORPORATION)
AUDIT REPORT
June 30, 2009**

FINANCIAL SECTION

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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, 2009, 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, 2009, 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
November 9, 2009

Financial Section

Cuyamaca College Foundation
(A California Nonprofit Corporation)
Statement of Financial Position
June 30, 2009

ASSETS

Current Assets

Cash and cash equivalents \$ 215,850

Non Current Assets

Investments 198,513

Total Assets \$ 414,363

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable \$ 2,363

Total Liabilities 2,363

Net Assets

Unrestricted 204,205

Temporarily restricted 207,795

Total Net Assets 412,000

Total Liabilities and Net Assets \$ 414,363

See accompanying notes to financial statements.

Cuyamaca College Foundation
(A California Nonprofit Corporation)
Statement of Activities
For the Year Ended June 30, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES AND SUPPORT			
Contributions, gifts, and grants	\$ 13,750	\$ 27,523	\$ 41,273
Special events	58,679	-	58,679
Net assets released from restriction	31,552	(31,552)	-
Total revenues and support	<u>103,981</u>	<u>(4,029)</u>	<u>99,952</u>
EXPENSES			
Program Services:			
Program expenses	86,042	-	86,042
Scholarships	1,500	-	1,500
Total program services	<u>87,542</u>	<u>-</u>	<u>87,542</u>
Administrative Expenses:			
Management and general operations	15,696	-	15,696
Fundraising:			
Special events	24,890	-	24,890
Total expenses	<u>128,128</u>	<u>-</u>	<u>128,128</u>
OTHER REVENUES AND EXPENSES			
Interest and dividends	7,937	-	7,937
Unrealized loss on investments	(23,003)	-	(23,003)
Total other revenues and expenses	<u>(15,066)</u>	<u>-</u>	<u>(15,066)</u>
CHANGE IN NET ASSETS	(39,213)	(4,029)	(43,242)
NET ASSETS, BEGINNING OF YEAR	<u>243,418</u>	<u>211,824</u>	<u>455,242</u>
NET ASSETS, END OF YEAR	<u>\$ 204,205</u>	<u>\$ 207,795</u>	<u>\$ 412,000</u>

See accompanying notes to financial statements.

Cuyamaca College Foundation
(A California Nonprofit Corporation)
Statement of Cash Flows
For the Year Ended June 30, 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$	(43,242)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Decrease in accounts payable		(8,538)
Interest and dividends restricted for long-term investments		(1,822)
Net unrealized loss on long-term investments		23,003
Net cash flows used in operating activities		<u>(30,599)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of long-term investment		<u>(106,550)</u>
Net cash flows used in investing activities		<u>(106,550)</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS (137,149)

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR 352,999

CASH AND CASH EQUIVALENTS, END OF YEAR \$ 215,850

See accompanying notes to financial statements.

Cuyamaca College Foundation
(A California Nonprofit Corporation)
Notes to Financial Statements
June 30, 2009

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, 2009. 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.

Cuyamaca College Foundation
(A California Nonprofit Corporation)
Notes to Financial Statements
June 30, 2009

NOTE 1 – ACCOUNTING POLICIES (continued)

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, 2009.

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 or gains are recognized.

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash accounts maintained by the Foundation are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). At various times during the year, the amount on deposit at the financial institution may exceed the FDIC insurance level. Management monitors the cash balances closely during the year. Cash and cash equivalents consisted of the following as of June 30, 2009:

Checking accounts	\$	24,084
Money market savings		191,766
Total cash	\$	<u>215,850</u>

Cuyamaca College Foundation
(A California Nonprofit Corporation)
Notes to Financial Statements
June 30, 2009

NOTE 3 – INVESTMENTS

Investments are presented at fair value in the financial statements and were composed of the following as of June 30, 2009:

	<u>Adjusted Cost</u>	<u>Fair Market Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Government Securities			
Franklin Templeton U.S. Government Securities Fund	\$ 6,286	\$ 6,221	\$ (65)
Mutual Funds			
Dodge and Cox Balanced Fund	108,680	85,742	(22,938)
Certificates of Deposit			
San Diego National Bank	106,550	106,550	-
Total	<u>\$ 221,516</u>	<u>\$ 198,513</u>	<u>\$ (23,003)</u>

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30, 2009 were available for the following purposes:

	<u>Available June 30, 2008</u>	<u>Net Revenues</u>	<u>Expenditures</u>	<u>Available June 30, 2009</u>
Auto Technology Scholarship	\$ 1,000	\$ -	\$ -	\$ 1,000
Osher Grant	-	13,334	13,334	-
ACCCA Scholarship	-	500	-	500
Sudi Mohamed Scholarship	-	1,000	-	1,000
Career Center	14,014	1,889	4,693	11,210
Celebration Foundation	7,745	-	-	7,745
Cicacetti Scholarship	28,608	-	-	28,608
Dorothy Cohen Scholarship	5,882	-	-	5,882
Faculty and Anderson Recognition	11,418	-	-	11,418
Music Scholarship	1,451	-	-	1,451
Ornamental Horticulture Program	109,636	-	11,525	98,111
President's Fund	7,130	10,800	-	17,930
Professional Development	5,000	-	-	5,000
Water and Waste Water	5,940	-	-	5,940
Other	14,000	-	2,000	12,000
Total	<u>\$ 211,824</u>	<u>\$ 27,523</u>	<u>\$ 31,552</u>	<u>\$ 207,795</u>

Cuyamaca College Foundation
(A California Nonprofit Corporation)
Notes to Financial Statements
June 30, 2009

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, 2009, the Foundation transmitted payments to the District in the following amount:

Transfers to the District	
Contributions to Cuyamaca College	\$ 55,883
Total Transfers	<u>\$ 55,883</u>

Ms. Julie Jones serves as a board member of the Foundation. Ms. Jones is also employed by a printing company called RanRoy. The Foundation from time to time engages RanRoy for printing services. Fees invoiced to the Foundation from RanRoy during the year ended June 30, 2009 totaled \$3,721.

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.