

WEST HILLS COMMUNITY

FINANCIAL

REPORT

DECEMBER 31, 2009, AND 2007

WEST HILLS COMMUNITY COLLEGE FOUNDATION

COALINGA, CALIFORNIA

DECEMBER 31, 2008 and 2007

BOARD OF DIRECTORS

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Ernest Drewry	Community Director	2010
Leonard Falter	Community Director	2011
<u>Bertha Felix-Mata</u>	Staff Director	2009
Don Forth, Ph.D.	Community Director	2010
Brad Gleason	Community Director	2011
<u>Frank Garnick</u>	Staff Director	2009
William Gundacker	Community Director	2009
Edna Ivans, R.Ph.	Trustee Director	2011
Sheilah Kreyenhagen	Community Director	2010
Willard Lewallen, Ph.D.	Staff Director	2010

# WEST HILLS COMMUNITY COLLEGE FOUNDATION

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***FINANCIAL SECTION***

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**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
West Hills Community College Foundation  
Coalinga, California

We have audited the accompanying statements of financial position of the West Hills Community College Foundation (the Foundation), a California non-profit corporation, as of December 31, 2008 and 2007, and the related statement of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibilities of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the West Hills Community College Foundation taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of

audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Vannick, Trice, Darr & Co., LLP*

Fresno, California  
June 17, 2009

**WEST HILLS COMMUNITY COLLEGE FOUNDATION**

**STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$1,294,409	\$1,746,127
Investments	778,515	-
Accounts receivable	-	19,211
Total Current Assets	<u>2,072,924</u>	<u>1,765,338</u>
Rodeo stock	22,450	22,450
Property and leasehold improvements - net of accumulated depreciation	188,287	210,391
Other assets	500	500
Total Assets	<u>\$2,284,161</u>	<u>\$1,998,679</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Funds held for others	12,795	16,290
Total Current Liabilities	<u>12,795</u>	<u>16,290</u>
<b>NET ASSETS</b>		
Unrestricted	1,790,138	1,526,471



WEST HILLS COMMUNITY COLLEGE FOUNDATION

STATEMENTS OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2008 and 2007

	2008			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
CHANGES IN UNRESTRICTED NET ASSETS				
REVENUES				
Donations and special events	\$ 274,585	\$ 91,484	\$ 18,000	\$ 474,069

Federal revenue	667,832	-	-	667,832
Membership fees	29,964	-	-	29,964
Program fees	23,777	-	-	23,777
Program contracts	442,960	-	-	442,960
Fundraisers	164,336	-	-	164,336

2007

\$ 448,102  
600,582  
34,989  
20,127

180,776

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WEST HILLS COMMUNITY COLLEGE FOUNDATION

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 288,977	\$ 479,933
Adjustments to Reconcile Change in Net Assets to Net		
Cash Flow From Operating Activities		

**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2008 and 2007**

Support			Total Support Services	Total Expenses	
General Administrative	Fundraisers	Membership		2008	2007
\$ 42,184	\$ 19,675	\$ 2,698	\$ 64,557	\$ 159,016	\$ 184,699
13,480	7,365	928	21,773	53,639	54,504
55,664	27,040	3,626	86,330	212,655	239,203
-	-	-	-	22,104	21,670
-	-	-	-	1,127	15,244
39,158	7,581	-	46,739	249,871	390,265
10,269	8,848	-	19,117	71,425	114,236
3,157	28,132	-	31,289	62,931	69,424
13,576	-	-	13,576	31,426	16,029
-	124	-	124	15,507	51,092
-	-	-	-	-	14,935
96,919	18,966	-	115,885	250,800	45,497
108	344	-	452	31,228	13,914
25,568	5,894	-	31,462	163,685	79,448
-	-	-	-	2,896	5,071
761	-	-	761	58,813	92,780
12,576	12,572	-	25,148	173,370	204,958
10,782	3,214	-	13,996	55,501	34,997
\$ 268,538	\$ 112,715	\$ 3,626	\$ 384,879	\$ 1,403,339	\$ 1,408,763

# WEST HILLS COMMUNITY COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008 and 2007

### *NOTE 1 - ORGANIZATION AND DESCRIPTION OF ACTIVITIES*

The West Hills Community College Foundation is a California not-for-profit organization for the benefit of West Hills Community College District (the District) and is considered a Component Unit of the District. The Foundation was organized for the purpose of providing Financial Aid to students in need. The Foundation provides opportunities for members of the community to donate property and money for the express purpose, through grants and scholarships, of helping deserving students receive a quality education.

### *NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

#### Accounting Method - Basis of Accounting

The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as applicable to not-for-profit organizations. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported on the financial statements as well as the timing of the measurement made, regardless of the measurement focus applied. The Foundation uses the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized in the beginning of the accounting period in which the liability is incurred.

#### Property and Equipment

Property and equipment of the Foundation are stated at cost where known or estimated cost in other instances. If donated they are stated at fair market value as of the date received. For donors planning to take a charitable tax deduction for a gift in kind valued at \$5,000 or more, the IRS requires the donor to obtain an independent appraisal and to complete an IRS Form 8283. Property, equipment, and improvements are depreciated or

# WEST HILLS COMMUNITY COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2008 and 2007

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### Contributions

The Foundation also adopted in 1997, SFAS No. 116 "Accounting for Contributions Received and Contributions Made," whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

### Investments

The Foundation elected to adopt SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations," in 1997. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses, and certain disclosures of financial statements.



[REDACTED]



**WEST HILLS COMMUNITY COLLEGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008 and 2007**

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**NOTE 6 - PROPERTY AND LEASEHOLD IMPROVEMENTS**

The following is a summary of property and leasehold improvements as of December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Building	\$ 250,000	\$ 250,000
Land and leasehold improvements	117,979	117,979
Equipment	64,016	64,016
Subtotal	<u>431,995</u>	<u>431,995</u>
Accumulated depreciation	<u>(243,708)</u>	<u>(221,604)</u>
Total	<u>\$ 188,287</u>	<u>\$ 210,391</u>

**NOTE 7 - OTHER ASSETS**

Other assets are related to a golf membership purchased by the Foundation. The membership is carried at its estimated fair market value.

**NOTE 8 - DONATED SERVICES**

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The Foundation receives donated services from the College for the general administration of the Foundation. For

the year ended December 31, 2008 and 2007, the value of the services received from the College was as follows:

	<u>2008</u>	<u>2007</u>
Scholarship	\$ 47,589	\$ 47,841
College Enhancement	39,115	21,277
Athletic Programs	16,789	8,854
Educational Programs	22,832	21,277

**WEST HILLS COMMUNITY COLLEGE FOUNDATION**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2008 and 2007**

***NOTE 9 - RESTATEMENT OF NET ASSETS***

During the audit, it was discovered that almond and pistachio trees were donated to the Foundation and were planted on the campus of the West Hills Community College. Additionally, it was discovered that the

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***SUPPLEMENTARY INFORMATION***

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WEST HILLS COMMUNITY COLLEGE FOUNDATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2008

Federal

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Passed through California Department of Health Care Services:  
Medi-Cal Billing Option <sup>1</sup>

93.778

\$ 667,832

<sup>1</sup> Tested as a major program



**WEST HILLS COMMUNITY COLLEGE FOUNDATION**

**NOTE TO SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2008**

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**NOTE 1 - PURPOSE OF SCHEDULES**

**Schedule of Expenditures of Federal Awards**

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the Foundation and is presented on the accrual basis of accounting. The information in this schedule is presented in

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***INDEPENDENT AUDITORS' REPORTS***

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

**OF THE FINANCIAL STATEMENTS PERFORMED IN**

**ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Governing Board  
West Hills Community College Foundation  
Coalinga, California

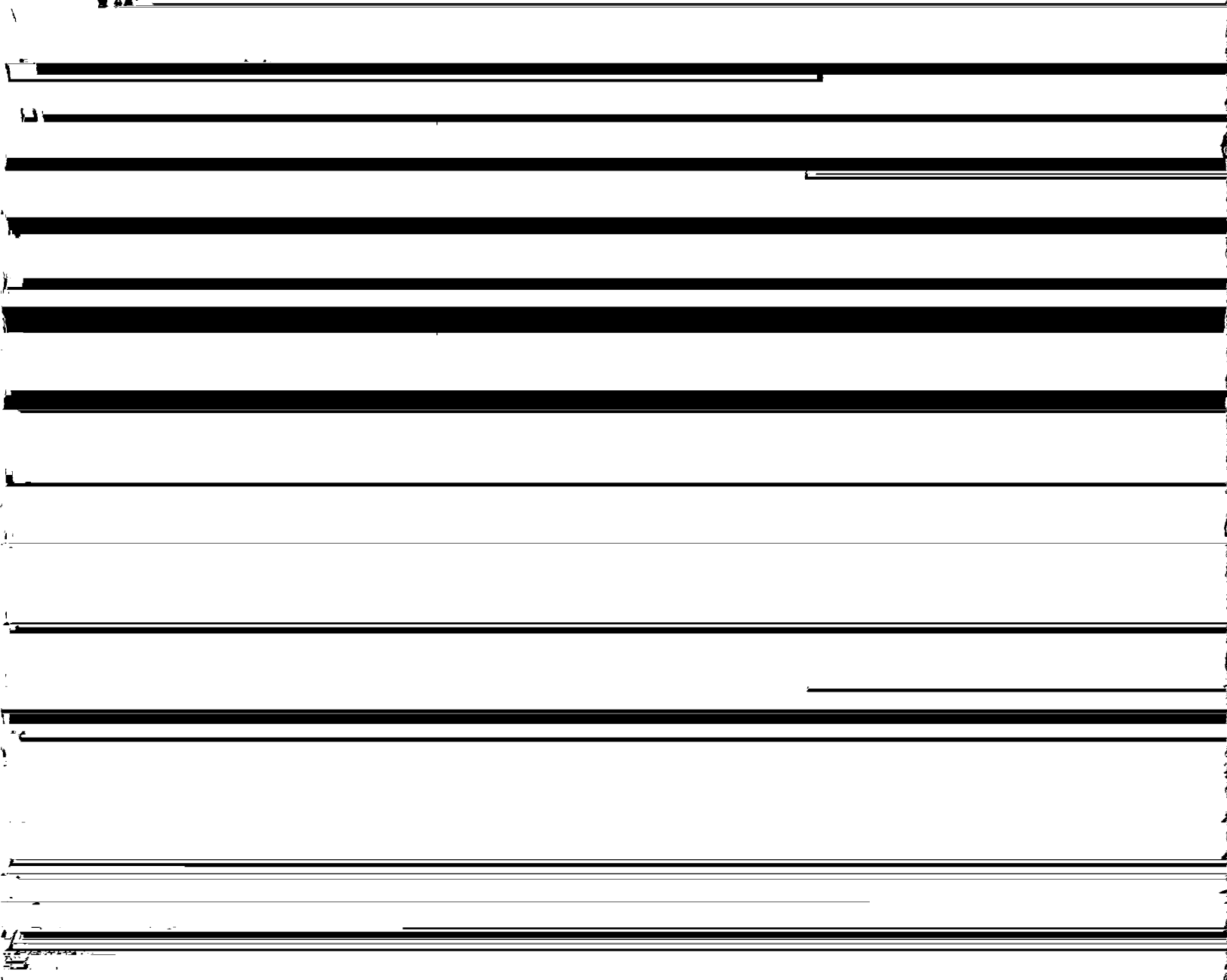
We have audited the financial statements of the West Hills Community College Foundation, a California non-profit corporation, as of and for the year ended December 31, 2008 and 2007, which collectively comprise West Hills Community College Foundation's basic financial statements and have issued our report thereon dated June 17, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Foundation's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether West Hills Community College Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported.





**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Governing Board  
West Hills Community College Foundation  
Coalinga, California

**Compliance**

We have audited the compliance of West Hills Community College Foundation with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended December 31, 2008 and 2007. West Hills Community College Foundation's major Federal programs are identified in the summary of

## Internal Control Over Compliance

The management of West Hills Community College Foundation is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered West Hills Community College Foundation's internal control over compliance with the requirements that could have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the West Hills Community College Foundation's internal control over compliance.

A *control deficiency* in a foundation's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a Federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the Foundation's ability to administer Federal programs.

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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WEST HILLS COMMUNITY COLLEGE FOUNDATION

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**WEST HILLS COMMUNITY COLLEGE FOUNDATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**2008-1 Finding**

During the audit, we noted that there were expenses paid for whose business purpose was not clear specifically related to the payment of a golf club membership for an employee of West Hills College. Legal counsel issued an opinion which stated that personal use of the membership is additional compensation and should be included on the member's W-2 as additional compensation.

Additionally, it was noted that unreported personal use of the membership creates an excess benefit.

**WEST HILLS COMMUNITY COLLEGE FOUNDATION**

**STATEMENT OF FINANCIAL POSITION - CONTINUED**

