

**WEST HILLS COMMUNITY  
COLLEGE FOUNDATION**

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**FINANCIAL REPORT**

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**JUNE 30, 2009 AND DECEMBER 31, 2008**

WEST HILLS COMMUNITY COLLEGE FOUNDATION

COALINGA, CALIFORNIA

JUNE 30, 2009 and DECEMBER 31, 2008

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**BOARD OF DIRECTORS**

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Ernest Drewry	Community Director	2010
Leonard Falter	Community Director	2011
Bertha Felix-Mata	Staff Director	2009
Don Forth, Ph.D.	Community Director	2010
Brad Gleason	Community Director	2011
Frank Gornick	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
Nancy Oliveira	Community Director	2010
Nina Oxborrow	Trustee Director	2009
Bill Pucheu	Community Director	2010
Oscar Sablan, M.D.	Community Director	2011
Stacy Sablan	Community Director	2011
Marc Scott, CPA	Community Director	2011
Ann Stone	Community Director	2010
Ken Stoppenbrink	Staff Director	2010
Don Warkentin	Staff Director	2010
Ted Frame	Community Director	2008
Valerie Keller	Community Director	2009
Marcia Sablan	Community Director	2009

**ADMINISTRATION**

Dr. Richard Post

Interim Executive Director

# 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 June 30, 2009 and December 31, 2008, and the related statement of activities, functional expenses and cash flows for the six months and year then ended, respectively. 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 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 the West Hills Community College Foundation as of June 30, 2009 and December 31, 2008, and the changes in its net assets and its cash flows for the six months and year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2010, on our consideration of the West Hills Community College Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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 the basic financial statements. Such information has been subjected to the auditing procedures applied in the 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.

Vannink, Trini, Day & Co, hft

Fresno, California  
January 12, 2010

# WEST HILLS COMMUNITY COLLEGE FOUNDATION

## STATEMENTS OF FINANCIAL POSITION JUNE 30, 2009 and DECEMBER 31, 2008

	June 30, 2009	December 31, 2008
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 1,264,631	\$ 1,294,409
Investments	967,471	778,515
Accounts receivable	214,903	-
Total Current Assets	<u>2,447,005</u>	<u>2,072,924</u>
Rodeo stock	22,450	22,450
Property and leasehold improvements - net of accumulated depreciation	173,551	188,287
Other assets	500	500
Total Assets	<u>\$ 2,643,506</u>	<u>\$ 2,284,161</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 14,432	\$ -
Funds held for others	13,982	12,795
Total Current Liabilities	<u>28,414</u>	<u>12,795</u>
<b>NET ASSETS</b>		
Unrestricted	2,085,003	1,790,138
Temporarily restricted	388,434	343,277
Permanently restricted	141,655	137,951
Total Net Assets	<u>2,615,092</u>	<u>2,271,366</u>
Total Liabilities and Net Assets	<u>\$ 2,643,506</u>	<u>\$ 2,284,161</u>

The accompanying notes are an integral part of these financial statements.



# WEST HILLS COMMUNITY COLLEGE FOUNDATION

## STATEMENTS OF ACTIVITIES FOR THE SIX MONTHS ENDED JUNE 30, 2009 and YEAR ENDED DECEMBER 31, 2008

	June 30, 2009			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>				
<b>REVENUES</b>				
Donations and special events	\$ 203,343	\$ 21,449	\$ 35,000	\$ 259,792
Federal revenue	532,860	-	-	532,860
Membership fees	28,647	-	-	28,647
Program fees	26,636	-	-	26,636
Program contracts	180,577	-	-	180,577
Fundraisers	98,429	4,250	-	102,679
Investment income	9,310	3,140	2,131	14,581
Other	163,186	-	-	163,186
<b>Total Revenue</b>	<b>1,242,988</b>	<b>28,839</b>	<b>37,131</b>	<b>1,308,958</b>
<b>EXPENSES</b>				
Program services:				
Scholarship	42,180	37,315	-	79,495
College Enhancement	265,123	-	-	265,123
Athletic Programs	85,655	-	-	85,655
Educational Programs	308,325	-	-	308,325
Support services:				
General Administrative	186,122	-	-	186,122
Fundraisers	58,648	-	-	58,648
Membership	3,572	-	-	3,572
<b>Total Expenses</b>	<b>949,625</b>	<b>37,315</b>	<b>-</b>	<b>986,940</b>
<b>Increase/(Decrease) in Net Assets</b>	<b>293,363</b>	<b>(8,476)</b>	<b>37,131</b>	<b>322,018</b>
<b>UNREALIZED GAIN/(LOSS) ON</b>				
<b>INVESTMENTS</b>	13,861	4,674	3,173	21,708
<b>TRANSFERS</b>	(12,359)	48,959	(36,600)	-
<b>INCREASE/(DECREASE) IN NET ASSETS</b>	<b>294,865</b>	<b>45,157</b>	<b>3,704</b>	<b>343,726</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>1,790,138</b>	<b>343,277</b>	<b>137,951</b>	<b>2,271,366</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$2,085,003</b>	<b>\$ 388,434</b>	<b>\$ 141,655</b>	<b>\$2,615,092</b>

The accompanying notes are an integral part of these financial statements.

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December 31,  
2008

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\$ 474,069  
667,832  
29,964  
23,777  
442,960  
164,336  
60,511  
1,047  

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1,864,496

132,564  
441,263  
104,180  
340,453

268,538  
112,715  
3,626

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1,403,339

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461,157

(172,180)

-

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288,977

1,982,389

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\$ 2,271,366

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# WEST HILLS COMMUNITY COLLEGE FOUNDATION

## STATEMENTS OF CASH FLOWS FOR THE SIX MONTHS ENDED JUNE 30, 2009 and YEAR ENDED DECEMBER 31, 2008

	June 30, 2009	December 31, 2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 343,726	\$ 288,977
Adjustments to Reconcile Change in Net Assets to Net Cash Used By Operating Activities		
Depreciation and amortization	10,403	22,104
(Increase)/Decrease in accounts receivable	(214,903)	19,211
Increase/(Decrease) in accounts payable	14,432	-
Increase/(Decrease) in due to other groups	1,187	(3,495)
Net Cash Flows Provided By Operating Activities	<u>154,845</u>	<u>326,797</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Increase)/Decrease in investments	(188,956)	(778,515)
(Purchase)/Disposal of fixed assets	4,333	-
Net Cash Flows Provided/(Used) By Investing Activities	<u>(184,623)</u>	<u>(778,515)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(29,778)	(451,718)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	1,294,409	1,746,127
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,264,631</u>	<u>\$ 1,294,409</u>

The accompanying notes are an integral part of these financial statements.

**WEST HILLS COMMUNITY COLLEGE FOUNDATION**

**STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE SIX MONTHS ENDED JUNE 30, 2009 and  
YEAR ENDED DECEMBER 31, 2008**

	Programs				Total Program Services
	Scholarships	College Enhancement	Athletic Programs	Educational Programs	
<b>EXPENSES</b>					
Salary	\$ 33,748	\$ 31,300	\$ 15,002	\$ 18,472	\$ 98,522
Benefits	8,432	7,361	3,662	5,016	24,471
Total Salary and Benefits	42,180	38,661	18,664	23,488	122,993
Depreciation	-	4,817	-	5,586	10,403
Donation	-	4,791	2,415	92	7,298
Educational	4,368	121,632	16,975	137,619	280,594
Equipment	-	1,590	15,416	6,413	23,419
Fundraiser	-	598	458	914	1,970
Insurance	-	-	350	130	480
Maintenance and repair	-	896	-	1,773	2,669
Other expenses	3,298	53,746	13,006	13,315	83,365
Printing and promotion	-	5,395	-	-	5,395
Professional services	-	6,216	317	15,804	22,337
Rental	-	-	-	-	-
Scholarship	29,649	-	-	250	29,899
Supplies	-	18,007	6,588	14,021	38,616
Travel and training	-	8,774	11,466	88,920	109,160
Total Expenses	\$ 79,495	\$ 265,123	\$ 85,655	\$ 308,325	\$ 738,598

The accompanying notes are an integral part of these financial statements.

Support			Total Support Services	Total Expenses	
General Administrative	Fundraisers	Membership		June 30, 2009	December 31, 2008
\$ 42,440	\$ 20,622	\$ 2,680	\$ 65,742	\$ 164,264	\$ 159,016
10,456	5,581	892	16,929	41,400	53,639
52,896	26,203	3,572	82,671	205,664	212,655
-	-	-	-	10,403	22,104
50	2,500	-	2,550	9,848	1,127
75,563	1,948	-	77,511	358,105	249,871
-	1,497	-	1,497	24,916	71,425
2,640	23,059	-	25,699	27,669	62,931
11,490	-	-	11,490	11,970	31,426
-	-	-	-	2,669	15,507
21,782	1,919	-	23,701	107,066	250,800
-	-	-	-	5,395	31,228
9,375	-	-	9,375	31,712	163,685
-	-	-	-	-	2,896
1,500	1,500	-	3,000	32,899	58,813
3,251	22	-	3,273	41,889	173,370
7,575	-	-	7,575	116,735	55,501
<u>\$ 186,122</u>	<u>\$ 58,648</u>	<u>\$ 3,572</u>	<u>\$ 248,342</u>	<u>\$ 986,940</u>	<u>\$ 1,403,339</u>

# WEST HILLS COMMUNITY COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 and DECEMBER 31, 2008

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### *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 amortized over the estimated useful life of the asset, ranging from 2 to 30 years, using the straight-line method.

#### Income Taxes

The Foundation is exempt from federal income and California franchise taxes under Section 501(c)(3) of the Internal Revenue Code and corresponding California provisions. Accordingly, no provision for income taxes has been recorded in the financial statements. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. The Foundation annually files Forms 990, 199 and RRF-1 with the appropriate agencies.

#### Financial Statement Presentation

The Foundation in 1997 implemented Statement of Financial Accounting Standards (SFAS) No. 117. In "Financial Statements of Not-For-Profit Organizations" under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

# WEST HILLS COMMUNITY COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009 and DECEMBER 31, 2008

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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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reported period. Actual results could differ from those estimates.

### Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### New Accounting Pronouncement

In September 2006, the Financial Accounting Standards Board (FASB) issued SFAS No. 157, "Fair Value Measurements". This Statement defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. This Statement establishes a fair value hierarchy that distinguishes between valuations obtained from sources independent of the entity and those from the entity's own observable inputs that are not corroborated by observable market data. SFAS No. 157 expands disclosures about the use of fair value to measure assets and liabilities in interim and annual periods subsequent to initial recognition. This disclosure focuses on the inputs used to measure fair value and for recurring fair value measurements using significant unobservable inputs, the effect of the measurements on earnings, or changes in net assets for the period. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007.

The Foundation adopted SFAS No. 157 on January 1, 2008, and the adoption did not have a material impact on the Foundation's financial statements.



# WEST HILLS COMMUNITY COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009 and DECEMBER 31, 2008

### NOTE 3 - CASH

The Foundation maintains cash balances in excess of \$100,000 in bank, which is insured by the Federal Deposit Insurance Corporation up to \$100,000. Cash at June 30, 2009 and December 31, 2008, are presented below and categorized separately to give an indication of the level of risk assessment.

June 30, 2009	Bank Balance - Category *			Total	Carrying Amount
	1	2	3		
Categorized Deposits					
Cash on hand and in banks	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 1,251,776</u>	<u>\$ 1,451,776</u>	<u>\$ 1,264,631</u>

  

December 31, 2008	Bank Balance - Category *			Total	Carrying Amount
	1	2	3		
Categorized Deposits					
Cash on hand and in banks	<u>\$ 200,000</u>	<u>\$ -</u>	<u>\$ 1,575,247</u>	<u>\$ 1,775,247</u>	<u>\$ 1,294,409</u>

\*These categories are as follows:

- Category 1: Insured or collateralized with securities held by the Foundation or by its agent in the Foundation's name.
- Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the Foundation's name.
- Category 3: Uncollateralized. This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Foundation's name.

# WEST HILLS COMMUNITY COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009 and DECEMBER 31, 2008

### NOTE 4 - INVESTMENTS

Investments at June 30, 2009 and December 31, 2008, held on behalf of the West Hills Community College Foundation are presented below.

	June 30, 2009	December 31, 2008
Mutual Funds		
Cost	\$ 1,035,028	\$ 1,017,558
Carrying amount	967,471	778,515
Unrealized gain/(loss)	<u>\$ (67,557)</u>	<u>\$ (239,043)</u>

Investment returns are summarized as follows:

	June 30, 2009	December 31, 2008
Interest and dividend income	\$ 14,581	\$ 60,511
Net realized and unrealized gains (losses)	21,708	(239,043)
Total	<u>\$ 36,289</u>	<u>\$ (178,532)</u>

### Authorized Investments

The Foundation is authorized to make direct investments in U.S. Treasury Bills; money market funds; State Treasurer's Investment Pool; commercial paper; banker's acceptances; repurchase agreements; certificates of deposit; securities of the U.S. Government, or its agencies; corporate notes and bonds; mortgage backed bonds; preferred stock; fixed income securities of foreign governments and corporations; collateralized mortgage obligations; common stock; convertible notes and bonds; convertible preferred stock; American Depository Receipts (ARDs) of non-U.S. companies; stocks of non-U.S. Companies (ordinary shares); mutual funds which invest in securities; guaranteed investment contracts; and real estate.

### NOTE 5 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2009 and December 31, 2008, are as follows:

	June 30, 2009	December 31, 2008
Program fees	<u>\$ 214,903</u>	<u>\$ -</u>

# WEST HILLS COMMUNITY COLLEGE FOUNDATION

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2009 and DECEMBER 31, 2008

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### *NOTE 6 - PROPERTY AND LEASEHOLD IMPROVEMENTS*

The following is a summary of property and leasehold improvements as of June 30, 2009 and December 31, 2008:

	June 30, 2009	December 31, 2008
Building	\$ 250,000	\$ 250,000
Land and leasehold improvements	117,979	117,979
Equipment	57,516	64,016
Subtotal	425,495	431,995
Accumulated depreciation	(251,944)	(243,708)
Total	<u>\$ 173,551</u>	<u>\$ 188,287</u>

### *NOTE 7 - DONATED SERVICES*

The Foundation receives donated services from the College for the general administration of the Foundation. For the six months ended June 30, 2009 and the year ended December 31, 2008, the value of the services received from the College was as follows:

	June 30, 2009	December 31, 2008
Scholarship	42,180	\$ 47,589
College Enhancement	38,661	39,115
Athletic Programs	18,664	16,789
Educational Programs	23,488	22,832
General Administrative	52,896	55,664
Fundraisers	26,203	27,040
Membership	3,572	3,626
Total	<u>\$ 205,664</u>	<u>\$ 212,655</u>

### *NOTE 8 - SUBSEQUENT EVENT*

In September 2009, the Foundation sold property with a net book value on the June 30, 2009 financial statements of \$129,166 to the West Hills Community College District (WHCCD) for the sum of one dollar (\$1.00) with all fees involved in the sale to be paid for by WHCCD.

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*SUPPLEMENTARY INFORMATION*

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**WEST HILLS COMMUNITY COLLEGE FOUNDATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE SIX MONTHS ENDED JUNE 30, 2009**

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<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
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	<u>\$ 532,860</u>

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

See accompanying note to supplementary information.

# WEST HILLS COMMUNITY COLLEGE FOUNDATION

## NOTE TO SUPPLEMENTARY INFORMATION

JUNE 30, 2009

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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 accordance with the requirements of the United States Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

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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  
BASED ON AN AUDIT OF 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 six months ended June 30, 2009 and the year ended December 31, 2008, which collectively comprise West Hills Community College Foundation's basic financial statements and have issued our report thereon dated January 12, 2010. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered West Hills Community College Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the West Hills Community College Foundation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the West Hills Community College Foundation's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control.

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 District's internal control.

Our consideration of 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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **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 under *Government Auditing Standards*.

This report is intended solely for the information and use of the governing board, management, and Federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*Vannink, Trine, Day & Co, LLP*

Fresno, California  
January 12, 2010



**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 six months ended June 30, 2009 and the year ended December 31, 2008. West Hills Community College Foundation's major Federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of West Hills Community College Foundation's management. Our responsibility is to express an opinion on West Hills Community College Foundation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about West Hills Community College Foundation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of West Hills Community College Foundation's compliance with those requirements.

In our opinion, West Hills Community College Foundation complied, in all material respects, with the requirements referred to above that are applicable to each of its major Federal programs for the six months ended June 30, 2009 and the year ended December 31, 2008.

## 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 district'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 District's ability to administer a Federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a Federal program that is more than inconsequential will not be prevented or detected by the District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a Federal program will not be prevented or detected by the District's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the governing board, management, and Federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

*Vanwick, Trini, Day & Co., LLP*

Fresno, California  
January 12, 2010

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*SCHEDULE OF FINDINGS AND QUESTIONED COSTS*

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**WEST HILLS COMMUNITY COLLEGE FOUNDATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2009**

**SUMMARY OF AUDITORS' RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors' report issued:	<u>Unqualified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Reporting conditions identified not considered to be material weaknesses?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

**FEDERAL AWARDS**

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Reporting conditions identified not considered to be material weaknesses?	<u>None reported</u>
Type of auditors' report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)	<u>No</u>
Identification of major programs:	

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.778	Medi-Cal Billing Option

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 300,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>



**WEST HILLS COMMUNITY COLLEGE FOUNDATION**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE SIX MONTHS ENDED JUNE 30, 2009**

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**FINANCIAL STATEMENT FINDINGS**

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There were no findings representing reportable conditions, material weaknesses, and/or instances of noncompliance related to the financial statements that were required to be reported in accordance with *Government Auditing Standards*.

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**FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

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None noted.

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**SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS**

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None noted.