

**WEST HILLS COMMUNITY
COLLEGE FOUNDATION**

FINANCIAL REPORT

JUNE 30, 2018

**WITH
INDEPENDENT AUDITOR'S REPORT**

WEST HILLS COMMUNITY COLLEGE FOUNDATION

COALINGA, CALIFORNIA

JUNE 30, 2018

BOARD OF DIRECTORS

<u>MEMBER</u>	<u>OFFICE</u>	<u>TERM EXPIRES</u>
Ann Stone	Community Director	2018
Ernest Drewry	Community Director	2019
Steve Cantu	Trustee Director	N/A
Vacant	Community Director	2020
William Bourdeau, C.P.A.	Community Director	2020
Phil Larson	Community Director	2020
Brenda Thames	Staff Director	N/A
Laura Mendes-Moore	Community Director	2019
Nina Oxborrow	Trustee Director	N/A
Stuart Van Horn, Ed.D.	Staff Director	2018
Ken Stoppenbrink	Staff Director	N/A
Kristin Clark, Ed.D.	Staff Director	N/A
Kylee Henderson	Community Director	2019
Vacant	Community Director	2020
Rosa Hernandez	Community Director	2019
Stuart Van Horn, Ed.D.	Chancellor	N/A

ADMINISTRATION

Alexis Perez

Executive Director

WEST HILLS COMMUNITY COLLEGE FOUNDATION

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FINANCIAL SECTION



VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

INDEPENDENT AUDITOR'S REPORT

Board of Directors
West Hills Community College Foundation
Coalinga, California

We have audited the accompanying financial statements of West Hills Community College Foundation (the Foundation), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of West Hills Community College Foundation as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the West Hills Community College Foundation's 2017 financial statements, and our report dated December 29, 2017, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Vannink, Trine, Day & Co., LLP

Fresno, California
January 2, 2019

WEST HILLS COMMUNITY COLLEGE FOUNDATION

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2018

WITH COMPARATIVE TOTALS AS OF JUNE 30, 2017

	June 30,	
	2018	2017
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 416,394	\$ 238,286
Investments	3,665,352	3,157,384
Accounts receivable	-	44,433
Prepaid assets	5,435	-
Total Current Assets	<u>\$ 4,087,181</u>	<u>\$ 3,440,103</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 48,519	\$ 27,504
NET ASSETS		
Unrestricted	1,786,281	1,240,071
Temporarily restricted	832,269	849,719
Permanently restricted	1,420,112	1,322,809
Total Net Assets	<u>4,038,662</u>	<u>3,412,599</u>
Total Liabilities and Net Assets	<u>\$ 4,087,181</u>	<u>\$ 3,440,103</u>

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

WEST HILLS COMMUNITY COLLEGE FOUNDATION

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017**

	June 30, 2018			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
CHANGES IN UNRESTRICTED NET ASSETS				
REVENUES				
Donations and special events	\$ 354,792	\$ 189,766	\$ 38,000	\$ 582,558
Donated salaries	478,692	-	-	478,692
Federal revenue	135,827	-	-	135,827
Program fees	89,757	-	-	89,757
Program contracts	68,917	-	-	68,917
Fundraisers	178,407	-	-	178,407
Investment income	73,846	41,079	58,582	173,507
Other	10,704	-	-	10,704
Transfers	(31,702)	588	31,114	-
Net assets released from restrictions	829,309	(248,883)	(580,426)	-
Total Revenue	2,188,549	(17,450)	(452,730)	1,718,369
EXPENSES				
Program services:				
Scholarships	312,786	-	-	312,786
College Enhancement	239,355	-	-	239,355
Athletic Programs	128,113	-	-	128,113
Educational Programs	170,059	-	-	170,059
Support services:				
General Administrative	164,416	-	-	164,416
Fundraisers	77,577	-	-	77,577
Total Expenses	1,092,306	-	-	1,092,306
INCREASE/(DECREASE) IN NET ASSETS	1,096,243	(17,450)	(452,730)	626,063
NET ASSETS, BEGINNING OF YEAR	690,038	849,719	1,872,842	3,412,599
NET ASSETS, END OF YEAR	\$ 1,786,281	\$ 832,269	\$ 1,420,112	\$ 4,038,662

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



June 30, 2017

\$	662,053
	321,283
	29,011
	150,622
	98,476
	140,014
	119,019
	9,729
	-
	-
	<u>1,530,207</u>

	318,378
	254,087
	123,592
	166,314
	129,947
	<u>65,195</u>
	<u>1,057,513</u>
	472,694
	2,939,905
\$	<u><u>3,412,599</u></u>

WEST HILLS COMMUNITY COLLEGE FOUNDATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2018 WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	June 30,	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 626,063	\$ 472,694
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Decrease in accounts receivable	44,433	149,475
Increase in prepaid assets	(5,435)	-
(Increase)/decrease in accounts payable	21,015	(86,233)
Decrease in funds held for others	-	(10,000)
Net Cash Flows Provided by Operating Activities	<u>686,076</u>	<u>525,936</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in investments	<u>(507,968)</u>	<u>(753,207)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	178,108	(227,271)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	238,286	465,557
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 416,394</u>	<u>\$ 238,286</u>

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

WEST HILLS COMMUNITY COLLEGE FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2018

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2017

	Programs				Total Program Services
	Scholarships	College Enhancement	Athletic Programs	Educational Programs	
EXPENSES					
Salaries	\$ 64,022	\$ 86,914	\$ 44,232	\$ 35,604	\$ 230,772
Benefits	26,439	32,759	15,133	12,065	86,396
Total Salaries and Benefits	90,461	119,673	59,365	47,669	317,168
Donations	451	2,682	1,920	-	5,053
Educational	-	19,088	-	35,673	54,761
Equipment	-	1,698	-	-	1,698
Insurance	-	436	15	900	1,351
Maintenance and repair	-	-	-	-	-
Occupancy	-	1,747	-	-	1,747
Other expenses	200	34,703	4,372	7,013	46,288
Printing and promotion	-	-	-	-	-
Professional services	-	5,495	6,377	-	11,872
Rental	-	7,943	1,775	23,509	33,227
Scholarship	221,674	-	-	54	221,728
Supplies	-	24,820	34,629	27,596	87,045
Travel and training	-	21,070	19,660	27,645	68,375
Total Expenses	<u>\$ 312,786</u>	<u>\$ 239,355</u>	<u>\$ 128,113</u>	<u>\$ 170,059</u>	<u>\$ 850,313</u>

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

<u>Support</u>		<u>Total Support Services</u>	<u>Total Expenses</u>	
<u>General Administrative</u>	<u>Fundraisers</u>		<u>June 30,</u>	
			<u>2018</u>	<u>2017</u>
\$ 90,872	\$ 26,012	\$ 116,884	\$ 347,656	\$ 239,572
35,020	9,620	44,640	131,036	81,711
125,892	35,632	161,524	478,692	321,283
-	-	-	5,053	4,061
-	-	-	54,761	107,389
3,517	-	3,517	5,215	14,373
310	-	310	1,661	1,484
-	-	-	-	(64)
1,150	3,646	4,796	6,543	2,630
6,080	10,557	16,637	62,925	74,551
953	-	953	953	3,872
86	14,770	14,856	26,728	27,532
836	-	836	34,063	20,298
-	-	-	221,728	258,246
4,631	12,791	17,422	104,467	134,717
20,961	181	21,142	89,517	87,141
<u>\$ 164,416</u>	<u>\$ 77,577</u>	<u>\$ 241,993</u>	<u>\$ 1,092,306</u>	<u>\$ 1,057,513</u>

WEST HILLS COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

NOTE 1 - ORGANIZATION AND DESCRIPTION OF ACTIVITIES

The West Hills Community College Foundation is a California non-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 primary purpose of providing scholarships to students and support for programs of the colleges in the District. The Foundation provides opportunities for members of the community to donate property and money for the express purpose of helping 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 non-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.

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. Income tax returns for 2009 and forward may be audited by regulatory agencies, however, the Foundation is not aware of any such actions at this time.

The Organization has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 740 that clarifies the accounting for uncertainty in tax positions taken or expected to be taken on a tax return and provides that the tax effects from an uncertain tax position can be recognized in the financial statements only if, based on its merits, the position is more likely than not to be sustained on audit by the taxing authorities. Management believes that all tax positions taken to date are highly certain, and, accordingly, no accounting adjustment has been made to the financial statements.

Financial Statement Presentation

Under ASC 958-210-50, 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. In addition, the Foundation is required to present a statement of cash flows. The Foundation does not use fund accounting.

WEST HILLS COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

The Foundation and the West Hills Community College District are financial interrelated organizations as defined by *Transfers of Assets to a Nonprofit or Charitable Trust That Holds Contributions for Others*. The Foundation reflects contributions received for the benefit of the District as revenue in its financial statements. The expenses related to these contributions are accounted for under program and supporting services.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Investments

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.

Comparative Totals

The financial statements include certain prior year summarized information in total but not by functional expense categories. Such information does not constitute sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

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.

WEST HILLS COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

Description of Program and Supporting Services

The following program and supporting services are included in the accompanying financial statements:

Scholarships

The West Hills Community College Foundation manages over 65 scholarship accounts that benefit students at West Hills College Coalinga and West Hills College Lemoore. Money for the scholarships is held in the foundation and the awarding of the scholarships is done by committee at each campus. By meeting a match challenge by the Osher Foundation to the California Community Colleges, the Foundation is able to award more than 36 annual scholarships of up to \$1,000 each. Those scholarships are endowed in perpetuity with the funds being held in an endowment account at the Foundation for California Community Colleges. Another major scholarship program is the President's Scholars Program. These students receive \$250 a semester in books and free tuition if fee waivers are unavailable.

College Enhancement

The Foundation manages a number of accounts that benefit the colleges. A large group of accounts held by the foundation are holding accounts for funds generated by MAA activities to provide students and community members information on Medical and Healthy Families insurance. Reimbursements that come to the colleges providing the information are then available for campus activities. The foundation also generates contributions from the public for general college and district use.

Athletic Programs

Both West Hills College Coalinga and West Hills College Lemoore have a number of athletic programs that raise funds, which are held by the Foundation. These funds are then available for expenses for the teams and athletes.

Educational Programs

A number of special programs generate funds that are held and managed by the Foundation. These include the 5-C summer and SOAR camps at West Hills College Lemoore. These camps and other programs, such as the Westside Institute of Technology, receive contributions or fees and pay expenses through the foundation.

General Administrative

The Foundation is managed by an executive director to ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy, secure proper administrative functioning of the Board of Directors; and to manage the financial and budgetary responsibilities of the Organization. A secretary and an accounting technician are also part of the foundation staff. All are employees of West Hills Community College District.

WEST HILLS COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

Fundraising

The Foundation is a separate 501(c)3 corporation to which tax-deductible contributions can be made. The foundation provides the structure necessary to encourage and secure financial support from individuals, foundations, and corporations.

Membership

There is no formal membership, other than the board of directors, for the Foundation.

NOTE 3 - CASH

Deposits

For the fiscal years ended June 30, 2018 and 2017, the carrying amounts of the Foundation's deposits were \$416,394 and \$238,286, respectively. On June 30, 2018, the bank balances totaled \$312,635. Of this amount, \$295,835 is federally insured by the Federal Deposit Insurance Corporation.

NOTE 4 - INVESTMENTS

Investments at June 30, 2018 and 2017, held on behalf of the West Hills Community College Foundation are presented below:

<u>June 30, 2018</u>	<u>Cost</u>	<u>Market/ Carry</u>	<u>Unrealized Gain/(Loss)</u>
Mutual Funds	\$ 175,879	\$ 193,699	\$ 17,820
Stocks, options and ETFs	627,912	619,183	(8,729)
Municipal bonds	667,829	644,901	(22,928)
Corporate Fixed Income	415,841	394,849	(20,992)
U.S. Government Securities	104,780	105,281	501
Unit Investment Trusts	747,579	721,998	(25,581)
Certificates of deposits	334,524	314,634	(19,890)
Preferred/fixed rate cap securities	52,408	51,873	(535)
ETFs and CEFs	304,740	299,727	(5,013)
Assets invested in the CCSE - Pooled trust	300,021	336,007	35,986
Total	<u>\$ 3,731,513</u>	<u>\$ 3,682,152</u>	<u>\$ (49,361)</u>

WEST HILLS COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

<u>June 30, 2017</u>	<u>Cost</u>	<u>Market/ Carry</u>	<u>Unrealized Gain/(Loss)</u>
Mutual Funds	\$ 101,807	\$ 106,984	\$ 5,176
Stocks, options and ETFs	485,285	412,330	(72,955)
Municipal bonds	395,478	391,485	(3,993)
Corporate Fixed Income	125,006	122,625	(2,380)
U.S. Government Securities	392,562	377,435	(15,128)
Unit Investment Trusts	843,505	857,386	13,882
Certificates of deposits	334,379	318,784	(15,595)
Preferred/fixed rate cap securities	64,283	65,997	1,715
ETFs and CEFs	215,587	189,446	(26,141)
Assets invested in the CCSE - Pooled trust	300,021	314,913	14,892
Total	<u>\$ 3,257,912</u>	<u>\$ 3,157,384</u>	<u>\$ (100,528)</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.

Investment Policies

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. In order to meet its needs, the investment strategy of the West Hills Community College Foundation is to emphasize total return; that is, the aggregate return from capital appreciation and dividend and interest income. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested to meet or exceed the market index, or blended market index, selected and agreed upon by the Finance Committee that most closely corresponds to the style of investment management. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately three percent annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

WEST HILLS COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation may distribute up to five percent of accrued interest annually from scholarship endowments for intended scholarship awards. In establishing this policy, the Foundation considered the long-term expected return on its endowment and the need to maintain some investment income in reserve to plan for the potential of scholarship awards exceeding investment income.

NOTE 5 - MARKET VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Foundation determines the fair market values of certain financial instruments based on the fair value hierarchy established in Statement of Financial Accounting Standards, *Fair Value Measurements*, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value.

The following provides a summary of the hierarchical levels used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 1 asset and liabilities may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities may include debt securities with quoted prices that are traded less frequently than exchange-traded instruments and other instruments whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes U.S. Government and agency mortgage-backed debt securities, corporate debt securities, derivative contracts, residential mortgage, and loans held-for-sale.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private equity investments, retained residual interests in securitizations, residential MSRs, asset-backed securities (ABS), highly structured or long-term derivative contracts and certain collateralized debt obligations (CDO) where independent pricing information was not able to be obtained for a significant portion of the underlying assets.

WEST HILLS COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

Assets and Liabilities Recorded at Fair Value on a Recurring Basis

The following tables present the balances of the assets measured at fair value on a recurring basis as of June 30, 2018 and 2017, respectively.

June 30, 2018

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 193,699	\$ -	\$ -	\$ 193,699
Common stock	619,183	-	-	619,183
Municipal bonds	644,901	-	-	644,901
Government bonds	394,849	-	-	394,849
U.S. Government Securities	105,281	-	-	105,281
Unit Investment Trusts	721,998	-	-	721,998
Certificates of deposits	314,634	-	-	314,634
Preferred/fixed rate cap securities	51,873	-	-	51,873
ETFs and CEFs	299,727	-	-	299,727
Assets invested in the CCSE - Pooled trust	336,007	-	-	336,007
Total	<u>\$ 3,682,152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,682,152</u>

June 30, 2017

	Level 1	Level 2	Level 3	Total
Mutual Funds	\$ 106,984	\$ -	\$ -	\$ 106,984
Common stock	412,330	-	-	412,330
Municipal bonds	391,485	-	-	391,485
Government bonds	122,625	-	-	122,625
U.S. Government Securities	377,435	-	-	377,435
Unit Investment Trusts	857,386	-	-	857,386
Certificates of deposits	318,784	-	-	318,784
Preferred/fixed rate cap securities	65,997	-	-	65,997
ETFs and CEFs	189,446	-	-	189,446
Assets invested in the CCSE - Pooled trust	314,913	-	-	314,913
Total	<u>\$ 3,157,384</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,157,384</u>

The Foundation did not have any Level 3 investment liabilities as of June 30, 2018 and 2017.

WEST HILLS COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018 and 2017

NOTE 6 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2018 and 2017, are as follows:

	June 30,	
	2018	2017
Program fees	\$ -	\$ 44,433

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2018 and 2017, are as follows:

	June 30,	
	2018	2017
Vendors payable	\$ 48,519	\$ 27,504

NOTE 8 - DONATED SERVICES

The Foundation receives donated services from the College for the general administration of the Foundation. For the years ended June 30, 2018 and 2017, the value of the services received from the College was as follows:

	June 30,	
	2018	2017
Scholarships	\$ 90,461	\$ 57,723
College Enhancement	119,673	72,787
Athletic Programs	59,365	52,216
Educational Programs	47,669	34,810
General Administrative	125,892	73,958
Fundraisers	35,632	29,789
Total	\$ 478,692	\$ 321,283

WEST HILLS COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

NOTE 9 - NET ASSETS

Unrestricted Net Assets

At June 30, 2018, and 2017, unrestricted net assets consisted of the following:

	June 30,	
	2018	2017
Unrestricted	<u>\$ 1,786,281</u>	<u>\$ 1,240,071</u>

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of program funds held for the following various purposes:

	June 30,	
	2018	2017
Endowed program funds available		
General	\$ 45,759	\$ 43,992
WHCC Title V	87,429	84,054
Subtotal endowed funds available for spending	<u>133,188</u>	<u>128,046</u>
Scholarships	882,048	902,876
Other	8,109	13,095
Total	<u>\$ 832,269</u>	<u>\$ 849,719</u>

Permanently Restricted Net Assets

Changes in temporarily and permanently restricted endowment net assets, for which investment and interest earnings may be used for scholarship grants, included the following:

	Endowment Temporarily Restricted	Permanently Restricted	Total Endowments
Beginning of year	\$ 849,719	\$ 1,322,809	\$ 2,172,528
Contributions	189,766	3,800	193,566
Investment income	41,079	58,582	99,661
Net assets released from restrictions	(248,295)	34,921	(213,374)
Total	<u>\$ 832,269</u>	<u>\$ 1,420,112</u>	<u>\$ 2,252,381</u>

WEST HILLS COMMUNITY COLLEGE FOUNDATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018 and 2017

NOTE 10 - SUBSEQUENT EVENTS

The Foundation's management has evaluated events or transactions that may occur for potential recognition or disclosure in the financial statements from the balance sheet date through January 2, 2019, which is the date the financial statements were available to be issued. Management has determined that there were no subsequent events or transactions that would have a material impact on the current year financial statements.