

# Rex A. Phinney

Certified Public Accountant

## INDEPENDENT AUDITOR'S REPORT

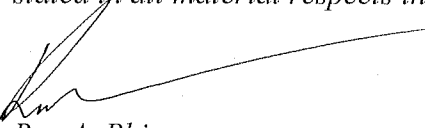
*To the Board of Directors  
Porterville College Foundation*

*I have audited the accompanying statement of financial position of Porterville College Foundation (a nonprofit organization) as of June 30, 2016, and the related statements of activities and cash flows for the twelve months then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.*

*I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that our audit provides a reasonable basis for my opinion.*

*In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Porterville College Foundation as of June 30, 2016, and the changes in its net assets and its cash flows for the twelve months then ended in conformity with accounting principles generally accepted in the United States of America.*

*My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.*

  
*Rex A. Phinney  
Certified Public Accountant  
December 15, 2016*

**Porterville College Foundation**  
**STATEMENT OF FINANCIAL POSITION**  
*June 30, 2016*

**ASSETS**

**CURRENT ASSETS**

<i>Cash and cash equivalents</i>	\$	184,489
<i>Accounts receivable</i>		1,125
<i>Investments</i>		6,245,721
<i>Current portion of notes receivable</i>		9,264
<i>Prepaid expenses</i>		743
<i>Total Current Assets</i>		6,441,342

**FIXED ASSETS**

<i>Property and equipment, net</i>		76,440
<i>Total Fixed Assets</i>		76,440

**OTHER ASSETS**

<i>Notes receivable- net of current portion</i>		200,105
<i>Total Other Assets</i>		200,105

<i>Total Assets</i>	\$	6,717,887
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

<i>Accounts payable</i>	\$	22,089
<i>Sales tax payable</i>		141
<i>Scholarships payable</i>		23,000
<i>Total Current Liabilities</i>		45,230

**NET ASSETS**

<i>Unrestricted</i>		1,124,727
<i>Temporarily restricted</i>		3,997,074
<i>Permanently restricted</i>		1,550,856
<i>Total Net Assets</i>		6,672,657

<i>Total Liabilities and Net Assets</i>	\$	6,717,887
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*See Independent Auditor's Report and Accompanying Notes*

**Porterville College Foundation**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
For the Twelve Months Ended June 30, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES AND SUPPORT</b>				
Contributions/donations	\$ 8,840	\$ 218,133	\$ -	\$ 226,973
Fundraising	-	22,279	-	22,279
Grants	-	75,000	-	75,000
Interest income	570	12,848	-	13,418
Investment income	72,697	147,950	-	220,647
Other revenues	-	8,902	-	8,902
Realized gain on investment	-	1,845	-	1,845
SMART lab	-	12,450	-	12,450
Swap meet	466,040	-	-	466,040
Ticket sales	-	2,405	-	2,405
Unrealized loss on investment	(52,614)	(128,301)	-	(180,915)
Net assets released from restriction- or transferred	5,621	(206,766)	201,145	-
Total Revenues and Support	<u>501,154</u>	<u>166,745</u>	<u>201,145</u>	<u>869,044</u>
<b>EXPENDITURES</b>				
Scholarship distributions	40,000	177,150	-	217,150
SMART lab	-	72,251	-	72,251
Swap meet	328,472	-	-	328,472
Other programs	-	100,130	-	100,130
General and administrative	135,690	-	-	135,690
Total Expenses	<u>504,162</u>	<u>349,531</u>	<u>-</u>	<u>853,693</u>
Changes in Net Assets	(3,008)	(182,786)	201,145	15,351
<b>BEGINNING NET ASSETS</b>	1,127,735	4,179,860	1,349,711	6,657,306
<b>ENDING NET ASSETS</b>	<u>\$ 1,124,727</u>	<u>\$ 3,997,074</u>	<u>\$ 1,550,856</u>	<u>\$ 6,672,657</u>

See Independent Auditor's Report and Accompanying Notes

**Porterville College Foundation**  
**STATEMENT OF CASH FLOWS**  
*June 30, 2016*

**CASH FLOWS FROM OPERATING ACTIVITIES**

Changes in net assets	\$	15,351
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation		8,965
Unrealized gain/ (loss) in investments		(180,915)
(Increase) decrease in:		
Accounts receivable		(625)
Prepaid expenses		(284)
Increase (decrease) in:		
Accounts payable		17,009
Payroll tax liabilities		(1,435)
Net Cash Provided (Used) by Operating Activities		(141,934)

**CASH FLOWS FROM INVESTING ACTIVITIES**

Investment incomes		71,834
Net Cash Provided (Used) by Investing Activities		71,834

**CASH FLOWS FROM FINANCING ACTIVITIES**

Proceeds from notes receivable		8,728
Net Cash Provided (Used) by Financing Activities		8,728

		(61,372)
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<b>CASH, BEGINNING OF YEAR</b>		245,861
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<b>CASH, END OF YEAR</b>	\$	184,489
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