

**VENTURA COUNTY
COMMUNITY FOUNDATION**

FINANCIAL STATEMENTS

September 30, 2006

VENTURA COUNTY COMMUNITY FOUNDATION

September 30, 2006

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities and Changes in Net Assets	3
Statement of Cash Flows	4
Notes to Financial Statements	5 – 11
Supplemental Information:	
Schedule of Selected Financial Information	
Exclusive of the Martin V. and Martha K. Smith Foundation	12
Schedule of Selected Financial Information	
Martin V. and Martha K. Smith Foundation	13

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ventura County Community Foundation
Camarillo, California

We have audited the accompanying statement of financial position of the Ventura County Community Foundation (a non-profit organization) as of September 30, 2006, and the related statements of activities and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audit. Information for the year ended September 30, 2005, is presented for comparative purposes only and was extracted from the financial statements for that year, on which an unqualified opinion dated November 9, 2006, was expressed.

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 misstatements. 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 the Ventura County Community Foundation as of September 30, 2006, 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of selected financial information on pages 12 and 13 are presented for purposes of additional analysis and are 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.

McGowan Guntermann

November 9, 2006

VENTURA COUNTY COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL POSITION

September 30, 2006

(With Comparative Totals for September 30, 2005)

ASSETS

	<u>2006</u>	(Memo) <u>RESTATED</u> <u>2005</u>
CURRENT ASSETS		
Cash and equivalents	\$ 6,285,992	\$ 4,739,191
Accounts receivable	42,267	35,843
Pledges receivable (Note 2)	302,936	10,080,911
Prepaid expenses	<u>29,042</u>	<u>54,060</u>
Total Current Assets	<u>6,660,237</u>	<u>14,910,005</u>
INVESTMENTS (Note 3)	<u>82,482,395</u>	<u>68,567,847</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment	157,585	143,538
Leasehold improvements	<u>15,294</u>	<u>15,294</u>
	172,879	158,832
Less: accumulated depreciation	<u>(120,510)</u>	<u>(107,494)</u>
Net Property and Equipment	<u>52,369</u>	<u>51,338</u>
OTHER ASSETS		
Cash surrender value of life insurance	291,233	248,513
Pledges receivable - noncurrent (Note 2)	7,515,906	7,442,229
Planned gifts (Note 4)	<u>2,064,488</u>	<u>2,006,454</u>
Total Other Assets	<u>9,871,627</u>	<u>9,697,196</u>
TOTAL ASSETS	<u>\$ 99,066,628</u>	<u>\$ 93,226,386</u>

LIABILITIES AND NET ASSETS

	<u>2006</u>	(Memo) <u>RESTATED</u> <u>2005</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 80,523	\$ 50,229
Grants payable	<u>6,416,526</u>	<u>1,861,575</u>
Total Current Liabilities	<u>6,497,049</u>	<u>1,911,804</u>
OTHER LIABILITIES		
Deferred income	40,574	41,069
Planned giving liability	168,991	176,026
Funds held as agency endowments (Note 6)	<u>10,108,691</u>	<u>8,771,041</u>
Total Other Liabilities	<u>10,318,256</u>	<u>8,988,136</u>
TOTAL LIABILITIES	<u>16,815,305</u>	<u>10,899,940</u>
NET ASSETS		
UNRESTRICTED		
General operating	449,142	439,327
Supporting organization (Note 1)	11,560,996	14,865,788
Board-designated endowment	226,766	222,488
Pass-through	3,613,276	3,597,816
Planned giving	108,765	113,902
Endowments	<u>56,360,538</u>	<u>53,080,689</u>
Total Unrestricted	<u>72,319,483</u>	<u>72,320,010</u>
TEMPORARILY RESTRICTED		
Contributions with time restrictions	7,574,919	7,593,680
Regranting	311,881	455,652
Planned giving	<u>2,045,040</u>	<u>1,957,104</u>
Total Temporarily Restricted	<u>9,931,840</u>	<u>10,006,436</u>
Total Net Assets	<u>82,251,323</u>	<u>82,326,446</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 99,066,628</u></u>	<u><u>\$ 93,226,386</u></u>

The accompanying notes are an integral part of these financial statements

VENTURA COUNTY COMMUNITY FOUNDATION

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended September 30, 2006

(With Comparative Totals for the Year Ended September 30, 2005)

	2006			(Memo)
	Unrestricted	Temporarily Restricted	Total	RESTATED 2005
REVENUE, GAINS AND OTHER SUPPORT				
Contributions, grants, and bequests	\$ 4,664,424	\$ 614,459	\$ 5,278,883	\$ 32,348,055
Less amounts received for agency endowments (Note 6)	1,055,728	-	1,055,728	404,896
Total contributions, grants and bequests	3,608,696	614,459	4,223,155	31,943,159
Special events, net of expenses of \$59,781 and \$76,602	188,080	-	188,080	200,605
Interest and dividend income	2,076,945	4,800	2,081,745	1,523,808
Less amounts earned on agency endowments (Note 6)	221,515	-	221,515	196,291
Total interest and dividend income	1,855,430	4,800	1,860,230	1,327,517
Change in value of split interest agreements and residual trusts	-	139,007	139,007	172,323
Unrealized gains on investments	601,656	-	601,656	3,723,745
Less unrealized gains on agency endowments (Note 6)	103,671	-	103,671	537,307
Net unrealized gains on investments	497,985	-	497,985	3,186,438
Realized gains on investments	2,684,931	-	2,684,931	2,643,513
Less realized gains on agency endowments (Note 6)	395,386	-	395,386	444,502
Net realized gains on investments	2,289,545	-	2,289,545	2,199,011
Management fees, workshops, consulting and other revenue	785,298	-	785,298	644,359
Net assets released from restrictions (Note 8)	832,862	(832,862)	-	-
Total Revenue, Gains, and Other Support	10,057,896	(74,596)	9,983,300	39,673,412
GRANTS AND DISTRIBUTIONS				
Grants and distributions	7,976,829	-	7,976,829	4,338,734
Less grants made from agency endowments (Note 6)	310,215	-	310,215	323,150
Net grants and distributions	7,666,614	-	7,666,614	4,015,584
Planned giving	11,765	-	11,765	9,920
Rescinded grants	(138,750)	-	(138,750)	(76,488)
Total Grants and Distributions	7,539,629	-	7,539,629	3,949,016
EXPENSES				
Program services	877,611	-	877,611	881,943
Management and general	1,505,721	-	1,505,721	1,090,643
Fundraising	135,462	-	135,462	64,539
Total Expenses	2,518,794	-	2,518,794	2,037,125
CHANGE IN NET ASSETS	(527)	(74,596)	(75,123)	33,687,271
NET ASSETS, BEGINNING OF YEAR - RESTATED (Note 10)	72,320,010	10,006,436	82,326,446	48,639,175
NET ASSETS, END OF YEAR	\$ 72,319,483	\$ 9,931,840	\$ 82,251,323	\$ 82,326,446

The accompanying notes are an integral part of these financial statements

VENTURA COUNTY COMMUNITY FOUNDATION

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2006

(With Comparative Amounts for the Year Ended September 30, 2005)

	<u>2006</u>	(Memo) <u>RESTATED</u> <u>2005</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (75,123)	\$ 33,687,271
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	18,428	18,018
Loss on disposition of assets	-	201
Contributions of donated stock and office equipment	(527,816)	(1,237,338)
Net realized and unrealized gains on long-term investments	(2,787,530)	(6,367,258)
Decrease (increase) in pledges and accounts receivable	9,697,874	(11,840,363)
Decrease (increase) in prepaid expenses and deposits	25,018	(119)
Increase in cash surrender value of life insurance	(42,720)	(17,769)
Increase in planned gifts	(58,034)	(175,957)
Increase (decrease) in accounts payable and accrued expenses	30,294	(22,551)
Increase in grants payable	4,554,951	1,574,540
Increase (decrease) in planned giving liability	(7,035)	18,346
Decrease in deferred revenue	(495)	(1,939)
Increase in funds held as agency endowment	<u>1,337,650</u>	<u>1,145,674</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>12,165,462</u>	<u>16,780,756</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	(15,859)	(1,062)
Proceeds from sale of marketable securities	18,976,264	28,257,997
Purchase of marketable securities	<u>(29,579,066)</u>	<u>(43,997,126)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(10,618,661)</u>	<u>(15,740,191)</u>
 NET INCREASE IN CASH	1,546,801	1,040,565
 CASH - BEGINNING OF YEAR	<u>4,739,191</u>	<u>3,698,626</u>
 CASH - END OF YEAR	<u>\$ 6,285,992</u>	<u>\$ 4,739,191</u>

The accompanying notes are an integral part of these financial statements

VENTURA COUNTY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Ventura County Community Foundation (the “Foundation”) was formed to provide a vehicle through which contributions and bequests can be made for charitable, educational, and related purposes, in Ventura County, enabling and promoting philanthropy to improve our communities, with the proviso that these funds would be administered and distributed by an independent organization. The Foundation administers more than 400 individual funds, each established with a gift instrument describing either the general or specific purpose for which grants are made.

Basis of Accounting

The accompanying financial statements of the Foundation have been prepared in accordance with Statement of Financial Accounting Standards No. 117, Financial Statements of Not-for-Profit Organizations (SFAS 117). SFAS 117 establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories according to externally (donor) imposed restrictions as follows:

Unrestricted Net Assets

The unrestricted group of net assets represents unrestricted resources available for current support of Foundation activities.

Temporarily Restricted Net Assets

Temporarily restricted net assets include planned giving and gifts that may have time restrictions, as requested by the donors. Earnings on temporarily restricted net assets are reported as an increase in temporarily restricted net assets. When a restriction expires, (when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as “net assets released from restrictions”

Cash and Cash Equivalents

The Foundation includes in cash equivalents all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

The fair market value of financial instruments has been determined through quoted market values and discounted cash flow analysis to approximate the amounts recorded in the statement of financial position.

Donated Property and Investments

Donated property and investments are recorded as contributions at their fair market value at date of receipt.

VENTURA COUNTY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donor Restrictions

Generally accepted accounting principles in the United States of America provide that when the governing body of an organization, such as a community foundation, has the unilateral power to redirect the use of a donor's contribution to another beneficiary, such contributions must be classified as unrestricted net assets. The Board of Directors of the Foundation has such power (variance power); however, the Board would exercise this authority only if the stated purpose of a contribution is no longer applicable and incapable of fulfillment. It is the expressed intention of the Foundation to honor the designations of the donors. The Foundation's financial statements classify all net assets as unrestricted, with the exception of assets related to planned giving or those with time restrictions, which are classified as temporarily restricted net assets.

Property and Equipment

The Foundation's investment in equipment and leasehold improvements is stated at cost, or fair market value if donated. Depreciation is calculated using the straight-line method over an estimated useful life of five to ten years.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

Supporting Organization

The accounts of the Martin V. and Martha K. Smith Foundation, a supporting organization, are included in these financial statements. A supporting organization is a separately incorporated charitable organization administered by the Foundation. Its public charity status is attained through its affiliation with the Foundation. The net assets of the supporting organization totaled \$11,560,996 and \$14,865,788 as of September 30, 2006 and 2005, respectively.

Income Taxes

The Foundation is a California nonprofit public benefit corporation, which is exempt from income taxes under Internal Revenue Code Section number 501(c)(3) and State of California Revenue and Taxation Code Section 23701(d); therefore, no provision for income taxes is required. The Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

VENTURA COUNTY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services

Donated goods and services received by the Foundation are recorded at fair market value at the time of the donation. During the fiscal year ended September 30, 2006 and 2005, hundreds of volunteers gave their time and expertise to the Foundation in a wide variety of areas including grants and scholarship committees; administrative, technical and financial advice; and office and public relations activities. This contribution, despite its considerable value to the mission of the Foundation, is not reflected in the financial statements.

Contributions Receivable

Unconditional promises to give are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Grants

Grants are recorded as expenses when they are approved by the Board of Directors for payment.

Comparative Amounts

The amounts shown for 2005 in the accompanying financial statements are included to provide a basis for comparison with 2006 and are not intended to present all information necessary for a fair presentation of the 2005 financial statements in conformity with accounting principles generally accepted in the United States of America.

Note 2 - PLEDGES RECEIVABLE

Unconditional promises are included in the financial statements as pledges receivable and revenue of the appropriate net asset category. At September 30, unconditional promises are expected to be realized in the following periods:

	<u>2006</u>	<u>2005</u>
In one year or less	\$ 302,936	\$ 10,082,911
In more than one year	7,517,906	7,442,229
Allowance for uncollectible pledges	<u>(2,000)</u>	<u>(2,000)</u>
Pledges receivable, net	<u>\$ 7,818,842</u>	<u>\$ 17,523,140</u>
Pledges receivable at September 30 have the following restrictions:		
Hispanic Legacy Fund	\$ 78,955	\$ 78,955
Women's Legacy Fund	12,600	12,600
The Heritage Fund	4,000	4,000
Scholarships	735,620	775,620
Donor restricted	6,837,667	16,651,965
Technology center and leadership	150,000	-

VENTURA COUNTY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 3 - INVESTMENTS

Investments are presented in the financial statements at fair market value, which is derived from quoted market prices at year end. At September 30, 2006 and 2005, marketable securities consist of the following:

	<u>Cost</u>	<u>Market Value</u>	<u>Excess of Market Over (Under) Cost</u>
<u>2006</u>			
Money market	\$ 1,961,137	\$ 1,961,137	\$ -
Corporate stocks	24,974,315	29,014,707	4,040,392
Investment companies	14,146,711	14,589,154	442,443
Bonds	5,825,729	5,766,872	(58,857)
Real estate investment trusts	552,062	440,396	(111,666)
Mutual funds	<u>27,452,124</u>	<u>30,710,129</u>	<u>3,258,005</u>
Total	<u>\$ 74,912,078</u>	<u>\$ 82,482,395</u>	<u>\$ 7,570,317</u>

<u>2005</u>			
Money market	\$ 4,135,915	\$ 4,135,915	\$ -
Corporate stocks	23,010,448	26,182,972	3,172,524
Investment companies	9,816,454	11,150,087	1,333,633
Bonds	3,405,937	3,359,972	(45,965)
Mutual funds	<u>21,229,862</u>	<u>23,738,901</u>	<u>2,509,039</u>
Total	<u>\$ 61,598,616</u>	<u>\$ 68,567,847</u>	<u>\$ 6,969,231</u>

The following summarizes the net change in unrealized gain on investments:

	<u>Cost</u>	<u>Market Value</u>	<u>Excess of Market Over Cost</u>
<u>2006</u>			
Balance at end of the year	\$ 74,912,078	\$ 82,482,395	\$ 7,570,317
Balance at the beginning of the year	61,598,616	68,567,847	<u>6,969,231</u>
Net change in unrealized gain on investments			<u>\$ 601,656</u>

<u>2005</u>			
Balance at end of the year	\$ 61,598,616	\$ 68,567,847	\$ 6,969,231
Balance at the beginning of the year	41,983,241	45,228,727	<u>3,245,486</u>
Net change in unrealized gain on investments			<u>\$ 3,723,745</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended September 30, 2006:

	<u>VCCF Endowments</u>	<u>Smith Foundation</u>	<u>Agency Endowments</u>	<u>Total</u>
Dividends and interest	\$ 1,651,362	\$ 430,383	\$ 221,515	\$ 1,860,230
Investment expense	<u>(887,738)</u>	<u>(139,946)</u>	<u>(128,433)</u>	<u>(899,251)</u>
Net investment gain	763,624	290,437	93,082	960,979
Net unrealized gains	372,131	229,525	103,671	497,985
Net realized gains (losses)	<u>2,239,527</u>	<u>445,404</u>	<u>395,386</u>	<u>2,289,545</u>
Return on long-term investments	<u>\$ 3,375,282</u>	<u>\$ 965,366</u>	<u>\$ 592,139</u>	<u>\$ 3,748,509</u>

VENTURA COUNTY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 3 - INVESTMENTS (continued)

Investment expenses for the years ended September 30, 2006 and 2005, totaled \$1,027,684 and \$856,389, respectively, and are included in the management and general expenses.

The Foundation, in accordance with the Uniform Management of Institutional Funds Act, allows the Board of Directors to appropriate the net appreciation based upon the Foundation's present and anticipated financial requirements, expected and total return on its investments, price level trends, and general economic conditions. The Board of Directors may distribute all or part of the accumulated earnings of each fund at its discretion, unless otherwise restricted by the terms of the specific fund.

As of September 30, 2006, the Foundation held three endowment funds where the principal had fallen below the original corpus due to market conditions. The amount of the shortfall was \$165,253.

Note 4 - PLANNED GIVING

The Foundation is the residual beneficiary of two irrevocable trusts, the assets of which are not in the possession of the Foundation. Upon termination of each trust, the Foundation shall receive the assets remaining in the trust. The Foundation recognizes annually the change in the present value of the estimated future benefits to be received when the trust assets are distributed as increases or decreases in the value of split-interest agreements on the Statements of Activities. The present value calculations are based upon the value of the trusts in 1991, when the trusts were established, and the applicable federal rate at September 30, 2006.

The Foundation is the beneficiary of a pooled income fund maintained by a trustee. A pooled income fund pools, invests and manages life income gifts from different donors. During the term of the life income fund, the donors receive the actual income earned on their units in the fund. Upon their death, the donor's units revert to the Foundation. The Foundation recognizes annually the change in the present value of the estimated future benefits to be received when the fund assets are distributed as an increase or decrease in the value of split-interest agreements on the Statement of Activities.

Donors have contributed assets to the Foundation in exchange for a promise by the Foundation to pay to the donor or to individuals or organizations designated by the donor a fixed amount for a specified period of time. Under the terms of the charitable gift annuity agreements, no trust exists, as the assets received are held by, and the liability is an obligation of, the Foundation. The present value of payments to beneficiaries under these arrangements is calculated using discount rates representing risk-free rates in existence at the date of the gift. The liability is the value of the annuity contract as determined by Section 72 of the Internal Revenue Code and the tax tables thereunder.

VENTURA COUNTY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 4 - PLANNED GIVING (continued)

The asset balance of the Foundation's interest in planned gifts at September 30, 2006 and 2005 is as follows:

	<u>2006</u>	<u>2005</u>
Charitable remainder trusts	\$ 1,716,406	\$ 1,632,359
Pooled income fund	74,247	77,569
Charitable gift annuities	<u>273,835</u>	<u>296,526</u>
Total	<u>\$ 2,064,488</u>	<u>\$ 2,006,454</u>

Note 5 - LEASE AGREEMENT

The Foundation rents facilities under a lease agreement expiring in November 2007, payable in monthly installments of \$6,507, with increases scheduled annually. The Foundation holds an option to extend this lease for an additional five years. In addition, the Foundation entered into a joint office-use agreement with United Way. The Foundation pays for twenty-five percent of the specified combined space through November, 2007. For the year ended September 30, 2006, the amount was \$774 per month. Minimum annual lease payments are as follows for the fiscal years ended September 30:

2007	\$ 89,562
2008	<u>15,000</u>
Total	<u>\$ 104,562</u>

Lease expense for the years ended September 30, 2006 and 2005 totaled \$86,967 and \$84,614, respectively.

Note 6 - AGENCY ENDOWMENTS

The Foundation has adopted Statement of Financial Accounting Standard No. 136, Transfer of Assets to a Not-for-profit Organization or Charitable Trust that Raises or Holds Contributions for Others (SFAS 136). SFAS 136 specifically requires that if a not-for-profit organization establishes a fund at a community foundation with its own funds and specifies itself as the beneficiary of that fund, the community foundation must account for the transfer of such assets as a liability. The Foundation refers to such funds as agency endowments.

The Foundation maintains variance power and legal ownership of agency endowment funds and as such continues to report the funds as assets of the Foundation. However, in accordance with SFAS 136, a liability has been established for the fair market value of the funds.

At September 30, 2006, the Foundation was the owner of seventy-six agency endowment funds with a combined fair value of \$10,108,691. All financial activity for the year then ended related to these funds is segregated on the Statement of Activities and has been reclassified to the agency endowment liability.

VENTURA COUNTY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 7 - CONCENTRATIONS OF REVENUE AND CREDIT RISK

The Foundation maintains cash balances at Wells Fargo Bank. Accounts at Wells Fargo Bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At September 30, 2006, the Foundation has an excess of \$336,817 over the FDIC insured amount.

The Foundation maintains a majority of cash balances in money market funds. Such balances are not fully insured.

At September 30, 2006, \$33,111,662 of the Foundation's long-term investments and money market funds were held in custodial accounts by a bank and invested by six separate asset managers in numerous securities and one mutual fund. In addition, one mutual fund company held \$20,268,956 invested in two mutual funds.

Note 8 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by satisfying the restricted purposes specified by donors.

	<u>2006</u>	<u>2005</u>
Regranting	\$ 719,688	\$ 578,313
Time restriction met	106,287	26,000
Planned giving	<u>6,887</u>	<u>17,920</u>
Total	<u>\$ 832,862</u>	<u>\$ 622,233</u>

Note 9 - RETIREMENT PLAN

In January, 2001, the Foundation adopted a SIMPLE IRA plan for eligible employees, defined as those who have received at least \$5,000 in compensation in the prior year and are reasonably expected to earn at least that same amount in the current year. Under the plan, employees may defer a percentage of their income up to the maximum allowed by the IRS. The Foundation will provide a matching contribution equal to 100% of the elected deferrals up to 3% of their annual compensation. For the years ended September 30, 2006 and 2005 the SIMPLE IRA expense totaled \$22,103 and \$16,464, respectively.

Note 10 - RESTATEMENT OF NET ASSETS

Temporarily restricted net assets have been adjusted as of September 30, 2004, and certain contributions and income have been adjusted for the year ended September 30, 2005. The adjustments are to record the bequests by two separate individuals, a partial interest in their irrevocable trusts. The results of the restatement are an increase in the temporarily restricted net assets of \$5,626,643 as of September 30, 2004, and an increase in the change in temporarily restricted net assets of \$1,762,942 for the year ended September 30, 2005, for a total increase in temporarily restricted net assets of \$7,389,585 as of September 20, 2005.

SUPPLEMENTAL INFORMATION

VENTURA COUNTY COMMUNITY FOUNDATION

SUPPLEMENTAL SCHEDULE OF SELECTED FINANCIAL INFORMATION EXCLUSIVE OF THE MARTIN V. AND MARTHA K. SMITH FOUNDATION September 30, 2006 and 2005

ASSETS, LIABILITIES, AND NET ASSETS

	<u>2006</u>	RESTATED <u>2005</u>
CURRENT ASSETS		
Cash and equivalents	\$ 6,265,133	\$ 4,723,388
Other current assets	<u>374,245</u>	<u>10,170,814</u>
Total Current Assets	6,639,378	14,894,202
 INVESTMENTS	 66,042,258	 52,317,862
 OTHER ASSETS	 <u>9,923,996</u>	 <u>9,748,534</u>
 TOTAL ASSETS	 <u>\$ 82,605,632</u>	 <u>\$ 76,960,598</u>
 LIABILITIES		
Current liabilities	\$ 1,597,049	\$ 511,804
Other liabilities	<u>10,318,256</u>	<u>8,988,136</u>
Total Liabilities	<u>11,915,305</u>	<u>9,499,940</u>
 NET ASSETS	 <u>70,690,327</u>	 <u>67,460,658</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 82,605,632</u>	 <u>\$ 76,960,598</u>

ACTIVITIES AND CHANGES IN NET ASSETS

	<u>2006</u>	RESTATED <u>2005</u>
REVENUE, GAINS, AND OTHER SUPPORT		
Contributions	\$ 4,223,155	\$ 15,901,729
Investment income	3,681,455	6,282,460
Other support	<u>973,378</u>	<u>844,964</u>
Total Revenue, Gains, and Other Support	8,877,988	23,029,153
 GRANTS AND DISTRIBUTIONS	 3,339,488	 2,251,516
 EXPENSES	 <u>2,308,831</u>	 <u>1,884,640</u>
 CHANGE IN NET ASSETS	 3,229,669	 18,892,997
 NET ASSETS, BEGINNING OF YEAR	 <u>67,460,658</u>	 <u>48,567,661</u>
 NET ASSETS, END OF YEAR	 <u>\$ 70,690,327</u>	 <u>\$ 67,460,658</u>

The accompanying notes are an integral part of these financial statements

MARTIN V. AND MARTHA K. SMITH FOUNDATION**SUPPLEMENTAL SCHEDULE OF SELECTED FINANCIAL INFORMATION**

September 30, 2006 and 2005

ASSETS, LIABILITIES, AND NET ASSETS

	<u>2006</u>	RESTATED <u>2005</u>
CASH AND CASH EQUIVALENTS	\$ 20,859	\$ 15,803
INVESTMENTS	<u>16,440,137</u>	<u>16,249,985</u>
TOTAL ASSETS	<u>\$ 16,460,996</u>	<u>\$ 16,265,788</u>
LIABILITIES	\$ 4,900,000	\$ 1,400,000
NET ASSETS	<u>11,560,996</u>	<u>14,865,788</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 16,460,996</u>	<u>\$ 16,265,788</u>

ACTIVITIES AND CHANGES IN NET ASSETS

	<u>2006</u>	RESTATED <u>2005</u>
REVENUE AND GAINS		
Contributions	\$ -	\$ 16,041,430
Investment income	<u>1,105,312</u>	<u>602,829</u>
Total Revenue and Gains	1,105,312	16,644,259
GRANTS AND DISTRIBUTIONS	4,200,141	1,697,500
EXPENSES	<u>209,963</u>	<u>152,485</u>
CHANGE IN NET ASSETS	(3,304,792)	14,794,274
NET ASSETS, BEGINNING OF YEAR	<u>14,865,788</u>	<u>71,514</u>
NET ASSETS, END OF YEAR	<u>\$ 11,560,996</u>	<u>\$ 14,865,788</u>

The accompanying notes are an integral part of these financial statements