

**VENTURA COUNTY
COMMUNITY FOUNDATION**

FINANCIAL STATEMENTS

September 30, 2007

VENTURA COUNTY COMMUNITY FOUNDATION

September 30, 2007

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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, 2007, 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, 2006, 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, 2007, 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

December 10, 2007

VENTURA COUNTY COMMUNITY FOUNDATION

STATEMENT OF FINANCIAL POSITION

September 30, 2007

(With Comparative Totals for September 30, 2006)

ASSETS

	<u>2007</u>	(Memo) <u>2006</u>
CURRENT ASSETS		
Cash and equivalents	\$ 7,111,216	\$ 6,285,992
Accounts receivable	35,654	42,267
Pledges receivable (Note 2)	2,697,005	302,936
Prepaid expenses	<u>34,386</u>	<u>29,042</u>
Total Current Assets	<u>9,878,261</u>	<u>6,660,237</u>
INVESTMENTS (Note 3)	<u>91,009,562</u>	<u>82,482,395</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment	161,724	157,585
Leasehold improvements	<u>30,744</u>	<u>15,294</u>
	192,468	172,879
Less: accumulated depreciation	<u>(123,742)</u>	<u>(120,510)</u>
Net Property and Equipment	<u>68,726</u>	<u>52,369</u>
OTHER ASSETS		
Cash surrender value of life insurance	308,391	291,233
Pledges receivable - noncurrent (Note 2)	7,919,453	7,515,906
Planned gifts (Note 4)	<u>2,174,301</u>	<u>2,064,488</u>
Total Other Assets	<u>10,402,145</u>	<u>9,871,627</u>
TOTAL ASSETS	<u>\$ 111,358,694</u>	<u>\$ 99,066,628</u>

LIABILITIES AND NET ASSETS

	<u>2007</u>	(Memo) <u>2006</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 111,026	\$ 80,523
Grants payable	<u>6,522,788</u>	<u>6,416,526</u>
Total Current Liabilities	<u>6,633,814</u>	<u>6,497,049</u>
OTHER LIABILITIES		
Deferred income	39,846	40,574
Planned giving liability	162,022	168,991
Funds held as agency endowments (Note 6)	<u>11,146,571</u>	<u>10,108,691</u>
Total Other Liabilities	<u>11,348,439</u>	<u>10,318,256</u>
TOTAL LIABILITIES	<u>17,982,253</u>	<u>16,815,305</u>
NET ASSETS		
UNRESTRICTED		
General operating	489,553	449,142
Supporting organization (Note 1)	13,731,220	11,560,996
Board-designated endowment	244,025	226,766
Pass-through	3,634,414	3,613,276
Planned giving	108,765	108,765
Endowments	<u>61,912,894</u>	<u>56,360,538</u>
Total Unrestricted	<u>80,120,871</u>	<u>72,319,483</u>
TEMPORARILY RESTRICTED		
Contributions with time restrictions	10,455,017	7,574,919
Regranting	619,393	311,881
Planned giving	<u>2,181,160</u>	<u>2,045,040</u>
Total Temporarily Restricted	<u>13,255,570</u>	<u>9,931,840</u>
Total Net Assets	<u>93,376,441</u>	<u>82,251,323</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 111,358,694</u>	<u>\$ 99,066,628</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, 2007

(With Comparative Totals for the Year Ended September 30, 2006)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2007 Total</u>	<u>(Memo) 2006</u>
REVENUE, GAINS AND OTHER SUPPORT				
Contributions, grants, and bequests	\$ 1,553,636	\$ 4,768,957	\$ 6,322,593	\$ 5,278,883
Less amounts received for agency endowments (Note 6)	<u>237,617</u>	<u>-</u>	<u>237,617</u>	<u>1,055,728</u>
Total contributions, grants and bequests	1,316,019	4,768,957	6,084,976	4,223,155
Special events, net of expenses of \$58,901 and \$59,781	121,516	-	121,516	188,080
Interest and dividend income	2,540,838	-	2,540,838	2,081,745
Less amounts earned on agency endowments (Note 6)	<u>260,418</u>	<u>-</u>	<u>260,418</u>	<u>221,515</u>
Total interest and dividend income	2,280,420	-	2,280,420	1,860,230
Change in value of split interest agreements and residual trusts	115,699	-	115,699	139,007
Unrealized gains on investments	4,519,837	-	4,519,837	601,656
Less unrealized gains on agency endowments (Note 6)	<u>501,412</u>	<u>-</u>	<u>501,412</u>	<u>103,671</u>
Net unrealized gains on investments	4,018,425	-	4,018,425	497,985
Realized gains on investments	4,712,955	-	4,712,955	2,684,931
Less realized gains on agency endowments (Note 6)	<u>556,496</u>	<u>-</u>	<u>556,496</u>	<u>395,386</u>
Net realized gains on investments	4,156,459	-	4,156,459	2,289,545
Management fees, workshops, consulting and other revenue	967,820	-	967,820	783,133
Net assets released from restrictions (Note 8)	<u>1,445,227</u>	<u>(1,445,227)</u>	<u>-</u>	<u>-</u>
Total Revenue, Gains, and Other Support	<u>14,421,585</u>	<u>3,323,730</u>	<u>17,745,315</u>	<u>9,981,135</u>
EXPENSES				
Program Services				
Grants and distributions, net of rescinded grants of \$80,453 and \$138,750	4,075,655	-	4,075,655	7,847,679
Less grants made from agency endowments (Note 6)	<u>386,286</u>	<u>-</u>	<u>386,286</u>	<u>310,215</u>
Net grants and distributions	3,689,369	-	3,689,369	7,537,464
Other program services	<u>1,003,178</u>	<u>-</u>	<u>1,003,178</u>	<u>877,611</u>
Total Program Services	4,692,547	-	4,692,547	8,415,075
Management and General				
Investment related	1,154,833	-	1,154,833	1,027,684
Other management and general	<u>660,679</u>	<u>-</u>	<u>660,679</u>	<u>478,037</u>
Total Management and General	1,815,512	-	1,815,512	1,505,721
Fundraising	<u>112,138</u>	<u>-</u>	<u>112,138</u>	<u>135,462</u>
Total Expenses	<u>6,620,197</u>	<u>-</u>	<u>6,620,197</u>	<u>10,056,258</u>
CHANGE IN NET ASSETS	7,801,388	3,323,730	11,125,118	(75,123)
NET ASSETS, BEGINNING OF YEAR	<u>72,319,483</u>	<u>9,931,840</u>	<u>82,251,323</u>	<u>82,326,446</u>
NET ASSETS, END OF YEAR	<u>\$ 80,120,871</u>	<u>\$ 13,255,570</u>	<u>\$ 93,376,441</u>	<u>\$ 82,251,323</u>

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, 2007

(With Comparative Amounts for the Year Ended September 30, 2006)

	<u>2007</u>	(Memo) <u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 11,125,118	\$ (75,123)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	19,752	18,428
Loss on disposition of assets	6,288	-
Contributions of donated stock and office equipment	(182,499)	(527,816)
Net realized and unrealized gains on long-term investments	(8,174,884)	(2,787,530)
Decrease (increase) in pledges and accounts receivable	(2,815,208)	9,697,874
Increase in allowance for uncollected pledges	24,205	-
Decrease (increase) in prepaid expenses and deposits	(5,344)	25,018
Increase in cash surrender value of life insurance	(17,158)	(42,720)
Increase in planned gifts	(109,813)	(58,034)
Increase in accounts payable and accrued expenses	30,503	30,294
Increase in grants payable	106,262	4,554,951
Decrease in planned giving liability	(6,969)	(7,035)
Decrease in deferred revenue	(728)	(495)
Increase in funds held as agency endowment	1,037,880	1,337,650
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,037,405</u>	<u>12,165,462</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	(42,397)	(15,859)
Proceeds from sale of marketable securities	29,291,141	18,976,264
Purchase of marketable securities	<u>(29,460,925)</u>	<u>(29,579,066)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(212,181)</u>	<u>(10,618,661)</u>
 NET INCREASE IN CASH	825,224	1,546,801
 CASH - BEGINNING OF YEAR	<u>6,285,992</u>	<u>4,739,191</u>
 CASH - END OF YEAR	<u>\$ 7,111,216</u>	<u>\$ 6,285,992</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 440 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 considers 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 \$13,731,220 and \$11,560,996 as of September 30, 2007 and 2006, 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, 2007 and 2006, 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 2006 in the accompanying financial statements are included to provide a basis for comparison with 2007 and are not intended to present all information necessary for a fair presentation of the 2006 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:

	2007	2006
In one year or less	\$ 2,697,005	\$ 302,936
In more than one year	7,945,658	7,517,906
Allowance for uncollectible pledges	(26,205)	(2,000)
Pledges receivable, net	\$ 10,616,458	\$ 7,818,842
Pledges receivable at September 30 have the following restrictions:		
Women's Legacy Fund	\$ 305,500	\$ 12,600
Heritage Fund	3,150	4,000
Hispanic Legacy Fund	13,750	78,955
Scholarships	1,198,971	735,620
Donor restricted	8,920,087	6,837,667
Resource Center Initiatives	175,000	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, 2007 and 2006, marketable securities consist of the following:

	<u>Cost</u>	<u>Market Value</u>	<u>Excess of Market Over (Under) Cost</u>
<u>2007</u>			
Money market	\$ 1,241,755	\$ 1,241,755	\$ -
Corporate stocks	21,465,561	25,195,874	3,730,313
Investment companies	23,133,584	25,985,567	2,851,983
Bonds	4,714,292	4,801,254	86,962
Real estate investment trusts	89,433	88,836	(597)
Mutual funds	<u>28,274,783</u>	<u>33,696,276</u>	<u>5,421,493</u>
Total	<u>\$ 78,919,408</u>	<u>\$ 91,009,562</u>	<u>\$ 12,090,154</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>

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>2007</u>			
Balance at end of the year	\$ 78,919,408	\$ 91,009,562	\$ 12,090,154
Balance at the beginning of the year	74,912,078	82,482,395	<u>7,570,317</u>
Net change in unrealized gain on investments			<u>\$ 4,519,837</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>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended September 30, 2007:

	<u>VCCF</u>	<u>Smith</u>	<u>Agency</u>	<u>Total</u>
	<u>Endowments</u>	<u>Foundation</u>	<u>Endowments</u>	<u>Total</u>
Dividends and interest	\$ 1,843,694	\$ 436,726	\$ 260,418	\$ 2,540,838
Investment expense	<u>(820,996)</u>	<u>(202,060)</u>	<u>(131,777)</u>	<u>(1,154,833)</u>
Net investment gain	1,022,698	234,666	128,641	1,386,005
Net unrealized gains	3,219,363	799,062	501,412	4,519,837
Net realized gains	<u>2,792,844</u>	<u>1,363,615</u>	<u>556,496</u>	<u>4,712,955</u>
Return on long-term investments	<u>\$ 7,034,905</u>	<u>\$ 2,397,343</u>	<u>\$ 1,186,549</u>	<u>\$ 10,618,797</u>

VENTURA COUNTY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 3 - INVESTMENTS (continued)

Investment expenses for the years ended September 30, 2007 and 2006, totaled \$1,154,833 and \$1,027,684, 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 financials 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.

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, 2007.

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 there under.

The asset balance of the Foundation's interest in planned gifts at September 30, 2007 and 2006 is as follows:

	<u>2007</u>	<u>2006</u>
Charitable remainder trusts	\$ 1,831,962	\$ 1,716,406
Pooled income fund	72,878	74,247
Charitable gift annuities	<u>269,461</u>	<u>273,835</u>
Total	<u>\$ 2,174,301</u>	<u>\$ 2,064,488</u>

VENTURA COUNTY COMMUNITY FOUNDATION

NOTES TO FINANCIAL STATEMENTS

Note 5 - LEASE AGREEMENT

The Foundation rents facilities under a lease agreement expiring in November 2007, payable in monthly installments of \$6,702. The Foundation anticipates signing an option to extend this lease for an additional five years, through November 2012. In addition, the Foundation has 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, 2007, the amount was \$800 per month. Minimum annual lease payments are as follows for the fiscal years ended September 30:

2008	\$ 95,544
2009	99,068
2010	102,032
2011	105,088
2012	108,210
Thereafter	<u>18,122</u>
Total	<u>\$ 528,064</u>

Lease expense for the years ended September 30, 2007 and 2006 totaled \$94,573 and \$86,967, 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, 2007, the Foundation was the owner of 77 agency endowment funds with a combined fair value of \$11,146,571. 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, 2007, the Foundation has an excess of \$7,302,158 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, 2007, \$24,825,567 of the Foundation's long-term investments and money market funds were held in custodial accounts by a bank and invested by seven separate asset managers in numerous securities and mutual funds. In addition, a total of \$33,465,394 was invested in three 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>2007</u>	<u>2006</u>
Regranting	\$ 875,661	\$ 719,688
Time restriction met	561,425	106,287
Planned giving	<u>8,141</u>	<u>6,887</u>
Total	<u>\$ 1,445,227</u>	<u>\$ 832,862</u>

Note 9 - RETIREMENT PLAN

The Foundation has 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, 2007 and 2006 the SIMPLE IRA expense totaled \$26,103 and \$22,103, respectively.

Note 10 - RECLASSIFICATION

Certain amounts from the September 30, 2006 financial statements have been reclassified to conform with the September 30, 2007 financial statement presentation.

SUPPLEMENTAL INFORMATION

VENTURA COUNTY COMMUNITY FOUNDATION

SUPPLEMENTAL SCHEDULE OF SELECTED FINANCIAL INFORMATION EXCLUSIVE OF THE MARTIN V. AND MARTHA K. SMITH FOUNDATION September 30, 2007 and 2006

ASSETS, LIABILITIES, AND NET ASSETS

	<u>2007</u>	<u>2006</u>
CURRENT ASSETS		
Cash and equivalents	\$ 7,052,179	\$ 6,265,134
Other current assets	<u>2,767,045</u>	<u>374,245</u>
Total Current Assets	9,819,224	6,639,379
INVESTMENTS	72,587,379	66,042,258
OTHER ASSETS	<u>10,470,871</u>	<u>9,923,996</u>
TOTAL ASSETS	<u>\$ 92,877,474</u>	<u>\$ 82,605,633</u>
LIABILITIES		
Current liabilities	\$ 1,908,814	\$ 1,597,049
Other liabilities	<u>11,348,439</u>	<u>10,318,256</u>
Total Liabilities	<u>13,257,253</u>	<u>11,915,305</u>
NET ASSETS	<u>79,645,221</u>	<u>70,690,328</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 92,902,474</u>	<u>\$ 82,605,633</u>

ACTIVITIES AND CHANGES IN NET ASSETS

	<u>2007</u>	<u>2006</u>
REVENUE, GAINS, AND OTHER SUPPORT		
Contributions	\$ 6,084,976	\$ 4,223,155
Investment income	7,971,600	3,681,455
Other support	<u>1,089,336</u>	<u>971,213</u>
Total Revenue, Gains, and Other Support	15,145,912	8,875,823
EXPENSES		
Grants and distributions	3,506,369	3,337,323
Other expenses	<u>2,684,650</u>	<u>2,308,830</u>
Total Expenses	<u>6,191,019</u>	<u>5,646,153</u>
CHANGE IN NET ASSETS	8,954,893	3,229,670
NET ASSETS, BEGINNING OF YEAR	<u>70,690,328</u>	<u>67,460,658</u>
NET ASSETS, END OF YEAR	<u>\$ 79,645,221</u>	<u>\$ 70,690,328</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, 2007 and 2006

ASSETS, LIABILITIES, AND NET ASSETS

	<u>2007</u>	<u>2006</u>
CASH AND CASH EQUIVALENTS	\$ 59,037	\$ 20,858
INVESTMENTS	<u>18,422,183</u>	<u>16,440,137</u>
TOTAL ASSETS	<u>\$ 18,481,220</u>	<u>\$ 16,460,995</u>
LIABILITIES	\$ 4,725,000	\$ 4,900,000
NET ASSETS	<u>13,731,220</u>	<u>11,560,995</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 18,456,220</u>	<u>\$ 16,460,995</u>

ACTIVITIES AND CHANGES IN NET ASSETS

	<u>2007</u>	<u>2006</u>
INVESTMENT INCOME	\$ 2,599,403	\$ 1,105,312
EXPENSES		
Grants and Distributions	183,000	4,200,141
Other Expenses	<u>246,178</u>	<u>209,964</u>
Total Expenses	<u>429,178</u>	<u>4,410,105</u>
CHANGE IN NET ASSETS	2,170,225	(3,304,793)
NET ASSETS, BEGINNING OF YEAR	<u>11,560,995</u>	<u>14,865,788</u>
NET ASSETS, END OF YEAR	<u>\$ 13,731,220</u>	<u>\$ 11,560,995</u>

The accompanying notes are an integral part of these financial statements