

# CALIFORNIA FOUNDATION FOR STRONGER COMMUNITIES

FINANCIAL STATEMENTS

JUNE 30, 2007

(AUDITED)



CASHUK, WISEMAN, GOLDBERG,  
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CALIFORNIA FOUNDATION FOR STRONGER COMMUNITIES  
TABLE OF CONTENTS  
June 30, 2007

	PAGE
Independent Auditors' Report	1
Statement of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to the Financial Statements	5-7



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AUDIT MANAGER

Michael Selamet Kwee, CPA

FIRM ADMINISTRATOR

Todd Menvielle

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
California Foundation for Stronger Communities

We have audited the accompanying statement of financial position of California Foundation for Stronger Communities (a California non-profit corporation) as of June 30, 2007, and the related statement of activities and statement of cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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. 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 California Foundation for Stronger Communities as of June 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.

A handwritten signature in black ink that reads "Cashuk, Wiseman, Goldberg, Birnbaum &amp; Salem".

CASHUK, WISEMAN, GOLDBERG, BIRNBAUM AND SALEM, LLP

San Diego, California  
November 27, 2007

**CALIFORNIA FOUNDATION FOR STRONGER COMMUNITIES**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2007**

**ASSETS**

**CURRENT ASSETS**

Cash and Cash Equivalents (Note A)	\$ 122
Contributions Receivable (Note D)	<u>6,250</u>

<b>TOTAL ASSETS</b>	<b><u>\$ 6,372</u></b>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accrued Expenses (Note E)	\$ 6,250
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**NET ASSETS**

Unrestricted (Note C)	<u>122</u>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 6,372</u></b>
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The accompanying notes are an integral part of these financial statements.



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**CALIFORNIA FOUNDATION FOR STRONGER COMMUNITIES**  
**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 2007

<b>UNRESTRICTED NET ASSETS</b>	
<b>SUPPORT AND REVENUE</b>	
Contributions	\$ 130,000
<b>Net Assets Released from Restrictions</b>	<u>26,564</u>
<b>TOTAL INCREASE IN UNRESTRICTED NET ASSETS</b>	156,564
<b>EXPENSES</b>	
Program Services	
Charitable Donations	156,564
Supporting Services	
General & Administrative	<u>34</u>
<b>TOTAL EXPENSES</b>	<u>156,598</u>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	<u>(34)</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>	
<b>SUPPORT AND REVENUE</b>	
Contributions	26,564
<b>Net Assets Released from Restrictions</b>	<u>(26,564)</u>
<b>CHANGE IN TEMPORARILY RESTRICTED NET ASSETS</b>	<u>-</u>
<b>CHANGE IN NET ASSETS</b>	(34)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>156</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 122</u></u>

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



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**CALIFORNIA FOUNDATION FOR STRONGER COMMUNITIES**  
**STATEMENT OF CASH FLOWS**  
**Year Ended June 30, 2007**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets \$ (34)

**Cash and Cash Equivalents at Beginning of Year** 156

**CASH AND CASH EQUIVALENTS AT END OF YEAR** \$ 122

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



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CALIFORNIA FOUNDATION FOR STRONGER COMMUNITIES  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. California Foundation for Stronger Communities (the "Organization") was established on February 17, 2004 as a California non-profit public benefit corporation, organized under the Nonprofit Public Benefit Law for public and charitable purposes. The organization was formed for the specific purpose of administering, assisting or advising in the administration of the California Municipal Finance Authority, a joint exercise of powers authority created pursuant to Title I, Division 7, Chapter 5 of the Government Code of the State of California and to provide financial grants or other financial support or benefits to nonprofit funds, foundations and corporations to strengthen and enhance charitable activities throughout the State of California.
2. Cash and Cash Equivalents - For purposes of reporting cash flows, cash and cash equivalents include cash in checking accounts with banks.
3. 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 reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
4. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or received with donor stipulations that limit the use of the donated assets are reported temporarily restricted or permanently restricted support that increases the related net assets class. When a donor restriction expires, that is, when a stipulated purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. There were no temporarily restricted or permanently restricted net assets at June 30, 2007.
5. Concentration of Cash and Credit Risk-The foundation maintains cash balance in one bank in California. Cash balances at this institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. The organization had no uninsured cash balance as of June 30, 2007.

NOTE B-INCOME TAXES:

The Organization is exempt from income taxes under section 501(c) 3 of the Internal Revenue Code.

NOTE C-FINANCIAL STATEMENTS PRESENTATION:

The classification of an organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of three classes of net assets-permanently restricted, temporarily restricted, and unrestricted – be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.



CALIFORNIA FOUNDATION FOR STRONGER COMMUNITIES  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

NOTE C-FINANCIAL STATEMENTS PRESENTATION-con't.:

These classes are defined as follows:

Permanently Restricted are net assets from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the foundation.

Temporarily Restricted are net assets from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and changes in net assets.

Unrestricted is the part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

NOTE D-CONTRIBUTIONS RECEIVABLE:

Contributions Receivable consist of donor-restricted charitable donations pledged and allocated to the organization as of June 30, 2007. These contributions were received subsequent to the fiscal year end date.

NOTE E-ACCRUED EXPENSES:

Accrued Expenses consist of charitable donations pledged to a non-profit organization as disbursement of the temporarily restricted contributions described in Note D.

NOTE F – PROGRAM SERVICES:

Program services pertain to financial supports granted to various local charities including those designated by the California Municipal Finance Authority.

NOTE G - FAIR VALUES OF FINANCIAL INSTRUMENTS:

Disclosure of fair value information about certain financial instruments, whether or not recognized in the balance sheet, for which it is practicable to estimate that value is required by SFAS 107 and SFAS 115. The following methods were used in estimating fair values:

Cash and Cash Equivalents-The carrying amount on the balance sheet approximates its fair value.





CALIFORNIA FOUNDATION FOR STRONGER COMMUNITIES  
NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2007

NOTE G - FAIR VALUES OF FINANCIAL INSTRUMENTS-con't.:

The carrying amounts and fair values of the Company's financial instruments as of June 30, 2007 are as follows:

	<u>CARRYING AMOUNTS</u>	<u>FAIR VALUE</u>
Cash and Cash Equivalents	\$122	\$122

NOTE H - ECONOMIC DEPENDENCE:

The Organization receives the majority of its revenue from contributions from California Municipal Finance Authority, which is presided over by the same board of directors of the organization.

