

**BATON ROUGE COMMUNITY COLLEGE  
FOUNDATION, INC.**

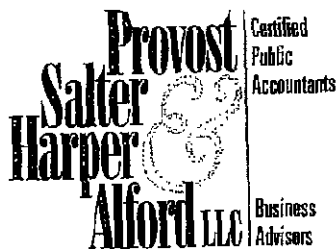
**(A NON-PROFIT CORPORATION)**

**FINANCIAL STATEMENTS**

**June 30, 2008**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/3/10



8550 United Plaza Boulevard, Suite 600, Baton Rouge, Louisiana 70809, Phone: (225) 924-1772 / Facsimile: (225) 927-9075

---

## **BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.**

---

### ***Table of Contents***

***June 30, 2008***

<b>INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	2
Statement of Activities – June 30, 2008	3
Statement of Activities – June 30, 2007	4
Statements of Cash Flows	5
Notes to Financial Statements	6
<b>INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION</b>	<b>13</b>
Schedule of Functional Expenses – June 30, 2008	14
Schedule of Functional Expenses – June 30, 2007	15

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

To the Board of Trustees  
Baton Rouge Community College Foundation, Inc.

We have audited the accompanying statements of financial position of Baton Rouge Community College Foundation, Inc. (a nonprofit corporation) as of June 30, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. 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 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 audits provide 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 Baton Rouge Community College Foundation, Inc. as of June 30, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

PROVOST, SALTER, HARPER & ALFORD, LLC

A handwritten signature in cursive script that reads "Provost, Salter, Harper & Alford, LLC".

January 30, 2009

---

**BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.**

---

**Statements of Financial Position****June 30, 2008 and 2007**

<b>ASSETS</b>	<b>2008</b>	<b>2007</b>
<b>Current Assets</b>		
Cash and cash equivalents	\$ 292,725	\$ 883,770
Investments	13,287	27,346
Due from LCTCS	8,732	8,204
Total current assets	314,744	919,320
<b>Noncurrent Assets</b>		
Restricted Investments-		
Funds held in custody	250,379	132,913
Endowed professorships and scholarships	184,600	176,600
Unconditional promises to give	24,000	32,000
Total noncurrent assets	458,979	341,513
<b>Total Assets</b>	<b>\$ 773,723</b>	<b>\$ 1,260,833</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts Payable	\$ 9,000	\$ 110,000
Funds held in custody-LCTCS	1,500	367,245
Funds held in custody-Baton Rouge Community College	250,379	132,913
Total liabilities	260,879	610,158
<b>Net Assets</b>		
Unrestricted net assets	124,196	278,314
Temporarily restricted net assets	180,048	163,761
Permanently restricted net assets	208,600	208,600
Total net assets	512,844	650,675
<b>Total Liabilities and Net Assets</b>	<b>\$ 773,723</b>	<b>\$ 1,260,833</b>

---

**BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.**

---

*Statement of Activities**Year ended June 30, 2008*

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenue and Support</b>				
Contributions	\$ 21,481	\$ 100,683	\$ -	\$ 122,164
Special events	102,190	-	-	102,190
Interest and other income	682	(14,741)	-	(14,059)
Net assets released from restrictions	69,655	(69,655)	-	-
<b>Total Revenue and Support</b>	<b>194,008</b>	<b>16,287</b>	<b>-</b>	<b>210,295</b>
<b>Expenses</b>				
Program services				
Scholarships	71,735	-	-	71,735
Chancellor supplemental compensation	10,000	-	-	10,000
College Support	90,263	-	-	90,263
<b>Total program services</b>	<b>171,998</b>	<b>-</b>	<b>-</b>	<b>171,998</b>
Support Services				
General and administrative	9,000	-	-	9,000
Fund Raising	167,128	-	-	167,128
<b>Total Support Services</b>	<b>176,128</b>	<b>-</b>	<b>-</b>	<b>176,128</b>
<b>Total Expenses</b>	<b>348,126</b>	<b>-</b>	<b>-</b>	<b>348,126</b>
<b>Change in Net Assets</b>	<b>(154,118)</b>	<b>16,287</b>	<b>-</b>	<b>(137,831)</b>
<b>Net Assets</b>				
Beginning of year	278,314	163,761	208,600	650,675
End of year	\$ 124,196	\$ 180,048	\$ 208,600	\$ 512,844

---

**BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.**

---

*Statement of Activities**Year ended June 30, 2007*

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>Revenue and Support</b>				
Contributions	\$ 397,458	\$ 92,229	\$ 40,000	\$ 529,687
Special events	86,899			86,899
Interest and other income	706	17,333	-	18,039
Net assets released from restrictions	61,865	(61,865)	-	-
<b>Total Revenue and Support</b>	<b>546,928</b>	<b>47,697</b>	<b>40,000</b>	<b>634,625</b>
<b>Expenses</b>				
Program Services				
Scholarships	37,105	-	-	37,105
Chancellor supplemental compensation	10,000	-	-	10,000
College support	133,502	-	-	133,502
<b>Total program services</b>	<b>180,607</b>	<b>-</b>	<b>-</b>	<b>180,607</b>
Support Services				
General and Administrative	7,712	-	-	7,712
Fund Raising	127,405	-	-	127,405
<b>Total Support Services</b>	<b>135,117</b>	<b>-</b>	<b>-</b>	<b>135,117</b>
<b>Total Expenses</b>	<b>315,724</b>	<b>-</b>	<b>-</b>	<b>315,724</b>
<b>Change in Net Assets</b>	<b>231,204</b>	<b>47,697</b>	<b>40,000</b>	<b>318,901</b>
<b>Net Assets</b>				
Beginning of year	47,110	116,064	168,600	331,774
End of year	\$ 278,314	\$ 163,761	\$ 208,600	\$ 650,675

---

**BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.**

---

**Statements of Cash Flows****Years ended June 30, 2008 and 2007**

	2008	2007
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (137,831)	\$ 318,901
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized loss (gains) in investments	45,928	(16,381)
(Increase) decrease in:		
Due from LCTCS	(528)	(7,891)
Unconditional promises to give - endowments	8,000	(32,000)
Increase (decrease) in:		
Accounts payable	(101,000)	109,778
Due to BRCC	-	(12,000)
Funds held in custody-LCTCS	(365,745)	522
Funds held in custody-State of Louisiana	117,466	72,913
<b>Net Cash Provided By (Used in) Operating Activities</b>	<b>(433,710)</b>	<b>433,842</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of investments	(157,335)	(81,953)
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>(591,045)</b>	<b>351,889</b>
<b>Cash and cash equivalents</b>		
Beginning of year	883,770	531,881
End of year	\$ 292,725	\$ 883,770

---

# BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.

---

*Notes to Financial Statements*

*June 30, 2008*

## 1. Nature of Activities and Significant Accounting Policies

**Nature of Activities.** In April 1998, Baton Rouge Community College Foundation, Inc. (the Foundation) was established. The Foundation was developed to provide financial and human resources for academic and vocational education programs for the Baton Rouge Community College (the College). The Foundation will provide this support through contributions from individuals, business and professional groups, and philanthropic organizations. The Foundation depends primarily on donor support; therefore, future operating results are contingent on its ability to secure contributions from donors. The majority of donors are in the greater Baton Rouge metropolitan area. One donor accounted for over 30% and 65% of contributions in the years ended June 30, 2008 and 2007, respectively.

A summary of the Foundation's significant account policies follows.

**Basis of Accounting.** The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

**Unrestricted net assets** – Net assets that are not subject to donor-imposed stipulations are classified as *unrestricted*.

**Temporarily restricted net assets** – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Foundation and/or the passage of time are classified as temporarily restricted. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Permanently restricted net assets** – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation are classified as permanently restricted. Generally, the donors of these assets permit the Foundation to use all or part of the income earned or any related expenses for general or specific purposes.

**Cash and Cash Equivalents.** For purposes of reporting the statement of cash flows, the Foundation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The Foundation's cash accounts are maintained in a commercial bank located in Baton Rouge, Louisiana. The amount on deposit in that bank exceeded the federally insured limits at June 30, 2008 by \$198,015.



---

## BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.

---

*Notes to Financial Statements, Continued*

*June 30, 2008*

**Donated Services.** Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. No professional services were donated in 2008 or 2007.

**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 reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**Funds Held in Custody.** The Foundation considers all state matching funds and unexpended income from those funds to be reported as funds held in custody. In addition, amounts held for other College affiliated foundations are reported as funds held in custody.

**Fund Raising Costs.** The Foundation incurs fund-raising costs to persuade potential donors to make contributions to the Foundation. These costs are expensed as incurred.

**Income Taxes.** The Foundation is exempt from Federal income taxes under § 501(c)(3) of the Internal Revenue Code and therefore has made no provision for Federal income taxes. In addition, the Foundation has been determined by the Internal Revenue Service not to be a private foundation, within the meaning of § 509(a) of the Code.

**Investments.** Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value based on quoted market prices. Dividends, interest, and other investment income are recorded as increases in unrestricted, temporarily restricted or permanently restricted net assets depending on donor stipulations. Donated investments are recorded at their fair market value at the date of receipt, which is then treated as cost. Realized gains and losses on dispositions are based on the net proceeds and the adjusted cost basis of the securities sold, using the specific identification method.

**Non-Monetary Transactions.** The College provides the use of their facilities, office equipment and personnel at no cost to the Foundation.

**Promises to Give.** Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Under SFAS No. 116, Accounting for Contributions Received and Contributions Made, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

---

**BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.**

---

*Notes to Financial Statements, Continued**June 30, 2008***2. Investments**

Investments were comprised of the following as of June 30, 2008 and 2007.

	2008	2007
Money Market Funds	\$ 45,387	\$ 57,445
Certificates of deposit	236,000	141,000
Stock mutual funds	166,879	138,414
Total	<u>\$ 448,266</u>	<u>\$ 336,859</u>

Balances in investments are included in the following captions:

	2008	2007
Investments	\$ 13,287	\$ 27,346
Funds held in custody	250,379	\$ 132,913
Endowed professorships and scholarships	184,600	176,600
Total	<u>\$ 448,266</u>	<u>\$ 336,859</u>

Unrealized gains and losses were as follows at June 30, 2008 and 2007.

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Approximate Market Value
<b>June 30, 2008</b>				
Money market funds	\$ 45,387	\$ -	\$ -	\$ 45,387
Certificates of deposit	236,000	-	-	236,000
Stock mutual funds	199,924	-	(33,045)	166,879
Total investments	<u>\$ 481,311</u>	<u>\$ -</u>	<u>\$ (33,045)</u>	<u>\$ 448,266</u>
<b>June 30, 2007</b>				
Money market funds	\$ 57,445	\$ -	\$ -	\$ 57,445
Certificates of deposit	141,000	-	-	141,000
Stock mutual funds	125,531	12,883	-	138,414
Total investments	<u>\$ 323,976</u>	<u>\$ 12,883</u>	<u>\$ -</u>	<u>\$ 336,859</u>

---

## **BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.**

---

*Notes to Financial Statements, Continued*

*June 30, 2008*

Changes in investments were as follows for the years ended June 30, 2008 and 2007.

	<b>Change in Investments</b>	
	<b>2008</b>	<b>2007</b>
Balance, beginning	\$ 336,859	\$ 238,525
Investment purchases	128,000	68,250
Investment income, reinvested	29,335	13,703
Market value adjustment	(45,928)	16,381
Balance, ending	<u>\$ 448,266</u>	<u>\$ 336,859</u>

### **3. Funds Held in Custody-LCTCS**

The Foundation received funds which represent three grants given to the Louisiana Community and Technical College System (LCTCS) by the Ford Foundation for education and scholarship. The Foundation is only responsible for the disbursement of the funds. LCTCS is responsible for compliance with grant restrictions and reporting.

The LCTCS established its own foundation to administer grants such as the Ford Foundation Grant, and the LCTCS Presidents Fund currently maintained by the Baton Rouge Community College Foundation, Inc. The balances held for the LCTCS were transferred during the year ended June 30, 2008. The balances on the funds held were \$1,500 and \$367,245 at June 30, 2008 and 2007, respectively.

### **4. Chancellor Compensation**

The Chancellor of Baton Rouge Community College, in accordance with Louisiana Community and Technical College System (LCTCS) Board of Supervisors approval, receives a salary supplement derived from funds of the Foundation and annual interest accrued from the Sean and Jennifer Eplett Reilly Chancellor's Endowed Professorship for Leadership Excellence at the Baton Rouge Community College, which is maintained by the Foundation. In 2003, the Board of Trustees of the Foundation approved an annual disbursement of \$10,000 to be made to the Chancellor for the work performed in connection with the College.

---

## BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.

---

Notes to Financial Statements, Continued

June 30, 2008

### 5. Temporarily Restricted Net Assets

Temporarily Restricted	College Support	Process Technology	College Scholarships	College Athletics	Total
Balance: July 1, 2006	\$ 32,522	\$ 45,445	\$ 37,649	\$ 448	\$ 116,064
Contributions	27,923	2,000	62,306	-	92,229
Interest	17,333	-	-	-	17,333
Released from restrictions	(28,840)	-	(32,577)	(448)	(61,865)
Balance: June 30, 2007	48,938	47,445	67,378	-	163,761
Contributions	69,888	-	30,795	-	100,683
Interest	(14,741)	-	-	-	(14,741)
Released from restrictions	(23,930)	(10,880)	(34,845)	-	(69,655)
Balance: June 30, 2008	\$ 80,155	\$ 36,565	\$ 63,328	\$ -	\$ 180,048

### 6. Permanently Restricted Net Assets and Funds Held in Custody-State of Louisiana

#### Reilly Endowed Professorship

On May 31, 2002, the Foundation established the Sean and Jennifer Eplett Reilly Chancellor's Endowed Professorship for Leadership Excellence. The endowment was established with \$60,000 from the Louisiana Educational Quality Support Fund which is considered "funds held in custody" and a \$40,000 contribution of private funds. The funds are considered to be permanently restricted and are required to be deposited in a separate bank account. The corpus of \$100,000 cannot be spent, but investment results can be spent in accordance with the investment policy outlined in the Endowment agreement.

#### Box Endowed Professorship

On April 1, 2005, the Foundation established the Hallie H. Box Endowed Professorship in Business and Technology. The endowment was established with an initial contribution of private funds of \$20,000 and an additional \$20,000 received in April of 2006 and \$60,000 from the Louisiana Educational Quality Support Fund which is considered "funds held in custody". The funds are considered permanently restricted and are required to be deposited in a separate bank account. The corpus of \$100,000 cannot be spent, but investment results can be spent in accordance with the investment policy outlined in the endowment agreement. The endowment will be used for support of the academic activities of the professorship. The recipient of this professorship shall be selected by the Dean of the College and approved by the Chancellor of the College.

---

## **BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.**

---

*Notes to Financial Statements, Continued*

*June 30, 2008*

### **Manship Endowed Professorship**

On June 28, 2005, the Foundation established the Jane French Manship Endowed Professorship to benefit the Department of English at Baton Rouge Community College. The endowment was established through a private contribution of \$40,000 and \$60,000 from the Louisiana Educational Quality Support Fund which is considered "funds held in custody". The funds are considered permanently restricted and are required to be deposited in a separate bank account. The corpus of \$100,000 cannot be spent, but investment results can be spent in accordance with the investment policy outlined in the endowment agreement. The endowment will be used for support of the academic activities of the professorship. The recipient of this professorship shall be selected by the Dean of the College and approved by the Chancellor of the College.

### **Albritton Endowed Professorship**

On August 1, 2005, the Foundation established the Michael J. and Leslie Greely Albritton Endowed Professorship in the Film and Entertainment Department of Arts and Liberal Arts. The endowment was established with an initial contribution of private funds of \$20,000 and an additional contribution of \$20,000 received in August of 2006 and \$60,000 from the Louisiana Educational Quality Support Fund which is considered "funds held in custody". The funds are considered permanently restricted and are required to be deposited in a separate bank account. The corpus totaling \$100,000 cannot be spent, but investment results can be spent in accordance with the investment policy outlined in the endowment agreement. The endowment will be used for support of the academic activities of the professorship. The recipient of this professorship shall be selected by the Dean of the College and approved by the Chancellor of the College.

### **Chase Endowed Professorship**

On August 15, 2006, the Foundation established the Chase Bank Endowed Professorship in Business and Technology. The endowment was established with an initial contribution of private funds of \$8,000 and a pledge of private funds of \$32,000 payable in \$8,000 installments due in August of each year through 2010. Upon completion of the pledge the funds will qualify for state matching funds of \$60,000 under the Board of Regents Support Fund. The funds are considered permanently restricted and are required to be deposited in a separate bank account. The initial contribution, pledge and final corpus totaling \$100,000 cannot be spent, but investment results can be spent in accordance with the investment policy outlined in the endowment agreement. The endowment will be used for support of the academic activities of the professorship. The recipient of this professorship shall be selected by the Dean of the College and approved by the Chancellor of the College.

---

**BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.**

---

*Notes to Financial Statements, Continued**June 30, 2008*

<b>Permanently Restrictcd</b>	<b>Balance</b> <b>July 1, 2006</b>	<b>Contributions</b>	<b>Balance</b> <b>June 30, 2007</b>	<b>Contributions</b>	<b>Balance</b> <b>June 30, 2008</b>
<b>Reilly Endowed Professorship</b>	\$ 40,000	\$ -	\$ 40,000	\$ -	\$ 40,000
<b>Box Endowed Professorship</b>	40,000	-	40,000	-	40,000
<b>Manship Endowed Professorship</b>	40,000	-	40,000	-	40,000
<b>Albritton Endowed Professorship</b>	40,000	-	40,000	-	40,000
<b>Chase Endowed Professorship</b>	-	40,000	40,000	-	40,000
<b>Scholarships</b>	8,600	-	8,600	-	8,600
	<u>\$ 168,600</u>	<u>\$ 40,000</u>	<u>\$ 208,600</u>	<u>\$ -</u>	<u>\$ 208,600</u>

**7. Correction of an Error**

During the year ended June 30, 2008 errors were discovered in the previously issued statements for the year ended June 30, 2007. The College had paid \$110,000 of fund raising expenses that should have been paid by the Foundation. Also the statement of activities of the prior year included \$12,914 of investment income that should have been included the liability caption- Funds held in custody- Baton Rouge Community College. The statement of financial position, the statement of activities and the statement of cash flows of the prior year were restated to correct these errors.

**8. Reclassifications**

Certain items in the financial statements for 2007 have been reclassified to conform to the current year presentation. Such reclassifications had no effect on net income.

## INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Trustees  
Baton Rouge Community College Foundation, Inc.

Our report on our audit of the basic financial statements of Baton Rouge Community College Foundation, Inc. (a nonprofit corporation) as of June 30, 2008 and 2007 appears on page 1. We conducted our audit in accordance with auditing standards generally accepted in the United States of America for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of functional expenses 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.

PROVOST, SALTER, HARPER & ALFORD, LLC

A handwritten signature in cursive script that reads "Provost, Salter, Harper & Alford, LLC".

January 30, 2009

---

**BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.**

---

**Schedule of Functional Expenses****Year ended June 30, 2008**

	<u>Program Services</u>				
	Scholarships	Chancellor Supplemental Compensation	College Support	Fund Raising	General and Administrative
Advertising	\$ -	\$ -	\$ 980	\$ -	\$ -
Accounting	-	-	-	-	9,000
Awards	-	-	2,265	-	-
Bank Charges	-	-	1,096	-	-
Chancellor's compensation	-	10,000	-	-	-
Dues and subscriptions	-	-	742	-	-
Travel and meals	-	-	43,231	-	-
Memberships	-	-	4,438	-	-
Miscellaneous	-	-	27,403	-	-
Office supplies	-	-	4,498	-	-
Postage and delivery	-	-	662	-	-
Printing and reproduction	-	-	236	-	-
Professional fees	-	-	3,005	-	-
Salaries	-	-	1,707	-	-
Scholarships	71,735	-	-	-	-
Special events	-	-	-	167,128	-
	<u>\$ 71,735</u>	<u>\$ 10,000</u>	<u>\$ 90,263</u>	<u>\$ 167,128</u>	<u>\$ 9,000</u>



# BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.

## Schedule of Functional Expenses

Year ended June 30, 2007

	Program Services				
	Scholarships	Chancellor Supplemental Compensation	College Support	Fund Raising	General and Administrative
Accounting	\$ -	\$ -	\$ -	\$ -	\$ 7,400
Awards	-	-	4,550	-	-
Bank Charges	-	-	1,420	-	-
Chancellors compensation	-	10,000	-	-	-
Travel and meals	-	-	69,541	-	-
Insurance	-	-	-	-	-
Memberships	-	-	2,500	-	-
Miscellaneous	-	-	7,466	-	312
Office supplies	-	-	7,126	-	-
Postage and delivery	-	-	412	-	-
Printing and reproduction	-	-	944	-	-
Professional fees	-	-	24,622	-	-
Salaries	-	-	14,921	-	-
Scholarships	37,105	-	-	-	-
Special events	-	-	-	127,405	-
	<u>\$ 37,105</u>	<u>\$ 10,000</u>	<u>\$ 133,502</u>	<u>\$ 127,405</u>	<u>\$ 7,712</u>

To the Board of Trustees  
Baton Rouge Community College Foundation, Inc.

We have audited the financial statements of the Baton Rouge Community College Foundation, Inc. for the year ended June 30, 2008, and have issued our report thereon dated January 30, 2009. Professional standards require that we provide you with the following information related to our audit.

**Our Responsibility Under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated August 22, 2008, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

**Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on July 15, 2008.

**Significant Audit Findings**

**Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Baton Rouge Community College Foundation, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2008. We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was the fair value of investments. The fair value of investments is derived from information provided by the

investment trustee, Morgan Keegan and Company. We evaluated the key factors and assumptions used to develop the fair value estimate in determining if it is reasonable on relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was the fair value of investments in Note 2 to the financial statements.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Adjustments number 1-7 on the attached schedule are considered material misstatements and were detected as a result of audit procedures and were corrected by management.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated January 30, 2009.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Foundation's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Finance Committee, Board of Trustees, and management of the Baton Rouge Community College Foundation, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

PROVOST, SALTER, HARPER & ALFORD, LLC

*Provost, Salter, Harper & Alford, LLC*

January 30, 2009

Client: 0080731 - Baton Rouge Community College Foundation, Inc.  
Engagement: 990 - 2008 BRCCF Audit & Tax Return  
Period Ending: 6/30/2008  
Trial Balance: 1b-1 - Trial Balance  
Workpaper: 1c-1 - Adjusting Journal Entries Report

Account	Description	W/P Ref	Debit	Credit
<b>Adjusting Journal Entries JE # 1</b>				
To correct posting of amount received from Chase Bank on its pledge.				
4030	Contributed support:Restricted-Permantently	11a-5	8,000.00	
1044	Endowed pledge receivable			8,000.00
<b>Total</b>			<u>8,000.00</u>	<u>8,000.00</u>
<b>Adjusting Journal Entries JE # 2</b>				
To correct posting of matching funds received from the state.				
4030	Contributed support:Restricted-Permantently	13-1	120,000.00	
2020	Funds held in custody			120,000.00
<b>Total</b>			<u>120,000.00</u>	<u>120,000.00</u>
<b>Adjusting Journal Entries JE # 3</b>				
To adjust net asset accounts to actual per prior year audited amounts.				
3010	Unrestrict (retained earnings)	SS-1	411,449.68	
3000	Unrestricted net assets			39,999.80
3020	Unrestricted net assets:Board-designated net assets			371,449.88
<b>Total</b>			<u>411,449.68</u>	<u>411,449.68</u>
<b>Adjusting Journal Entries JE # 4</b>				
To record audit fee for 6/30/07 year end. It was not invoiced until 8/31/08.				
7520	Other personnel expenses:Accounting fees		9,000.00	
2010	Accounts payable			9,000.00
<b>Total</b>			<u>9,000.00</u>	<u>9,000.00</u>
<b>Adjusting Journal Entries JE # 5</b>				
To adjust for prior year fees for Bill Cosby paid by BRCC. We restated the prior year financial statements.				
3020	Unrestricted net assets:Board-designated net assets	40-2	110,000.00	
7511	Other personnel expenses:Special Events			110,000.00
<b>Total</b>			<u>110,000.00</u>	<u>110,000.00</u>
<b>Adjusting Journal Entries JE # 6</b>				
To adjust for prior year restatement of investment earnings and funds held in custody for BRCC.				
3020	Unrestricted net assets:Board-designated net assets		12,913.00	
2020	Funds held in custody			12,913.00
<b>Total</b>			<u>12,913.00</u>	<u>12,913.00</u>
<b>Adjusting Journal Entries JE # 7</b>				
To allocate investment earnings to funds held in custody for BRCC.				
2020	Funds held in custody		2,534.39	
4049	Perm Restricted-Invest Earnings		16,530.06	
4048	Perm Restricted-Unrealized Gain/Loss			19,064.45
<b>Total</b>			<u>19,064.45</u>	<u>19,064.45</u>

To the Board of Trustees  
Baton Rouge Community College Foundation, Inc.

In planning and performing our audit of the financial statements of the Baton Rouge Community College Foundation, Inc. as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered the Baton Rouge Community College Foundation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies and material weaknesses

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. We consider the following deficiencies to be significant deficiencies in internal control.

**Generally Accepted Accounting Principles.** The size of the Foundation does not warrant retaining personnel with sufficient expertise to record transactions and prepare financial statements in accordance with generally accepted accounting principles. Each year, management requests that the auditor assist with preparing year-end adjustments to the financial statements, as well as the required disclosures, in order for them to be in accordance with accounting principles generally accepted in the United States of America.

**Unrestricted contributions.** Management made adjustments to move some unrestricted funds into restricted accounts. Restrictions on contributions can only be imposed by the donor, however the Board of Trustees can impose board designated reservations on unrestricted net assets. Such reservations would have to be honored unless reversed by a subsequent vote of the Board of Trustees.

**Proper recording of cash receipts.** During the year some funds were received by the foundation that was incorrectly recorded as income. We recommend that amounts received be reviewed before recording to determine the proper accounting. The amounts involved caused an overstatement of income.

**Adjustments to net assets.** Procedures should be implemented to reconcile net assets to the audited balances. The adjustments for the prior year were not recorded in the general ledger.

**Unrecorded liabilities.** Procedures should be implemented to insure that all liabilities are recorded in the period for which the expense was incurred. There was one unrecorded liability noted which had not been recorded as of year end and one recorded in the current year that was for the prior year.

**Correction of prior year financial statements.** During the year the board retained a contract accountant to post transactions. As a result of their work they discovered errors in previously issued financial statements. Corrections were made to the prior year financial statement to record unrecorded liabilities and expenses and correct the posting of investment income. Procedures should be implemented to insure that all contract provisions and donor restrictions are noted and proper accounting is maintained.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that the deficiencies noted above constitute material weaknesses.

This communication is intended solely for the information and use of the Board of Trustees, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

PROVOST, SALTER, HARPER & ALFORD, LLC

*Provost, Salter, Harper & Alford, LLC*

January 30, 2009



February 22, 2010

Louisiana Legislative Auditor  
1600 North Third Street  
P O Box 94397  
Baton Rouge, La. 70804-9397

In response to the audit finding for the year ended June 30, 2008, we submit the following:

Finding #1 **Generally Accepted Accounting Principles.** The size of the Foundation does not warrant retaining personnel with sufficient expertise to record transactions and prepare financial statements in accordance with generally accepted accounting principles. Each year, management requests that the auditor assist with preparing year-end adjustments to the financial statements, as well as the required disclosures, in order for them to be in accordance with accounting principles generally accepted in the United States of America.

**Management response:** We have retained a contract accountant to process our transactions. We will continue to have our auditor assist with preparing our financial statements.

Finding #2 **Unrestricted contributions.** Management made adjustments to move some unrestricted funds into restricted accounts. Restrictions on contributions can only be imposed by the donor, however the Board of Trustees can impose board designated reservations on unrestricted net assets. Such reservations would have to be honored unless reversed by a subsequent vote of the Board of Trustees.

**Management response:** We have reviewed the transactions and the board of trustees voted to approve the restrictions.

Finding #3 **Proper recording of cash receipts.** During the year some funds were received by the foundation that were incorrectly recorded as income. We recommend that amounts received be reviewed before recording to determine the proper accounting. The amounts involved caused an overstatement of income.





**Management response:** We have reviewed the transactions and made corrections as recommended by our auditor.

Finding #4 **Adjustments to net assets.** Procedures should be implemented to reconcile net assets to the audited balances. The adjustments for the prior year were not recorded in the general ledger.

**Management response:** We have reviewed the transactions and made corrections as recommended by our auditor.

Finding #5 **Unrecorded liabilities.** Procedures should be implemented to insure that all liabilities are recorded in the period for which the expense was incurred. There was one unrecorded liability noted which had not been recorded as of year end and one recorded in the current year that was for the prior year.

**Management response:** We have reviewed the transactions and made corrections as recommended by our auditor.

Finding #6 **Correction of prior year financial statements.** During the year the board retained a contract accountant to post transactions. As a result of their work they discovered errors in previously issued financial statements. Corrections were made to the prior year financial statement to record unrecorded liabilities and expenses and correct the posting of investment income. Procedures should be implemented to insure that all contract provisions and donor restrictions are noted and proper accounting is maintained.

**Management response:** We retained a contract accountant to process our transactions and correct errors such as those noted. We do not expect errors such as these to occur in the future.

Please let me know if you need any further information.

Sincerely,

A handwritten signature in cursive script that reads 'Cherine P. Patin'.

Cherine P. Patin, President

Baton Rouge Community College Foundation