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BATON ROUGE AREA SPORTS FOUNDATION, INC.
COMPILATION REPORT
FOR THE YEAR ENDED DECEMBER 31, 2005

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 8-9-06

Certified Public Accountant



Donald C. DeVille

Member
American Institute CPAs

Member
Louisiana Society CPAs

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BATON ROUGE, LA 70810
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INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

March 4, 2006

Baton Rouge Area Sports Foundation, Inc.
730 North Boulevard
Baton Rouge Area, Louisiana 70821

I have compiled the accompanying Statement of Financial Position as of December 31, 2005, and the related Statement of Activities, and Cash Flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Respectively submitted,

BATON ROUGE AREA SPORTS FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2005
(With Comparative Totals for 2004)

	<u>2005</u>	<u>2004</u>
ASSETS		
Cash	\$15,800	\$10,059
Accounts Receivable	-0-	-0-
Furniture & Equipment	2,195	2,195
Accumulated Depreciation	(2,195)	(2,195)
	<hr/>	<hr/>
TOTAL ASSETS	15,800	10,059
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Notes Payable	\$12,407	\$15,237
Accounts Payable	332	1,698
Payroll Taxes Payable	3,945	3,200
Retirement Payable	15,000	15,000
Custodial Funds	-0-	8,732
	<hr/>	<hr/>
TOTAL LIABILITIES	31,684	43,867
	<hr/>	<hr/>
NET ASSETS:		
Unrestricted:		
Undesignated	(15,884)	(33,808)
	<hr/>	<hr/>
TOTAL LIABILITIES & NET ASSETS	15,800	10,059
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See accompanying notes and accountant's report.

BATON ROUGE AREA SPORTS FOUNDATION, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2005
(With Comparative Totals for 2004)

	<u>2005</u>	<u>2004</u>
REVENUE:		
State Grants	\$105,438	\$92,016
Local-BRACVB Funding	71,875	62,500
BRAAA Donations	18,500	-0-
Founders	-0-	17,000
Sponsorships	60,500	37,100
Special Event Income	-0-	30,187
Other Income	17,419	-0-
Interest Income	214	226
	<hr/>	<hr/>
Total Revenue Collected	273,946	239,029
	<hr/>	<hr/>
EXPENSES:		
Awards	-0-	100
Acquisition Bid Fees	27,621	25,810
Advertising	-0-	4,455
Auto Leasing	5,700	6,228
Bank Charges	109	191
Dues & Subscriptions	255	1,514
Event Hosting	2,557	2,714
Insurance-Employee Health	20,901	22,204
Insurance-General Liability	7,057	7,105
Interest	1,295	1,269
Licenses & Permits	5	5
Maintenance	43	-0-
Meeting & Travel	3,737	3,170
Postage	2,369	1,609
Printing	1,469	1,000
Professional Fees	6,398	6,565
Salaries	145,709	147,200
Sponsorships	-0-	500
Supplies	4,232	13,844
Taxes - Payroll	10,717	9,576
Telephone	848	182
Retirement Expense	15,000	15,000
	<hr/>	<hr/>
Total Expenses Paid	256,022	270,241
	<hr/>	<hr/>
INCREASE (DECREASE) IN NET ASSETS	17,924	(31,212)
NET ASSETS, Beginning of Year	(33,808)	(2,596)
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NET ASSETS, End of Year	(15,884)	(33,808)
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See accompanying notes and accountant's report.

BATON ROUGE AREA SPORTS FOUNDATION, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2004

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase (Decrease) In Net Assets	\$17,924
Adjustments To Reconcile Increase In Net Assets To Net Cash Provided By Operating Activities:	
Depreciation	-0-
(Increase) Decrease In Operating Assets:	
Accounts Receivable	-0-
Increase (Decrease) In Operating Liabilities:	
Accounts Payable	(1,366)
Payroll Taxes Payable	745
Custodial Funds	(8,732)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>8,571</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Equipment	<u>-0-</u>
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CASH FLOWS FROM FINANCING ACTIVITIES:

Proceeds of Long-Term Borrowings	-0-
Repayment of Long-Term Borrowings	(2,830)
	<u>(2,830)</u>

NET INCREASES (DECREASE) IN CASH AND CASH EQUIVALENTS **5,741**

CASH AND CASH EQUIVALENTS, Beginning of Year **10,059**

CASH AND CASH EQUIVALENTS, End of Year **15,800**

SUPPLEMENTAL DATA:

Interest paid	<u>1,295</u>	<u>1,269</u>
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See accompanying notes and accountant's report.

BATON ROUGE AREA SPORTS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE #1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Mission of the Baton Rouge Area Sports Foundation, Inc. (Foundation) is to assist in securing and staging statewide, regional, national and international sporting competitions and special events for the Greater Baton Rouge Area, thereby having a positive economic impact on our community.

BASIS OF PRESENTATION

The financial statements are presented in accordance with Statement of Financial Accounting Standards No. 116 (SFAS No. 116), "Accounting for Contributions Received and Contributions Made" and Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". SFAS No. 116 requires contributions to be recognized as revenue when they are received or unconditionally pledged. SFAS No. 117, which eliminates the utilization of fund accounting for financial reporting purposes, requires net assets to be classified as either 1) unrestricted, 2) temporarily restricted, or 3) permanently restricted depending on limitations placed on the net assets.

DONATED SERVICES

Amounts have not been reported in the statements for donated services because they do not meet the criteria for recognition under SFAS No. 116. A substantial number of volunteers have donated significant amounts of their time to the Organization.

Contributions of service shall be recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individual possessing those skills and would typically need to be purchased if not provided by donation.

REVENUE RECOGNITION

Contributions are recognized as revenue when they are received or unconditionally pledged.

Conditions - Contributions are recorded as unrestricted as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized.

BATON ROUGE AREA SPORTS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

REVENUE RECOGNITION: CONTRIBUTIONS - Continued...

All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purposes restriction is accomplished), temporarily restricted net assets are classified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used.

Contributions receivable represent amounts committed by donors that have not been received by the Organization.

INCOME TAXES

The Organization is a not-for-profit organization that is exempt from income taxes under section 501(c)(6) of the Internal Revenue Code.

CASH AND CASH EQUIVALENTS

For the purposes of the statement of cash flows, the organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

PREPAID

Insurance and similar services which extend over more than one accounting period have been recorded as expenses.

ACCOUNTS RECEIVABLE

Accounts receivable are written-off under the direct write-off method whereby bad debts are recorded when a receivable is deemed uncollectible. If they are subsequently collected they are recorded as miscellaneous income. The direct charge-off method is not a material departure from GAAP as it approximates the valuation method.

USE OF ESTIMATES

The preparation of financial statements in-conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

BATON ROUGE AREA SPORTS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

PROPERTY AND EQUIPMENT

The purchase of property and equipment is recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Property and equipment is depreciated using the straight-line method over the estimated useful lives of 5 to 10 years.

COMPARATIVE DATA

Comparative data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the Foundation's financial position and operations. However, presentation of comparative data by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

NOTE #2. CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANK

At December 31, 2005, the Baton Rouge Area Sports Foundation, Inc. maintains several bank accounts at one financial institution. Accounts at an institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000.

NOTE #3. EQUIPMENT

Equipment at year-end consist of the following:

Equipment	\$2,195
Less: Accumulated Depreciation	(2,195)
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Equipment Book Value	-0-
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NOTE #4. LEASE OBLIGATIONS

The Foundation occupies office space provided by the Baton Rouge Convention and Visitor's Commission without charge.

BATON ROUGE AREA SPORTS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE #5. CUSTODIAL FUNDS

The Foundation administers the All Star Funds as follows:

Beginning Balance	\$8,732
Cash Receipts/Cash Disbursements	(8,732)
Ending Balance	<u>-0-</u>

The All Star Fund handles the receipts and disbursements of the All Star's football game between East Baton Rouge high school students verses the surrounding parishes high school students.

NOTE #6. LINE OF CREDIT

The Foundation has a \$20,000 line of credit at 10.0% at Bank One. At year-end the balance was \$12,407 which includes accrued interest.

Future principal payments area as follows:

December 31, 2005	\$12,407.
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NOTE #7. PENSION PLAN

The Baton Rouge Area Sports Foundation, Inc. contributes \$15,000 to the executive directors pension plan.

NOTE #8. BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

NOTE #9. CONTINGENCIES

The Baton Rouge Area Sports Foundation, Inc. receives a portion of its revenues from government grants and contracts, all of which are subject to audit by the governments. The ultimate determination of amounts received under these programs generally is based upon allowable cost reported to and are subject to audit by the government. Until such audits, if any, there exists a contingency to refund any amount received in excess of allowable cost. Management is of the opinion that no material liability will result from such audits.

BATON ROUGE AREA SPORTS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2005

NOTE #10 - RISK MANAGEMENT

The Library is exposed to various risks of loss related to torts, theft of, damage of and destruction of assets; errors and omissions and natural disasters for which the Library carries commercial insurance. There have been no significant reductions in coverage from prior year and settlements have not exceeded coverage in the past three years.

BATON ROUGE AREA SPORTS FOUNDATION, INC.
SCHEDULE OF PRIOR YEAR FINDINGS
YEAR ENDED DECEMBER 31, 2005

<u>REF</u> <u>NO.</u>	<u>FISCAL YEAR</u> <u>FINDING</u> <u>INITIALLY</u> <u>OCCURRED</u>	<u>DESCRIPTION OF FINDING</u>	<u>CORRECTIVE</u> <u>ACTION TAKEN</u> <u>(YES,NO,PARTIALLY)</u>	<u>CORRECTIVE</u> <u>ACTION/PARTIAL</u> <u>CORRECTIVE</u> <u>ACTION TAKEN</u>
1.	12-31-03	Deficit Net Assets of \$33,808.	Foundation Is Working With Another Agency To Increase Revenues.	Deficit Has Decreased

BATON ROUGE AREA SPORTS FOUNDATION, INC.
SUMMARY SCHEDULE OF CURRENT YEARS FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2005

REPORTABLE CONDITION: The Organization has a \$15,884 deficit net assets.

CRITERIA: Good accounting control prohibits deficit spending.

CAUSE: The Organization is competing with many other organizations over the same funding dollars.

EFFECT: There is a \$15,884 deficit to be made up.

RECOMMENDATION: I recommend management obtain additional funding and/or watch its budget more closely.

MANAGEMENT RESPONSE: Management has reduced the deficit in half this year and is in discussions with other organization to obtain additional funding to bring money making sporting events to the Baton Rouge Area.

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BATON ROUGE AREA SPORTS FOUNDATION, INC.
CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS
YEAR ENDED DECEMBER 31, 2005

<u>REF NO.</u>	<u>DESCRIPTION OF FINDING</u>	<u>CORRECTIVE ACTION PLANNED</u>	<u>NAME OF CONTACT PERSON</u>	<u>ANTICIPATED COMPLETION DATE</u>
1.	Deficit Net Assets Of \$15,884.	Foundation Is Working With Another Agency To Increase Revenues.	Jerry Stovall	12-31-06

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