

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

FINANCIAL STATEMENTS
June 30, 2016 and 2015



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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Baton Rouge Community College Foundation, Inc. (a not for profit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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, 2016, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Adjustment

As discussed in Note 9 to the financial statements, certain errors resulting in understatement of amounts previously reported for prepaid expenses, deferred revenues, donated goods revenue, and donated goods expense as of June 30, 2015, were discovered during the audit of the Foundation during the current year. Accordingly, amounts reported for prepaid expenses, deferred revenues, donated goods revenue, and donated goods expense have been restated in the 2015 financial statements now presented, with no adjustment necessary to net assets as of June 30, 2015 due to the net effect being zero. Our opinion is not modified with respect to that matter.

Prior Period Financial Statements

The financial statements of Baton Rouge Community College Foundation, Inc. as of June 30, 2015, were audited by another auditor whose report dated August 14, 2015, expressed an unmodified opinion on those statements.

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Baton Rouge, Louisiana
September 2, 2016



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

STATEMENTS OF FINANCIAL POSITION
(See Accompanying Notes to Financial Statements)

ASSETS

	June 30,	
	2016	2015
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 3,494	\$ -
Cash and Cash Equivalents - Restricted	628,068	560,475
Accounts Receivable	14,627	1,983
Pledge Receivable	1,576	-
Prepaid Expenses	65,800	78,860
TOTAL CURRENT ASSETS	713,565	641,318
PROPERTY AND EQUIPMENT		
Furniture, Fixtures, and Equipment	14,000	14,000
Instructional Equipment	1,661,660	1,121,160
TOTAL PROPERTY AND EQUIPMENT	1,675,660	1,135,160
Less Accumulated Depreciation	(219,886)	(95,686)
NET PROPERTY AND EQUIPMENT	1,455,774	1,039,474
OTHER ASSETS		
Marketable Securities	597,420	407,695
TOTAL ASSETS	\$ 2,766,759	\$ 2,088,487



LIABILITIES AND NET ASSETS

	June 30,	
	<u>2016</u>	<u>2015</u>
CURRENT LIABILITIES		
Accounts Payable	\$ 13,029	\$ 8,313
Deferred Revenue	65,800	78,860
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	78,829	87,173
 LONG-TERM LIABILITES		
Funds Held in Custody	329,679	330,191
	<hr/>	<hr/>
TOTAL LIABILITIES	408,508	417,364
 NET ASSETS		
Unrestricted	134,672	13,818
Temporarily Restricted	1,961,868	1,395,594
Permanently Restricted	261,711	261,711
	<hr/>	<hr/>
TOTAL NET ASSETS	2,358,251	1,671,123
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TOTAL LIABILITIES AND NET ASSETS	\$ 2,766,759	\$ 2,088,487
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BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.
BATON ROUGE, LOUISIANA

STATEMENTS OF ACTIVITIES
(See Accompanying Notes to Financial Statements)

For the Years Ended June 30,

	2016				2015			
	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>	<i>Unrestricted</i>	<i>Temporarily Restricted</i>	<i>Permanently Restricted</i>	<i>Total</i>
SUPPORT AND REVENUES								
Contributions	\$ 14,093	\$ 403,167	\$ -	\$ 417,260	\$ 1,096	\$ 252,173	\$ 5,675	\$ 258,944
Donated Services	75,654	-	-	75,654	7,179	-	-	7,179
Donated Materials	140,500	548,160	-	688,660	-	1,200,020	-	1,200,020
Dividends and Interest Income	-	6,183	-	6,183	-	6,068	-	6,068
Realized Gain on Investments	-	40,873	-	40,873	-	34,592	-	34,592
Unrealized Gain (Loss) on Investments	-	(47,507)	-	(47,507)	-	(24,416)	-	(24,416)
Changes in Net Asset Restrictions:								
Released from Restrictions	384,602	(384,602)	-	-	447,326	(447,326)	-	-
TOTAL SUPPORT AND REVENUES	614,849	566,274	-	1,181,123	455,601	1,021,111	5,675	1,482,387
EXPENSES								
Fundraising Expenses	47,981	-	-	47,981	8,438	-	-	8,438
Scholarships	32,876	-	-	32,876	72,778	-	-	72,778
Institutional Support	353,660	-	-	353,660	358,999	-	-	358,999
Management and General Expenses	59,478	-	-	59,478	22,706	-	-	22,706
TOTAL EXPENSES	493,995	-	-	493,995	462,921	-	-	462,921
INCREASE (DECREASE) IN NET ASSETS	120,854	566,274	-	687,128	(7,320)	1,021,111	5,675	1,019,466
NET ASSETS AT BEGINNING OF YEAR	13,818	1,395,594	261,711	1,671,123	21,138	374,483	256,036	651,657
NET ASSETS AT END OF YEAR	\$ 134,672	\$ 1,961,868	\$ 261,711	\$ 2,358,251	\$ 13,818	\$ 1,395,594	\$ 261,711	\$ 1,671,123

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

STATEMENTS OF CASH FLOWS
(See Accompanying Notes to Financial Statements)

	For the Years Ended June 30,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 687,128	\$ 1,019,466
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	124,200	93,897
In-Kind Donation of Fixed Assets	(540,500)	(1,121,160)
Decrease in Funds Held in Custody	(512)	37
Unrealized (Gain) Loss on Investments	44,729	21,032
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(12,644)	-
Pledges Receivable	(1,576)	21,994
Accounts Payable	4,716	7,221
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>305,541</u>	<u>42,487</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sale of Marketable Securities	9,874	55,000
Purchases of Marketable Securities	(244,328)	(39,455)
NET CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES	<u>(234,454)</u>	<u>15,545</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	71,087	58,032
BEGINNING CASH AND CASH EQUIVALENTS	<u>560,475</u>	<u>502,443</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 631,562</u>	<u>\$ 560,475</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents, Unrestricted	\$ 3,494	\$ -
Cash and Cash Equivalents, Restricted	628,068	560,475
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 631,562</u>	<u>\$ 560,475</u>
NONCASH INVESTING ACTIVITIES		
In-kind Donated Fixed Assets	<u>\$ 540,500</u>	<u>\$ 1,121,160</u>



BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities – Baton Rouge Community College Foundation, Inc. (the Foundation) is a nonprofit corporation organized under the laws of the State of Louisiana on April 16, 1998 for the purpose of raising funds to support programs and activities designed to advance, promote, or otherwise benefit Baton Rouge Community College (the College). The Foundation is supported primarily through contributions from the Greater Baton Rouge Area.

Basis of Accounting – The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation – The Foundation reports information regarding its financial position and activities according to three classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets are resources available to support operations. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the Foundation, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Temporarily Restricted Net Assets are resources that are restricted by a donor for use for a particular purpose or in a particular future period. The Foundation's unspent contributions are reported in this class if the donor limited their use, as are promised contributions that are not yet due. The unspent appreciation of the Foundation's donor-restricted endowment funds is also reported as temporarily restricted net assets.

Contributions of property and equipment or cash restricted to the acquisition of property and equipment are reported as temporarily restricted net assets if the donor has restricted the use of the property or equipment to a particular program. If donors specify a length of time over which the property or equipment must be used, the restrictions expire evenly over the required period. Absent that type of restriction for use the Foundation considers the restriction met when the assets are placed in service.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets.

Permanently Restricted Net Assets are resources whose use is limited by donor-imposed restrictions that neither expire by being used in accordance with a donor's restriction nor by the passage of time. The portion of the Foundation's donor-restricted endowment funds that the Foundation is committed to maintaining in perpetuity are classified in this net asset class, as is the Foundation's beneficial interest in a perpetual charitable trust held by a bank as trustee.



BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates – Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Cash and Cash Equivalents – For purposes of the Statements of Cash Flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, unless the investments are held for meeting restrictions for purchase of property and equipment, payment of long-term debt, or endowment.

Investments – Investments in marketable equity securities with readily determinable fair values are stated at fair value. Real estate investments and equity securities without readily determinable fair values are stated at cost. Dividend, interest and other investment income including realized and unrealized gains and losses are recorded as increases or decreases in either unrestricted, temporarily restricted, or permanently restricted net assets depending on donor stipulations.

Investment income and gains restricted by donors are reported as increases in unrestricted net assets if the restrictions are met (either a stipulated time period ends or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Receivables – Management believes that receivables as reflected in the accompanying financial statements are collectible in full therefore no allowance has been recorded.

Promises to Give – Unconditional promises to give are recognized as revenues 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 only when the conditions on which they depend are substantially met and the promises become unconditional.

Property and Equipment – All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. Depreciation expense was \$124,200 and \$93,897 for the years ended June 30, 2016 and 2015.

Deferred Revenue – Income from donated goods is deferred and recognized over the periods to which the goods relate.

Funds Held in Custody – Under agreements with the Louisiana Community and Technical College System and the College the Foundation manages and holds for deposit state matching funds for endowed professorships for the College.



BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition – Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases 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 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.

Donated Assets – Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Property and Equipment – Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets 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 contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Donated Services – Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. Volunteers also provide services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Income Tax Status – The Foundation is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code. However, income from certain activities not directly related to the Foundation's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170 (b) (1) (A) and has been classified as an organization other than a private foundation under Section 509 (a) (2).

Advertising – The Foundation follows the policy of charging the costs of advertising to expense as incurred. The Foundation expensed \$240 and \$2,329 for the years ended June 30, 2016 and 2015.

Reclassifications – Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.



BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016 and 2015

NOTE 2: FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), Fair Value Measurements, (ASC 820), establishes a framework for measuring fair value through a fair value hierarchy that prioritizes the sources of pricing information (inputs) to valuation techniques used to measure fair value. The highest priority is given to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The Foundation's investments are stated at fair value. Shares of registered investment companies are valued at the net asset value of such investments held by the Foundation at year end.

Investment income includes dividends and interest earned on investments, the realized net gain and/or loss from trade of investments, and net unrealized gain and/or loss resulting from market value fluctuations of investments held at year-end relative to cost. Investment earnings are recorded net of related management fees.

As of June 30, 2016 and 2015, the fair value hierarchy of the Foundation's investments was as follows:

	June 30, 2016		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit	\$ -	\$ -	\$ -
Equity mutual funds	412,238	-	-
Fixed income mutual funds	185,182	-	-
Total investment at fair value	<u>\$ 597,420</u>	<u>\$ -</u>	<u>\$ -</u>
	June 30, 2015		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificates of deposit	\$ -	\$ -	\$ -
Equity mutual funds	378,218	-	-
Fixed income mutual funds	29,477	-	-
Total investment at fair value	<u>\$ 407,695</u>	<u>\$ -</u>	<u>\$ -</u>



BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016 and 2015

NOTE 3: INVESTMENTS

All investments are restricted at June 30, 2016 and 2015 are as follows:

	<u>2016</u>		<u>2015</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Equity mutual funds	\$ 380,309	\$ 412,238	\$ 322,318	\$ 378,218
Fixed income mutual funds	<u>183,000</u>	<u>185,182</u>	<u>30,122</u>	<u>29,477</u>
	<u>\$ 563,309</u>	<u>\$ 597,420</u>	<u>\$ 352,440</u>	<u>\$ 407,695</u>

The investment returns for the years ended June 30, 2016 and 2015 are as follows:

	<u>2016</u>	<u>2015</u>
Interest and dividends	\$ 6,183	\$ 6,068
Realized gains (losses)	40,873	34,592
Unrealized gains (losses)	<u>(47,507)</u>	<u>(24,416)</u>
	<u>\$ (451)</u>	<u>\$ 16,244</u>

The total return on investments was net of \$3,290 and \$3,584 in management fees for the years ended June 30, 2016 and 2015, respectively.

NOTE 4: PLEDGE RECEIVABLE

Pledge receivable amounted to \$1,576 and \$0 for the years ended June 30, 2016 and 2015, respectively. There has been no discounted cash flow deductions made for these pledges since they are scheduled to be paid in less than one year.

NOTE 5: CONCENTRATION OF CREDIT RISK

Financial instruments that subject the Foundation to concentrations of credit risk consist primarily of investments in equity holdings in publicly traded corporations and long-term corporate fixed income instruments. The Foundation has also concentrated its credit risk for cash by maintaining deposits in a financial institution in Baton Rouge, Louisiana. At times this balance exceeds the FDIC limits. However, management believes the risk is limited.

BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

NOTE 6: RESTRICTIONS ON NET ASSETS

The Foundation's board of directors has not chosen to place any limitations on unrestricted net assets.

Changes in temporarily restricted net assets consist of the following for the years ended June 30, 2016 and 2015:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Releases</u>	Ending <u>Balance</u>
Professorships	\$ 36,075	\$ 9,349	\$ -	\$ 45,424
Scholarships	199,415	121,776	(31,063)	290,128
Specific Academic Projects	1,091,486	568,606	(165,763)	1,494,329
Capital Outlay and Improvements	25,916	-	(25,000)	916
BRCC Alumni Department	1,502	-	-	1,502
BRCC Athletics Department	24,747	16,051	(21,311)	19,487
Institutional Support	16,453	222,782	(129,153)	110,082
Management Fees	-	12,312	(12,312)	-
Total Temporarily Restricted Net Assets	<u>\$ 1,395,594</u>	<u>\$ 950,876</u>	<u>\$ (384,602)</u>	<u>\$ 1,961,868</u>

Permanently restricted net assets at June 30, 2016 and 2015 are restricted to investment in perpetuity, the income from which is expendable to support the activities below:

	<u>2016</u>	<u>2015</u>
Professorships	\$ 200,000	\$ 200,000
Scholarships	61,711	61,711
	<u>\$ 261,711</u>	<u>\$ 261,711</u>

NOTE 7: ENDOWMENTS

The Foundation classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment. Earnings or losses from donor-restricted endowment fund investments are classified as temporarily restricted net assets until those amounts are appropriated for expenditure.

Return objectives – The long-term investment objective is to maintain the purchasing power of the endowment assets while funding current obligations. In addition, the investment program is expected to exceed a composite benchmark index comprised of market indices weighted in proportion to an asset allocation policy. Adequate liquidity shall be maintained to provide distributions as stipulated in the endowment agreement.

The Foundation classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment. Earnings or losses from donor-restricted endowment fund investments are classified as temporarily restricted net assets until those amounts are appropriated for expenditure.



BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2016 and 2015

NOTE 7: ENDOWMENTS (CONTINUED)

To satisfy the long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both market appreciation (realized and unrealized), and interest and dividends. The Foundation targets a diversified asset allocation to achieve its long-term return objectives within prudent risk constraints. At June 30, 2014, the Foundation invests in a portfolio of certificates of deposits, equity and fixed income mutual funds and cash and/or money market accounts.

Spending policy – The Foundation follows the Louisiana Board of Regents Investment Policy regarding Endowed Professorships. It is recognized that in order to preserve endowment assets, annual spending in the current year should not exceed the original corpus of the endowment of the most recent fiscal year. When the current market value of endowment assets is below the original corpus of the endowment, no spending is allowed.

The table below represents the endowment related activities for the fiscal years ending June 30, 2016 and 2015.

	June 30, 2016		
	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 69,811	\$ 261,711	\$ 331,522
Investment return:			
Investment income	2,836	-	2,836
Net appreciation (realized and unrealized)	(10,337)	-	(10,337)
Total investment return	(7,501)	-	(7,501)
Contributions	-	-	-
Distributions	-	-	-
Endowment net assets, end of year	\$ 62,310	\$ 261,711	\$ 324,021
	June 30, 2015		
	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ 68,337	\$ 256,036	\$ 324,373
Investment return:			
Investment income	2,899	-	2,899
Net appreciation (realized and unrealized)	6,575	-	6,575
Total investment return	9,474	-	9,474
Contributions	-	5,675	5,675
Distributions	(8,000)	-	(8,000)
Endowment net assets, end of year	\$ 69,811	\$ 261,711	\$ 331,522



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BATON ROUGE COMMUNITY COLLEGE FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2016 and 2015

NOTE 8: RELATED PARTIES

The College provides the Foundation with administrative personnel free of charge. The value of these services was approximately \$75,654 and \$7,179 for the years ended June 30, 2016 and 2015, respectively.

NOTE 9: PRIOR PERIOD ADJUSTMENT

During the current year, it was discovered that an invoice for donated goods had not been recorded in the prior year. The invoice was received by the Foundation after the prior period financial statements had been released. As a result, prepaid expense, deferred revenue, donated good revenue and support expenses were understated. Accordingly, an adjustment of \$78,860 was made during 2016 to correct these accounts as of the beginning of the year. There was no effect on net assets for 2015.

NOTE 10: UNCERTAIN TAX POSITIONS

The Foundation may recognize the tax benefit from a tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income (UBIT). The Foundation has analyzed its tax positions taken for filings with the Internal Revenue Service. The Foundation believes that its income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse on the Foundation's financial condition, results of operations, or cash flows. The Foundation's tax returns are subject for review for years following 2013.

NOTE 11: SUBSEQUENT EVENTS

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through September 2, 2016, the date the financial statements were available to be issued.

