

TARRANT COUNTY COLLEGE FOUNDATION

FINANCIAL REPORT

AUGUST 31, 2008

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**WEAVER
AND
TIDWELL**

L.L.P.

CERTIFIED PUBLIC
ACCOUNTANTS
AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Tarrant County College Foundation

We have audited the accompanying statements of financial position of Tarrant County College Foundation (the Foundation) as of August 31, 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 Tarrant County College Foundation as of August 31, 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas
November 17, 2008

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**TARRANT COUNTY COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and cash equivalents	\$ 259,277	\$ 144,366
Pledges receivable	107,500	4,375
Investments	<u>2,559,309</u>	<u>1,985,901</u>
Total assets	<u>\$ 2,926,086</u>	<u>\$ 2,134,642</u>
 LIABILITIES		
Accounts payable and accrued liabilities	\$ 7,394	\$ 54,564
Due to affiliate	<u>79,126</u>	<u>-</u>
Total liabilities	86,520	54,564
 NET ASSETS		
Unrestricted	496,076	513,463
Temporarily restricted	441,723	104,957
Permanently restricted	<u>1,901,767</u>	<u>1,461,658</u>
Total net assets	<u>2,839,566</u>	<u>2,080,078</u>
 TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,926,086</u>	<u>\$ 2,134,642</u>

The Notes to Financial Statements
are an integral part of these statements.

**TARRANT COUNTY COLLEGE FOUNDATION
STATEMENTS OF ACTIVITIES
YEARS ENDED AUGUST 31, 2008 AND 2007**

	2008	2007
CHANGES IN UNRESTRICTED NET ASSETS		
Revenues		
Gifts	\$ 572,355	\$ 547,248
Investment return	(35,224)	23,165
Net assets released from restrictions for satisfaction of programs	157,913	50,681
Total revenues	695,044	621,094
Expenses		
Scholarships and support of College	174,180	100,500
General and administrative	538,251	366,680
Total expenses	712,431	467,180
Change in unrestricted net assets	(17,387)	153,914
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Revenues		
Gifts	572,913	33,417
Investment return	(78,234)	40,008
Net assets released from restrictions for satisfaction of programs	(157,913)	(50,681)
Change in temporarily restricted net assets	336,766	22,744
CHANGES IN PERMANENTLY RESTRICTED NET ASSETS		
Revenues		
Gifts	437,212	216,556
Investment return	2,897	4,174
Change in permanently restricted net assets	440,109	220,730
Change in net assets	759,488	397,388
Net assets at beginning of year	2,080,078	1,682,690
NET ASSETS AT END OF YEAR	\$ 2,839,566	\$ 2,080,078

The Notes to Financial Statements
are an integral part of these statements.

**TARRANT COUNTY COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 759,488	\$ 397,388
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Restricted gifts and grants received	(440,109)	(220,730)
Net depreciation (appreciation) in fair value of investments	159,248	(7,947)
Gifts of securities	-	(35,775)
Changes in operating assets and liabilities		
Pledges receivable	(103,125)	4,375
Accounts payable and accrued liabilities	(47,170)	42,264
Due to affiliate	79,126	(27,550)
	<u>407,458</u>	<u>152,025</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of investments	1,864,117	41,311
Purchases of investments	(2,550,548)	(714,943)
Reinvestment of investment income	(46,225)	(42,364)
	<u>(732,656)</u>	<u>(715,996)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions restricted for investment in endowment	440,109	220,730
	<u>440,109</u>	<u>220,730</u>
Net change in cash and cash equivalents	114,911	(343,241)
Cash and cash equivalents at beginning of year	<u>144,366</u>	<u>487,607</u>
Cash and cash equivalents at end of year	<u><u>\$ 259,277</u></u>	<u><u>\$ 144,366</u></u>

The Notes to Financial Statements
are an integral part of these statements.

**TARRANT COUNTY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. NATURE OF OPERATIONS

Tarrant County College Foundation (the Foundation) is an affiliate of Tarrant County College District (the College). The Foundation's sole purpose is to solicit and administer philanthropic gifts for the benefit of the College. The Foundation is supported through grants, contributions and fundraising activities primarily from sources within the geographic area in which it is located.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met by the passage of time or accomplishment of a purpose.

Unrestricted net assets - Net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Contributions are recognized as revenues in the period unconditional promises to give are received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Cash Equivalents

The Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents unless held subject to restrictions that require them to be used for endowment.

**TARRANT COUNTY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Investments

Investments are recorded at their fair market value. Donated investments are recorded at fair value at the date of gift.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision has been made for federal income tax.

Concentrations of Credit Risk

The Foundation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes that it is not exposed to any significant credit risk on cash and cash equivalents.

Use of 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 the reported amount of assets and liabilities and disclosure of contingent 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.

NOTE 3. CONTRIBUTIONS RECEIVABLE

Contributions receivable are summarized as follows at August 31:

Unconditional promises expected to be collected in:

	2008	2007
Less than one year	\$ 73,500	\$ 4,375
One year to five years	34,000	-
	\$ 107,500	\$ 4,375

Management considers all contributions to be fully collectible. The present value of cash flows from recorded promises to give does not vary significantly from the stated value. Accordingly, no discount has been recorded.

**TARRANT COUNTY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 4. INVESTMENTS

Investments at fair value at August 31 were as follows:

	<u>2008</u>	<u>2007</u>
Money market	\$ 262,326	\$ 171,840
Bonds	916,439	541,196
Exchange-traded funds	338,664	279,255
Mutual funds	<u>1,041,880</u>	<u>993,610</u>
	<u>\$ 2,559,309</u>	<u>\$ 1,985,901</u>

Investment return for the years ended August 31 was composed of:

	<u>2008</u>	<u>2007</u>
Realized losses	\$ (68,638)	\$ (184)
Unrealized gains (losses)	(81,131)	8,131
Interest and dividends	48,687	59,400
Investment expenses	<u>(9,479)</u>	<u>-</u>
	<u>\$ (110,561)</u>	<u>\$ 67,347</u>

NOTE 5. RELATED PARTY TRANSACTIONS

The College employs individuals whose duties and responsibilities relate solely to the furtherance of the objectives of the Foundation. Additionally, the Foundation utilizes office space for program services that is provided at no charge by the College. The fair value of donated services and rent provided in this manner to the Foundation was included in the statements of activities at the estimated values of \$386,034 and \$11,700, respectively, for the year ended August 31, 2008, and \$261,163 and \$12,760 respectively, for the year ended August 31, 2007. Also included in the statements of activities for the years ended August 31, 2008 and 2007 is \$71,320 and \$83,803, respectively, related to supplies and other administrative expenses paid by the College on behalf of the Foundation.

Amounts due to the College, primarily for scholarships paid on the Foundation's behalf, are included on the statement of financial position as due to affiliate.

**TARRANT COUNTY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 6. PRIOR PERIOD ADJUSTMENT

During the year ended August 31, 2008, management discovered that \$34,460 of endowed gifts had been improperly reported as temporarily restricted in previously issued financial statements. \$14,745 related to the year ended August 31, 2006 and \$18,715 related to the year ended August 31, 2007. Additionally, management discovered that \$5,000 of temporarily restricted gifts had been improperly reported as unrestricted for the year ended August 31, 2007. Therefore, the Foundation has retroactively adjusted the amounts previously reported by recording the following adjustments:

	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>As Restated</u>
Net Assets:			
Unrestricted	\$ 518,463	\$ (5,000)	\$ 513,463
Temporarily restricted	133,417	(28,460)	104,957
Permanently restricted	1,428,198	33,460	1,461,658
Changes in Unrestricted Net Assets:			
Revenues			
Gifts	552,248	(5,000)	547,248
Changes in Temporarily Restricted Net Assets:			
Revenues			
Gifts	47,132	(13,715)	33,417
Changes in Permanently Restricted Net Assets:			
Revenues			
Gifts	197,841	18,715	216,556

The retroactive adjustment had no effect on total net assets or total change in net assets for the year ended August 31, 2007.