



To the Board of Directors and Management of
Riverside Community College District Foundation
Riverside, California

We have audited the financial statements of Riverside Community College District Foundation (the Foundation) for the year ended June 30, 2009, and have issued our report thereon dated November 11, 2009. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you. Professional standards also require that we communicate to you the following information related to our audit.

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 Foundation are described in Note 1 to the financial statements. During the 2008-2009 fiscal year, two new accounting standards were adopted: Financial Accounting Standards Board (FASB) Statement No. 157, *Fair Value Measurements*, and Statement on Financial Accounting Standards (SFAS) Statement No. 117-1, *Endowments for Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds and Enhanced Disclosures for all Endowment Funds*. FASB Statement No. 157 defines fair value measurements, establishes a framework for measuring fair value, and expands the disclosures about fair value measurements. The effect of this new statement can be reviewed in Note 5 on pages 12 and 13 of the annual report. SFAS No. 117-1 provides guidance on endowment funds - whether permanently or temporarily restricted and the accounting for spending policies and investment returns. We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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:

Management's estimate of the unrealized gains and losses is based on current market information as of June 30, 2009. We evaluated the key factors and assumptions used to develop the reported unrealized losses as of June 30, 2009, in determining that it is reasonable in relation to the financial statements taken as a whole.

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. We provided to management identified adjustments for financial statement presentation and management has agreed with our conclusion that the adjustments were necessary to present fairly, in all material respects, the financial activity of the Foundation as of June 30, 2009.

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 auditors' 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 November 11, 2009. Management has reviewed this letter, signed it, and returned the letter to our office.

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 auditors' 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.

We have presented to management certain comments and recommendations for follow up and review to enhance the internal controls and the ongoing sustainability of the Foundation operations into the future.

This information is intended solely for the use of the Board of Directors of the Foundation, management, and certain members of the Riverside Community College District Board of Trustees and management, and is not intended to be and should not be used by anyone other than these specified parties.

Vaurinek, Irine, Day & Co. LLP

Rancho Cucamonga, California
November 11, 2009