LOUISIANA DELTA COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA

INDEPENDENT ACCOUNTANT'S REVIEW REPORT
FOR THE YEAR ENDED JUNE 30, 2012
ISSUED DECEMBER 5, 2012

LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397

LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

FIRST ASSISTANT LEGISLATIVE AUDITOR AND STATE AUDIT SERVICES
PAUL E. PENDAS, CPA

DIRECTOR OF FINANCIAL AUDIT
THOMAS H. COLE, CPA

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and at the office of the parish clerk of court.

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TABLE OF CONTENTS

EXECUTIVE SUMMARY

Louisiana Delta Community College (College) is accredited by the Southern Association of Colleges and Schools (SACS). Act 681 of the 2012 Legislative Session merged the College with the Northeast Louisiana Technical College, effective July 1, 2012. As a part of the process for approval of the merger, SACS required that a financial statement review be performed on the College's fiscal year 2012 activities.

A review includes applying analytical procedures to the College's financial data and making inquiries of management. A review is substantially less in scope than an audit. Based on our review, we are not aware of any changes that should be made that would be material to the College's financial statements for them to conform to accounting principles generally accepted in the United States of America.

The College has grown in recent years, in part, because of SACS accreditation in 2009, a new facility in 2010, and the absorption of two additional campuses in 2011. During the last four years, the College has become more dependent on federal revenues as its enrollment has increased and tuition, fees, state appropriations, and other revenues have remained relatively constant.

LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

November 28, 2012

Independent Accountant's Review Report

LOUISIANA DELTA COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Monroe, Louisiana

We have reviewed the accompanying basic financial statements as listed in the table of contents of Louisiana Delta Community College (college), a college within the Louisiana Community and Technical College System (System), a component unit of the State of Louisiana, as of and for the year ended June 30, 2012. A review includes primarily applying analytical procedures to management's financial data and making inquiries of College management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The College's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

As discussed in note 1-B to the basic financial statements, the accompanying financial statements of the College are intended to present the financial position and the changes in financial position and cash flows of only that portion of the business-type activities of the System that are attributable to the transactions of the College. They do not purport to, and do not, present fairly the financial position of the System or the State of Louisiana as of June 30, 2012, and the changes in its financial position and its cash flows, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 5 through 10 and the Schedule of Funding Progress for the Other Postemployment Benefits Plan on page 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information was not audited, reviewed, or compiled by us and, accordingly, we do not express an opinion or provide any assurance on it.

Respectfully submitted,

Daryl G. Purpera

Daryl G. Purpera, CPA, CFE
Legislative Auditor

WMS:BAC:BDC:THC:ch

LDCC12

The Management's Discussion and Analysis of Louisiana Delta Community College's (College) financial performance presents a narrative overview and analysis of the College's financial activities for the year ended June 30, 2012. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the College's financial statements, which begin on page 11. Dollar amounts are presented in thousands unless otherwise noted.

FINANCIAL HIGHLIGHTS

The College's net assets decreased from $3,787 to $3,169 or 16% from July 1, 2011, to June 30, 2012. The overall reasons for this change included:

- Midyear and end of year cuts to state appropriations
- Personnel turnover with the necessary accrued payroll payouts
- A necessary increase of the rate paid to adjunct/overload contracts to comparable lower levels paid by other state institutions of higher learning

Institutional Research reported that enrollment for the College increased from 3,712 to 4,242 students from FY 2011 to FY 2012, an overall increase of 14%. The reasons for this change are due to the same explanation the College saw enrollment increases in the previous year:

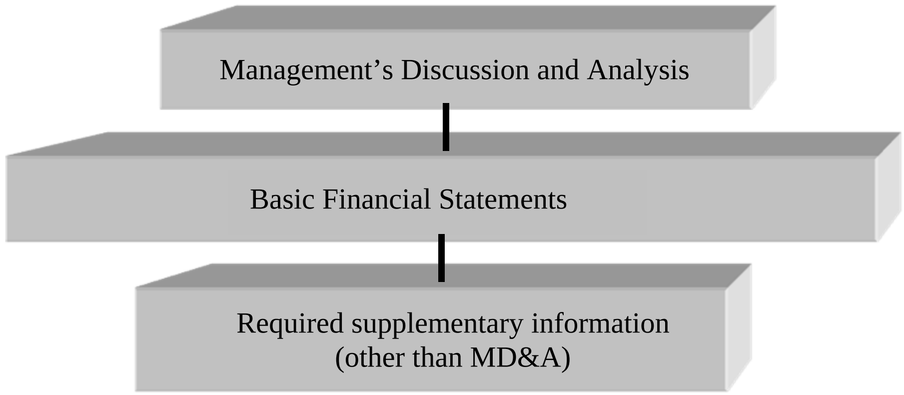
- Continued economic hardships for the nation and the state creating a greater demand for higher education
- Newer facilities at the College's Monroe campus
- Increase in effective advertising for the College

The College's operating revenues decreased from $5,230 to $4,423 or 15% from July 1, 2011, to June 30, 2012. Operating expenses increased by 1% to $16,819 for the year ended June 30, 2012. The increase of the number of students who qualified for federal and state grants and the increase in the tuition rate caused a marked increase in the amount of PELL and other federal and state funded grants being used to pay for tuition and fees at the College - this increased the amount reported under scholarship allowances effectively reducing the total claimed in Operating Revenues without affecting the Operating Expenses at a similar rate.

Nonoperating revenues fluctuate depending upon levels of state operating and capital appropriations. The decrease to $11,778 in 2012 from $12,763 in 2011 is attributed to reductions in appropriations granted to the College.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.



These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

The basic financial statements present information for the College as a whole, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Assets (SNA); the Statement of Revenues, Expenses, and Changes in Net Assets (SRECNA); and the Statement of Cash Flows.

The SNA (page 11) presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets and may provide a useful indicator of whether the financial position of the College is improving or deteriorating.

The SRECNA (page 12) presents information showing how the College's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net assets are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows (pages 13-14) presents information showing how the College's cash changed as a result of current year operations. The Statement of Cash Flows is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities (indirect method) as required by GASB 34.

The financial statements provide both long-term and short-term information about the College's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other supplementary information that further explains and supports the information in the financial statements.

The College's financial statements are prepared on an accrual basis in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. Under this basis of accounting, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the SRECNA. All assets and liabilities associated with the operation of the System are included in the SNA.

FINANCIAL ANALYSIS

Louisiana Delta Community College
Comparative Statement of Net Assets
(in thousands of dollars)
As of June 30, 2012 and 2011

	2012	2011	Variance	Percentage Change
Assets				
Current and other assets	$4,993	$5,337	($344)	(6%)
Capital assets	3,810	3,868	(58)	(1%)
Total assets	8,803	9,205	(402)	(4%)
Liabilities				
Current liabilities	724	1,057	(333)	(32%)
Long-term liabilities	4,910	4,361	549	13%
Total liabilities	5,634	5,418	216	4%
Net assets				
Invested in capital assets	3,810	3,868	(58)	(1%)
Restricted	2,642	1,721	921	54%
Unrestricted	(3,283)	(1,802)	(1,481)	(82%)
Total net assets	$3,169	$3,787	($618)	(16%)

This schedule is prepared from the College's SNA as shown on page 11, which is presented on an accrual basis of accounting. The 54% increase in Restricted Net Assets is mainly due to the receipt of several Rapid Response Grants from the state.

Net assets invested in capital assets consist of capital assets net of accumulated depreciation. Restricted net assets represent those assets that are not available for spending as a result of legislative requirements, donor agreements, or grant requirements. Conversely, unrestricted net assets are those that have no limitations on how these amounts may be spent.

Louisiana Delta Community College
Comparative Statement of Revenues, Expenses, and Changes in Net Assets
(in thousands of dollars)
For the Fiscal Years Ended June 30, 2012 and 2011

	2012	2011	Variance	Percentage Change
Operating revenues				
Student tuition and fees, net	$2,871	$3,046	($175)	(6%)
Grants and contracts	1,375	2,008	(633)	(32%)
Sales and services of educational departments	23	18	5	28%
Auxiliary enterprises, net	138	110	28	25%
Other	16	48	(32)	(67%)
Total operating revenues	4,423	5,230	(807)	(15%)
Operating expenses				
Education and general:				
Instruction	6,530	5,608	922	16%
Academic support	1,312	1,128	184	16%
Student services	1,351	1,176	175	15%
Institutional support	3,069	3,290	(221)	(7%)
Operations and maintenance of plant	1,180	1,068	112	10%
Depreciation	172	238	(66)	(28%)
Scholarships and fellowships	2,836	3,768	(932)	(25%)
Auxiliary enterprises	2	1	1	100%
Other operating expenses	367	371	(4)	(1%)
Total operating expenses	16,819	16,648	171	1%
Operating loss	(12,396)	(11,418)	(978)	9%
Nonoperating Revenues				
State appropriations	4,443	4,938	(495)	(10%)
Federal nonoperating revenues	6,564	7,777	(1,213)	(16%)
Other nonoperating revenues	771	48	723	1506%
Net nonoperating revenues	11,778	12,763	(985)	(8%)
Change in net assets	(618)	1,345	(1,963)	(146%)
Net assets, beginning of year	3,787	2,442	1,345	55%
Net assets, end of year	$3,169	$3,787	($618)	(16%)

Nonoperating revenues decreased by 8% to $11,778, primarily attributable to a reduction in state appropriations.

State appropriations decreased from $4,938 to $4,443 because of state budget cuts.

The College's operating revenues decreased by $807 or 15%. By increasing the number of students qualified for federal and state grants and increasing the tuition paid by students, a larger portion of the federal and state grants were used to pay tuition and fees which in turn increased the amount claimed as scholarships and allowances - contributing to the reduction in overall reported operating revenues.

CAPITAL ASSETS

As of June 30, 2012, the College had invested approximately $3,810 in capital assets, net of accumulated depreciation. This amount represents a net decrease (including additions and disposals, net of depreciation) of approximately $58 or 1% over the previous fiscal year. More detailed information about the College's capital assets is presented in note 5 to the financial statements.

Louisiana Delta Community College
Capital Assets, Net of Depreciation
(in thousands of dollars)
As of June 30, 2012 and 2011

	2012	2011	Variance	Percentage Change
Land and improvements	$2,744	$2,744		0%
Buildings	89	111	($22)	(20%)
Equipment	977	1,013	(36)	(4%)
Total	$3,810	$3,868	($58)	(1%)

ECONOMIC FACTORS THAT WILL AFFECT THE FUTURE

The following currently known facts, decisions, or conditions are expected to have a significant effect on financial position or results of operations:

- Tuition increase by statute by 10% under the Louisiana Grad Act of 2010
- Significant cuts to state appropriations for the College
- Merger with Northeast Louisiana Technical College

CONTACTING LOUISIANA DELTA COMMUNITY COLLEGE’S MANAGEMENT

This financial report is designed to provide our residents, taxpayers, customers, and investors and creditors with a general overview of the College’s finances and to show the College’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact Troy Caserta at tcaserta@ladelta.edu.

LOUISIANA DELTA COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA

Statement of Net Assets, June 30, 2012

ASSETS	
Current assets:	
Cash (note 2)	$3,492,068
Receivables, net (note 4)	714,240
Due from federal government	118,541
Due from Louisiana Community and Technical College System (LCTCS) colleges/LCTCS	252,287
Inventories	5,349
Total current assets	4,582,485
Noncurrent assets:	
Restricted assets:	
Investments (note 3)	410,922
Capital assets, net (note 5)	3,810,123
Total noncurrent assets	4,221,045
Total assets	8,803,530
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities (note 6)	373,762
Due to federal government	2,968
Deferred revenues (note 7)	278,237
Compensated absences payable (notes 11 and 14)	37,899
Amounts held in custody for others	31,360
Total current liabilities	724,226
Noncurrent liabilities:	
Compensated absences payable (notes 11 and 14)	641,217
Other postemployment benefits payable (notes 10 and 14)	4,268,885
Total noncurrent liabilities	4,910,102
Total liabilities	5,634,328
NET ASSETS	
Invested in capital assets	$3,810,123
Restricted for:	
Nonexpendable (note 15)	309,000
Expendable (note 15)	2,333,023
Unrestricted	(3,282,944)
Total net assets	$3,169,202

See accompanying notes and independent accountant's review report.

Statement B

LOUISIANA DELTA COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA

Statement of Revenues, Expenses, and Changes in Net Assets
For the Fiscal Year Ended June 30, 2012

OPERATING REVENUES	
Student tuition and fees (net of scholarship allowances of $4,209,626)	$2,870,852
Federal grants and contracts	1,082,765
State and local grants and contracts	186,747
Nongovernmental grants and contracts	105,824
Sales and services of educational departments	22,682
Interagency revenue	16,036
Auxiliary enterprise revenues	137,986
Total operating revenues	4,422,892
OPERATING EXPENSES	
Education and general:	
Instruction	6,529,821
Academic support	1,311,782
Student services	1,351,384
Institutional support	3,068,833
Operations and maintenance of plant	1,180,375
Depreciation	171,801
Scholarships and fellowships	2,835,614
Auxiliary enterprises	2,372
Interagency expense	367,499
Total operating expenses	16,819,481
OPERATING LOSS	(12,396,589)
NONOPERATING REVENUES	
State appropriations	4,443,085
Gifts	440
Federal nonoperating revenues	6,563,512
Investment income	11,233
Other nonoperating revenues	760,202
Net nonoperating revenues	11,778,472
DECREASE IN NET ASSETS	(618,117)
NET ASSETS - BEGINNING OF YEAR	3,787,319
NET ASSETS - END OF YEAR	$3,169,202

See accompanying notes and independent accountant's review report.

LOUISIANA DELTA COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA

Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012

Cash flows from operating activities:	
Tuition and fees	$2,873,325
Grants and contracts	607,848
Sales and services of educational departments	22,682
Auxiliary enterprise receipts	137,986
Payments for employee compensation	(6,904,157)
Payments for benefits	(2,481,870)
Payments for utilities	(282,303)
Payments for supplies and services	(3,145,849)
Payments for scholarships and fellowships	(2,573,829)
Other payments	(294,605)
Net cash used by operating activities	(12,040,772)
Cash flows from noncapital financing activities:	
State appropriations	4,443,085
Gifts and grants for other than capital purposes	7,296,952
TOPS receipts	156,725
TOPS disbursements	(156,725)
Other receipts	27,202
Net cash provided by noncapital financing sources	11,767,239
Cash flows from financing activities:	
Purchase of capital assets	(113,501)
Cash flows from investing activities:	
Interest received on investments	4,404
NET DECREASE IN CASH	(382,630)
CASH AT BEGINNING OF YEAR	3,874,698
CASH AT END OF YEAR	$3,492,068

(Continued)

See accompanying notes and independent accountant's review report.

LOUISIANA DELTA COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012

Reconciliation of operating loss to net cash used by operating activities:	
Operating loss	($12,396,589)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Depreciation expense	171,801
Changes in assets and liabilities:	
(Increase) in accounts receivable, net	(31,608)
(Increase) in inventories	(1,164)
Increase in accounts payable and accrued liabilities	18,880
(Decrease) in deferred revenue	(395,477)
Increase in amounts held in custody for others	26,711
Increase in compensated absences	59,902
Increase in other postemployment benefits payable	506,772
Net cash used by operating activities	($12,040,772)
NONCASH INVESTING ACTIVITIES	
Unrealized gain on investments	$6,828

(Concluded)

See accompanying notes and independent accountant's review report.

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

Louisiana Delta Community College (College) is a publicly supported institution of higher education. The College is a part of the Louisiana Community and Technical College System (System), which is a component unit of the State of Louisiana, within the executive branch of government. The College is under the management and supervision of the System Board of Supervisors; however, certain items like the annual budget of the College and changes to the degree programs and departments of instruction require the approval of the Board of Regents for Higher Education. As a state institution, operations of the College's instructional programs are funded through annual lapsing appropriations made by the Louisiana Legislature.

The College is located in Monroe, Louisiana. The College offers associate degrees in various academic areas. Net enrollment at the College was 4,242 during the fall semester of fiscal year 2012.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The Governmental Accounting Standards Board (GASB) promulgates accounting principles generally accepted in the United States of America and reporting standards for state and local governments. These principles are found in the *Codification of Governmental Accounting and Financial Reporting Standards*, published by the GASB. The accompanying financial statements have been prepared in accordance with such principles.

The College applies all GASB pronouncements as well as applicable Financial Accounting Standards Board (FASB) statements and interpretations, Accounting Principles Board Opinion, and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The College has the option to apply all FASB pronouncements issued after November 30, 1989, unless FASB conflicts with GASB. The College has elected not to apply FASB pronouncements issued after the applicable date.

B. REPORTING ENTITY

Using the criteria in GASB Codification Section 2100, the Division of Administration, Office of Statewide Reporting and Accounting Policy, has defined the governmental reporting entity to be the State of Louisiana. The College is part of the System, which is considered a component unit of the State of Louisiana because the state exercises oversight responsibility and has accountability for fiscal matters as follows: (1) a majority of the members of the governing board are appointed by the governor; (2) the state has control and exercises authority over budget matters; (3) the state issues bonds to finance certain construction; and (4) the System primarily serves state residents. The accompanying financial statements present information only as to the transactions of the programs of the College.

Annually, the State of Louisiana issues a comprehensive annual financial report, which includes the activity contained in the accompanying basic financial statements within the System amounts. The Louisiana Legislative Auditor audits the basic financial statements of the System and the state.

Criteria described in GASB Codification Section 2100 were used to evaluate whether potential component units should be blended with the College, discretely presented, disclosed in the notes to the financial statements, or excluded from the reporting entity. This evaluation was made to identify those *component* units for which the College is financially accountable and other organizations for which the nature and significance of their relationship with the College are such that exclusion would cause the financial statements of the College to be misleading or incomplete.

C. BASIS OF ACCOUNTING

For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College’s financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

D. CASH AND CASH EQUIVALENTS

Cash includes cash on hand, demand deposits, and interest-bearing demand deposits. Cash equivalents include certificates of deposit and all highly liquid investments with a maturity of three months or less when purchased. Under state law, the College may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the College may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

E. INVENTORIES

Inventories are valued at the lower of cost or market on the weighted-average basis under a periodic inventory system using the consumption method.

F. RESTRICTED INVESTMENTS

Investments include mutual funds and are endowments for which donors or other outside sources have stipulated that, as a condition of the gift instrument, the principal is to be maintained inviolate and in perpetuity and are reported as noncurrent restricted assets.

In accordance with Louisiana Revised Statute (R.S.) 49:327, the College is authorized to invest funds in direct U.S. Treasury obligations, U.S. government agency obligations, direct repurchase agreements, investment grade commercial paper, investment grade corporate notes and bonds, and money market funds. In addition, funds derived from gifts and grants may be invested as stipulated by the conditions of the gift instrument or grant agreement. Investments are maintained in investment accounts as authorized by policies and procedures established by the Board of Regents and are reported at fair value in accordance with GASB Statement 31. Changes in the carrying value of investments, resulting in unrealized gains or losses, are reported as a component of investment income in the Statement of Revenues, Expenses, and Changes in Net Assets.

G. CAPITAL ASSETS

The College follows the capitalization policies established by the Louisiana Division of Administration, Office of Statewide Reporting and Accounting Policy. Capital assets are reported at cost at the date of acquisition or their estimated fair value at the date of donation. For movable property, the College's capitalization policy includes all items with a unit cost of $5,000 or more and an estimated useful life greater than one year. Renovations to buildings and land improvements that significantly increase the value or extend the useful life of the structure are capitalized if they exceed $100,000. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 40 years for buildings, 20 years for depreciable land improvements, and three to 10 years for most movable property and software.

H. DEFERRED REVENUES

Deferred revenues include amounts received for tuition and fees before the end of the fiscal year but are related to the subsequent accounting period.

I. COMPENSATED ABSENCES

Employees accrue and accumulate annual and sick leave in accordance with state law and administrative regulations. The leave is accumulated without limitation; however, nine-month faculty members do not accrue annual leave but are granted faculty leave during holiday periods when students are not in classes. Employees who are considered having non-exempt status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned.

Upon separation of employment, both classified and non-classified personnel or their heirs are compensated for accumulated annual leave not to exceed 300 hours. In addition, academic and non-classified personnel or their heirs are compensated for accumulated sick leave not to exceed 25 days upon retirement or death. Act 343 of 1993 allows members of the Louisiana State Employees' Retirement System (LASERS), upon application for retirement, the option of receiving an actuarially determined lump sum payment for annual and sick leave which would otherwise have been used to compute years of service for retirement. Unused annual leave in excess of 300 hours plus unused sick leave are used to compute retirement benefits for the Teachers' Retirement System of Louisiana and LASERS but not for the Optional Retirement System.

Upon termination or transfer, a classified employee will be paid for any one and one-half hour compensatory leave earned and may or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the classified employee's hourly rate of pay at termination or transfer.

J. NONCURRENT LIABILITIES

Noncurrent liabilities include estimated amounts for accrued compensated absences and other postemployment benefits that will not be paid within the next fiscal year.

K. NET ASSETS

Net assets comprise the various net earnings from operation, nonoperating revenues, expenses, and contributions of capital. Net assets are classified in the following components:

(a) *Invested in capital assets* consists of the College's total investment in capital assets, net of accumulated depreciation. The College does not have any outstanding debt obligations related to capital assets.

(b) *Restricted - nonexpendable* consists of endowments and similar type funds for which donors or other outside sources have stipulated that, as a condition of the gift instrument, the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

(c) *Restricted - expendable* consists of resources that the College is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

(d) *Unrestricted* consists of resources derived from student tuition and fees, state appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College and may be used at the discretion of the governing board to meet current expenses and for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the College's policy is to first apply the expense toward unrestricted resources, then toward restricted resources.

L. CLASSIFICATION OF REVENUES AND EXPENSES

The College has classified its revenues and expenses as either operating or nonoperating according to the following criteria:

(a) *Operating revenue* includes activities that have the characteristics of exchange transactions, such as (1) student tuition and fees, net of scholarship discounts and allowances; (2) sales and services of auxiliary enterprises, net of scholarship discounts and allowances; and (3) most federal, state, and local grants and contracts.

(b) *Nonoperating revenue* includes activities that have the characteristics of nonexchange transactions, such as gifts and contributions, state appropriations, certain federal revenues (Pell), and investment income.

(c) *Operating expenses* generally include transactions resulting from providing goods or services, such as (1) payments to vendors for goods or services; (2) payments to employees for services; and (3) payments for employee benefits.

(d) *Nonoperating expenses* generally include transactions resulting from financing activities, capital acquisitions, and investing activities.

M. SCHOLARSHIP DISCOUNTS AND ALLOWANCES

Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the Statement of Revenues, Expenses, and Changes in Net Assets. Scholarship discounts and allowances are the difference between the stated charge for services (tuition and fees) provided by the College and the amount that is paid by students and/or third parties making payments on the student's behalf.

N. 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH

At June 30, 2012, the College has cash (book balances) of $3,492,068. The total consists of $3,490,068 of demand deposits and $2,000 petty cash.

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College does not have a formally adopted policy that addresses custodial credit risk of deposits. Under state law, the College's deposits (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank.

3. INVESTMENTS

At June 30, 2012, the College has restricted investments totaling $410,922 as follows:

	Fair Value June 30, 2012	Investment Maturities (Years)	Credit Quality Rating
Mutual funds:			
Pooled equity	$166,987	Not Applicable	Not Applicable
Fixed income securities	235,831	6.43 average	Not Rated
Money market	8,104	Not Applicable	Not Applicable
Total	$410,922		

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits the College's investments by type as described previously. The College does not have a policy to further limit credit risk.

Custodial credit risk is the risk that in the event of the failure of the counterparty, the College will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments reported by the College consist entirely of mutual funds and the College's investment policy generally requires that issuers must provide the College with safekeeping receipts, collateral agreements, and custodial agreements. The College does not have policies to further limit credit risk.

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. State law requires that at no time shall the funds invested in U.S. government agency obligations exceed 60% of all monies invested with maturities of 30 days or longer. In addition, state law limits the investment in commercial paper and corporate notes and bonds to 20% of all investments. The College does not have policies to further limit concentration of credit risk.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. State law as applicable to institutions of higher education does not address interest rate risk. In addition, the College does not have policies to limit interest rate risk.

4. RECEIVABLES

Receivables as shown on the Statement of Net Assets, net of an allowance for doubtful accounts, are all scheduled for collection within one year and are composed of the following:

Type	Accounts Receivable	Allowance for Doubtful Accounts	Net Accounts Receivable
Student tuition and fees	$810,990	$138,153	$672,837
Other	41,403		41,403
Total	$852,393	$138,153	$714,240

5. CAPITAL ASSETS

A summary of changes in capital assets for the fiscal year ended June 30, 2012, is as follows:

	Balance June 30, 2011	Additions	Retirements	Balance June 30, 2012
Capital assets not being depreciated:				
Land	$2,744,388	NONE	NONE	$2,744,388
Other capital assets:				
Buildings	890,930			$890,930
Less accumulated depreciation	(779,563)	($22,273)		(801,836)
Total buildings	111,367	(22,273)	NONE	89,094
Equipment	2,348,204	113,501	($39,435)	2,422,270
Less accumulated depreciation	(1,335,536)	(149,528)	39,435	(1,445,629)
Total equipment	1,012,668	(36,027)	NONE	976,641
Total other capital assets	1,124,035	(58,300)	NONE	1,065,735
Capital asset summary:				
Capital assets not being depreciated	2,744,388			2,744,388
Other capital assets, at cost	3,239,134	113,501	(39,435)	3,313,200
Total cost of capital assets	5,983,522	113,501	(39,435)	6,057,588
Less accumulated depreciation	(2,115,099)	(171,801)	39,435	(2,247,465)
Total capital assets, net	$3,868,423	($58,300)	NONE	$3,810,123

6. ACCOUNTS PAYABLE AND ACCRUALS

Accounts payable and accruals at June 30, 2012, are as follows:

See independent accountant's review report.

Account Name	
Vendor payables	$186,794
Accrued salaries and benefits	186,968
Total	$373,762

7. DEFERRED REVENUES

Deferred revenues at June 30, 2012, consist of $278,237 of prepaid tuition and fees.

8. PENSION PLANS

Plan Description. Substantially all employees of the College are members of two statewide, public employee retirement systems. Academic employees are generally members of the Teachers' Retirement System of Louisiana (TRSL), and classified/unclassified state employees are generally members of the Louisiana State Employees' Retirement System (LASERS). Both plans are administered by separate boards of trustees. TRSL is a cost-sharing, multiple-employer defined benefit pension plan and LASERS is considered a single-employer defined benefit pension plan because the material portion of its activity is with one employer--the State of Louisiana. Both plans provide retirement, disability, and survivors' benefits to plan members and beneficiaries. The State of Louisiana guarantees benefits granted by the retirement systems by provisions of the Louisiana Constitution of 1974. Generally, all full-time employees are eligible to participate in the systems, with employee benefits vesting after five years of service for TRSL and 10 years of service with LASERS. Article 10, Section 29 of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The systems issue annual publicly available financial reports that include financial statements and required supplementary information for the systems. The reports may be obtained by writing to the Teachers' Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-9123, or by calling (225) 925-6446, and/or the Louisiana State Employees' Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0600.

Funding Policy. The contribution requirements of employee plan members and the College are established and may be amended by the state legislature. The legislature annually sets the required employer contribution rate equal to the actuarially required employer contribution as set forth in R.S. 11:102. Employees contribute 8% (TRSL) and 7.5% (8% for LASERS employees hired after July 1, 2006, and 9.5% for hazardous duty employees) of covered salaries. In fiscal year 2012, the state contributed 23.7% of covered salaries to TRSL and 25.6% of covered salaries to LASERS. The employer contribution is funded by the State of Louisiana. The College's contributions to TRSL for the years ended June 30, 2012, 2011, and 2010 were $1,028,763; $818,905; and $398,804 respectively, and to LASERS for years ended June 30, 2012, 2011, and 2010 were $158,484; $144,607; and $82,750, respectively, equal to the required contributions for each year.

9. OPTIONAL RETIREMENT SYSTEM

R.S. 11:921 created an optional retirement plan for academic and administrative employees of public institutions of higher education. This program was designed to aid colleges and universities in recruiting employees who may not be expected to remain in the TRSL for five or more years. The purpose of the optional retirement plan is to provide retirement and death benefits to the participants while affording the maximum portability of these benefits to the participants.

The optional retirement plan is a defined contribution plan that provides for full and immediate vesting of all contributions remitted to the participating companies on behalf of the participants. Eligible employees make an irrevocable election to participate in the optional retirement plan rather than the TRSL and purchase retirement and death benefits through contracts provided by designated companies.

R.S. 11:927 set the contribution requirements of the plan members and the system equal to the contribution rates established for the regular retirement plan of TRSL. Total contributions by the College are 23.7% of the covered payroll for fiscal year 2012. The participant's contribution (8.0%), less any monthly fee required to cover the cost of administration and maintenance of the optional retirement plan, is remitted to the designated company or companies. Upon receipt of the employer's contribution, the TRSL pays over to the appropriate company or companies, on behalf of the participant, an amount equal to the employer's portion of the normal cost contribution as determined annually by the actuarial committee. The TRSL retains the balance of the employer contribution for application to the unfunded accrued liability of the College. Benefits payable to participants are not the obligations of the State of Louisiana or the TRSL. Such benefits and other rights of the optional retirement plan are the liability and responsibility solely of the designated company or companies to whom contributions have been made. Employer and employee contributions to the optional retirement plan were $319,444 and $107,829, respectively, for the fiscal year ended June 30, 2012.

10. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. Employees of the College voluntarily participate in the State of Louisiana’s health insurance plan. The Office of Group Benefits (OGB) provides medical and life insurance benefits to eligible retirees and their beneficiaries. Participants are eligible for retiree benefits if they meet the retirement eligibility as defined in the applicable retirement system and they must be covered by the active medical plan immediately before retirement. The postemployment benefits plan is a cost-sharing, multiple-employer defined benefit plan but is classified as an agent multiple-employer plan for financial reporting purposes since the plan is not administered as a formal trust. R.S. 42:801-883 provides the authority to establish and amend benefit provisions of the plan. OGB does not issue a publicly available financial report; however, the entity is included in the Louisiana Comprehensive Annual Financial Report (CAFR). You may obtain a copy of the CAFR on the Office of Statewide Reporting and Accounting Policy’s Web site at www.doa.la.gov/osrap

Funding Policy. The contribution requirements of plan members and the College are established and may be amended by R.S. 42:801-883. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. OGB offers five standard plans for both active and retired employees: the Preferred Provider Organization (PPO) Plan, the Health Maintenance Organization (HMO) Plan, the Medical Home HMO Plan, Fully Insured Health Maintenance Organization (HMO) Plan, and the Consumer Driven Health Plan with a Health Savings Account option (CPHP-HSA). Retired employees who have Medicare Part A and Part B coverage also have access to five OGB Medicare Advantage plans--three HMO plans during calendar year 2011 and 2012 and two PPO plans during calendar year 2012. The three HMO plans are Humana Regional HMO Plan, Peoples Health Regional HMO-POS Plan, and Vantage HMO-POS Plan. The two PPO plans are Humana PPO Plan and United Healthcare PPO Plan.

Employees hired before January 1, 2002, pay approximately 25% of the cost of medical coverage (except single retirees under age 65 pay approximately 25% of the active employee cost). Employees hired on or after January 1, 2002, pay a percentage of the total contribution rate upon retirement based on the following schedule:

Service	Employer Contribution Percentage	Employee Contribution Percentage
Under 10 years	19%	81%
10 - 14 years	38%	62%
15 - 19 years	56%	44%
20 + years	75%	25%

Effective January 1, 2012, the Plan changed from a fiscal year plan to a calendar year plan. On this date, the rates increased 5% for the PPO, HMO, and CDHP plans, 7% for the MHHP plan, and 0% for the fully insured HMO. The following table shows the rates in effect at June 30, 2012:

See independent accountant's review report.

	PPO	HMO	Medical Home HMO	Fully Insured HMO	CDHP HSA
Active					
Single	$619	$585	$609	$553	$481
With Spouse	1,315	1,243	1,294	1,158	1,021
With Children	755	714	743	672	586
Family	1,387	1,310	1,364	1,221	1,077
Retired, No Medicare and Re-employed Retiree					
Single	1,152	1,092	1,133	1,016	NA
With Spouse	2,034	1,928	2,001	1,783	NA
With Children	1,283	1,216	1,262	1,130	NA
Family	2,025	1,919	1,991	1,775	NA
*Retired, with 1 Medicare					
Single	375	361	368	341	NA
With Spouse	1,384	1,320	1,361	1,218	NA
With Children	648	621	638	579	NA
Family	1,844	1,757	1,814	1,618	NA
*Retired, with 2 Medicare					
With Spouse	673	648	662	600	NA
Family	834	802	820	740	NA

*All members who retire on or after July 1, 1977, must have Medicare Part A and B to qualify for the reduced premium rates.

	Calendar Year 2012		Calendar Year 2011	
	Retired with		Retired with	
Medicare Supplemental Rates	1 Medicare	2 Medicare	1 Medicare	2 Medicare
Humana (HMO Plan)	$156	$312	$145	$290
People's Health (HMO Plan)	167	334	115	230
Vantage (HMO Plan)	279	558	258	516
Humana (PPO Plan)	150	300	149	298
United Health Care (PPO Plan)	214	428	199	397

OGB also provides eligible retirees Basic Term Life, Basic Plus Supplemental Term Life, Dependent Term Life, and Employee Accidental Death and Dismemberment coverage, which is underwritten by The Prudential Insurance Company of America. The total monthly premium is approximately $1 per thousand dollars of coverage of which the employer pays fifty cents for retirees and twelve cents for spouses. The monthly premium is reduced to less than $1 per thousand for retired employees age 70 and over. Maximum coverage is capped at $50,000 with a reduction formula of 25% at age 65 and 50% at age 70, with accidental death and dismemberment coverage ceasing at age 70 for retirees.

See independent accountant's review report.

Annual Other Postemployment Benefit Cost and Liability. The College's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC) of the employer and is an amount actuarially determined in accordance with GASB 45, which was initially implemented for the year ended June 30, 2008. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) over a period of 30 years. A 30-year open amortization period has been used. The total ARC for fiscal year 2012 is $686,600.

The following schedule presents the components of the College's annual OPEB cost for fiscal year 2012, the amount actually contributed to the plan, and changes in the College's net OPEB obligation to the OPEB plan:

ARC	$686,600
Interest on net OPEB obligation	150,485
ARC adjustment	(143,795)
Annual OPEB cost	693,290
Contributions made - current year retiree premiums	(186,518)
Increase in net OPEB obligations	506,772
Beginning net OPEB obligation at July 1, 2011	3,762,113
Ending net OPEB obligation at June 30, 2012	$4,268,885

The College's annual OPEB cost contributed to the plan using the pay-as-you-go method and the net OPEB obligations for the fiscal year ended June 30, 2012, and the preceding two fiscal years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	$938,845	17%	$2,884,833
June 30, 2011	1,021,880	14%	3,762,113
June 30, 2012	693,290	27%	4,268,885

Funded Status and Funding Progress. During fiscal year 2012, neither the College nor the State of Louisiana made contributions to a postemployment benefits plan trust. A trust was established July 1, 2008, but was not funded, has no assets, and hence has a funded ratio of zero. Since the plan was not funded, the College's entire actuarial accrued liability (AAL) of $6,835,300 was unfunded.

The funded status of the plan, as determined by an actuary as of July 1, 2011, was as follows:

AAL	$6,835,300
Actuarial value of plan assets	NONE
UAAL	$6,835,300
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	$4,159,680
UAAL as a percentage of covered payroll	164%

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing the benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2011, OGB actuarial valuation, the projected unit credit actuarial cost method, was used. The actuarial assumptions included a 4% investment rate of return and an initial annual healthcare trend rate of 7.5% and 8.6% for pre-Medicare and Medicare eligibles, respectively, scaling down to ultimate rates of 5% per year. The RP 2000 Mortality Table was used in making actuarial assumptions. Retirement rate assumptions differ by employment group and date of plan participation. The state's unfunded actuarial accrued liability is being amortized over 30 years as a level percentage of projected payroll on an open basis. Annual per capita medical claims costs were updated to reflect an additional year of actual experience.

11. COMPENSATED ABSENCES

At June 30, 2012, employees of the College have accumulated and vested annual, sick, and compensatory leave of $332,802; $342,456; and $3,858, respectively. These balances were computed in accordance with GASB Codification Section C60. The leave payable is recorded in the accompanying financial statements. The schedule of changes in the liability associated with compensated absences is presented in note 14.

12. CONTINGENT LIABILITIES AND RISK MANAGEMENT

Losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund operated by the Office of Risk Management, the agency responsible for the state's risk management program, or by appropriation from the state's General Fund. The College does not have any contingent liabilities to disclose.

13. LEASE OBLIGATIONS

Operating Leases

For the fiscal year ended June 30, 2012, total operating lease expense was $273,169. The following is a schedule by fiscal years of future minimum annual rental payments required under operating leases that have initial or noncancelable lease terms in excess of one year as of June 30, 2012:

	Fiscal Year							
Nature of Lease	2013	2014	2015	2016	2017	2018-2022	2023-2027	Total
Office space	$181,050	NONE	NONE	NONE	NONE	NONE	NONE	$181,050

The lease agreements have nonappropriation exculpatory clauses that allow lease cancellation if the legislature does not make an appropriation for its continuation during any future fiscal period.

14. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities of the College for the year ended June 30, 2012:

	Balance June 30, 2011	Additions	Reductions	Balance June 30, 2012	Portion Due Within One Year
Compensated absences payable (note 11)	$619,214	$286,380	($226,478)	$679,116	$37,899
OPEB payable (note 10)	3,762,113	693,290	(186,518)	4,268,885	
Total	$4,381,327	$979,670	($412,996)	$4,948,001	$37,899

See independent accountant's review report.

15. RESTRICTED NET ASSETS

The College has the following restricted net assets at June 30, 2012:

Nonexpendable - endowments	$309,000
Expendable:	
Student technology fee	$642,921
Building use fee	264,410
Vehicle registration fee	136,391
Academic excellence fee	392,216
Endowment - expendable	101,922
Student government fee	33,276
Restricted grants and contracts	761,887
Total expendable	$2,333,023

Of the total net assets at June 30, 2012, $1,537,860 is restricted by enabling legislation.

16. DONOR RESTRICTED ENDOWMENTS

If a donor has not provided specific instructions, state law permits the Board of Regents to authorize expenditure of the net appreciation (realized and unrealized) of the investments of the endowment funds. Any net appreciation that is spent is required to be spent for the purposes for which the endowment was established. At June 30, 2012, net appreciation of donor restricted endowments is equal to $101,922, which is available to be spent for restricted purposes.

College endowments are restricted as to use by the donor(s) and virtually all specify a spending purpose and reinvestment rate. The College is authorized to spend any amounts which are not required to be reinvested. The amount of these expenditures is determined yearly and is based on accumulated and projected earnings. Endowments are managed by the College, in accordance with the spending policy set by the Louisiana Board of Regents. The donated portion of the endowments is reported in restricted net assets - nonexpendable in the Statement of Net Assets; the endowment income is reported in restricted net assets - expendable.

17. AFFILIATED ORGANIZATIONS

The accompanying financial statements do not include the accounts of the Louisiana Delta Community College Foundation or the Louisiana Technical College Tallulah Foundation. The foundations are not included in the College's financial statements as a component unit since they do not meet the criteria for inclusion established by the Division of Administration, Office of Statewide Reporting and Accounting Policy. The foundations are separate organizations whose financial statements are subject to audit by independent certified public accountants.

19. DEFERRED COMPENSATION PLAN

Certain employees of the College participate in the Louisiana Public Employees Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available on the Internet at www.lla.la.gov.

19. SUBSEQUENT EVENTS

During the 2012 Louisiana Legislative Session, Act 681 was approved to merge Louisiana Delta Community College with Northeast Louisiana Technical College. This legislation was signed into law by Governor Bobby Jindal on June 7, 2012. As of July 1, 2012, the technical college is reported as a part of Louisiana Delta Community College.

SCHEDULE

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Funding Progress for the
Other Postemployment Benefits Plan

The schedule of funding progress is required supplementary information that presents certain specific data regarding the funding progress for the Other Postemployment Benefits Plan, including the unfunded actuarial accrued liability.

LOUISIANA DELTA COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA

Schedule of Funding Progress for
the Other Postemployment Benefits Plan
For the Fiscal Year Ended June 30, 2012

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
July 1, 2009	NONE	$5,851,700	$5,851,700	0.0%	$2,539,059	230%
July 1, 2010	NONE	8,013,100	8,013,100	0.0%	3,713,563	216%
July 1, 2011	NONE	6,835,300	6,835,300	0.0%	4,159,680	164%

See independent accountant's review report.

EXHIBIT A

Management Letter

LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

November 28, 2012

LOUISIANA DELTA COMMUNITY COLLEGE
LOUISIANA COMMUNITY AND
TECHNICAL COLLEGE SYSTEM
STATE OF LOUISIANA
Monroe, Louisiana

We have reviewed the financial statements of the Louisiana Delta Community College (College), as of and for the year ended June 30, 2012, and have issued our independent accountant's review report thereon dated November 28, 2012. The Louisiana Delta Community College is a college within the Louisiana Community and Technical College System (System), a component unit of the State of Louisiana. The College's accounts are an integral part of the System's financial statements, upon which the Louisiana Legislative Auditor expresses opinions. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the objective of which is the expression of an opinion regarding the basic financial statements. Accordingly, we did not express such an opinion in our independent accountant's review report referred to previously.

Our review of the financial statements did not disclose any transactions entered into by the College during the year that were both significant and unusual or transactions for which there is a lack of authoritative guidance.

For purposes of this letter, a disagreement with management is defined as a matter, whether or not resolved to our satisfaction, concerning a financial accounting or reporting matter that could be significant to the College's financial statements or the accountant's report. No such disagreements arose during our review procedures.

Because our review procedures were substantially less in scope than an audit in accordance with *Government Auditing Standards*, identifying matters affecting the College's internal control, compliance with applicable laws and regulations, and operational efficiencies was not an objective of our procedures. Accordingly, our review procedures cannot be relied upon to disclose errors, fraud, or illegal acts that may exist. During our review procedures, we found no significant matters that should be communicated to management.

This letter is intended for the information and use of the College and its management, others within the System, the System's Board of Supervisors, others within the entity, and the Louisiana Legislature and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

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