

LOUISIANA DELTA COMMUNITY
COLLEGE FOUNDATION

Audited Financial Statements
As of and For the Year Ended
December 31, 2015

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Little & Assoc.
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Trustees
of Louisiana Delta Community College Foundation
Monroe, Louisiana

We have audited the accompanying financial statements of Louisiana Delta Community College Foundation (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2015 and the related statements of activities and cash flows for the year 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 auditors' 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 auditors consider 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 Louisiana Delta Community College Foundation as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses and the Schedule of Temporary Restricted Net Assets are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Little & Associates, LLC

Monroe, LA
September 27, 2016

FINANCIAL STATEMENTS

LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Assets			
Cash	\$ -	\$ 211,957	\$ 211,957
Investment	8,696	56,928	65,624
Contributions Receivable	-	10,000	10,000
Pledges Receivable	4,755	3,561	8,316
Allowance for Doubtful Accounts	(238)	(178)	(416)
Due From Unrestricted Funds	-	52,958	52,958
Prepaid Insurance	430	-	430
Land and Capital Equipment, Net of \$44,231 in Accumulated Depreciation	<u>967,454</u>	<u>-</u>	<u>967,454</u>
Total Assets	<u><u>\$ 981,097</u></u>	<u><u>\$ 335,226</u></u>	<u><u>\$ 1,316,323</u></u>
Liabilities and Net Assets			
Liabilities			
Due To Temporarily Restricted Funds	<u>\$ 52,958</u>	<u>\$ -</u>	<u>\$ 52,958</u>
Total Liabilities	<u>52,958</u>	<u>-</u>	<u>52,958</u>
Net Assets			
Unrestricted	928,139	-	928,139
Temporarily Restricted	<u>-</u>	<u>335,226</u>	<u>335,226</u>
Total Net Assets	<u>928,139</u>	<u>335,226</u>	<u>1,263,365</u>
Total Liabilities and Net Assets	<u><u>\$ 981,097</u></u>	<u><u>\$ 335,226</u></u>	<u><u>\$ 1,316,323</u></u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and Revenues			
Cash Contributions	\$ 21,361	\$ 175,906	\$ 197,267
Noncash Contributions	801,685	-	801,685
Contributions - In Kind	104,767	-	104,767
Interest Income	316	703	1,019
Other Income	27,000	-	27,000
Total	<u>955,129</u>	<u>176,609</u>	<u>1,131,738</u>
Net Assets Released from Restrictions and Transfers			
Restrictions Satisfied by Payments	<u>59,824</u>	<u>(59,824)</u>	<u>-</u>
Total	<u>59,824</u>	<u>(59,824)</u>	<u>-</u>
Total Support and Revenues	<u>1,014,953</u>	<u>116,785</u>	<u>1,131,738</u>
Expenses			
Program Services			
Scholarships	42,685	-	42,685
Institutional Support	1,605	-	1,605
Chancellor's Fund	110	-	110
Total Program Services	<u>44,400</u>	<u>-</u>	<u>44,400</u>
Supporting Services			
Management and General	106,054	-	106,054
Fundraising	73,162	-	73,162
Total Supporting Services	<u>179,216</u>	<u>-</u>	<u>179,216</u>
Total Expenses	<u>223,616</u>	<u>-</u>	<u>223,616</u>
Increase (Decrease) in Net Assets	791,337	116,785	908,122
Net Assets at Beginning of Year	<u>136,802</u>	<u>218,441</u>	<u>355,243</u>
Net Assets at End of Year	<u>\$ 928,139</u>	<u>\$ 335,226</u>	<u>\$ 1,263,365</u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015

Cash Flows from Operating Activities	
Increase (Decrease) in Net Assets	\$ 908,122
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities	
Depreciation	35,898
Less: Noncash Donation for Land and Capital Equipment	(801,685)
Changes in Assets and Liabilities	
Contributions Receivable	15,000
Pledges Receivable	(400)
Allowance for Bad Debt	20
Due From Unrestricted Funds	(52,958)
Prepaid Insurance	103
Due To Temporarily Restricted Funds	52,958
Accounts Payable	(4,049)
Funds Held as Agent	(100,259)
Total Adjustments	<u>(855,372)</u>
Net Cash Provided (Used) by Operating Activities	<u>52,750</u>
 Cash Flows from Investing Activities	
Purchase of Fixed Assets	(10,000)
Interest Paid on Investment	(810)
Net Cash Provided (Used) by Investing Activities	<u>(10,810)</u>
 Increase (Decrease) in Cash and Cash Equivalents	41,940
 Cash and Cash Equivalents at Beginning of Year	<u>170,017</u>
 Cash and Cash Equivalents at End of Year	<u><u>\$ 211,957</u></u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 1 – Description of Organization

The Louisiana Delta Community College Foundation (the “Foundation”) is an autonomous fund-raising foundation that raises funds for the benefit of Louisiana Delta Community College (the “College”). Its purpose, also, is to develop, expand and improve the College’s facilities in order to provide broader educational advantages and opportunities, encourage educational advancement, and increase the College’s usefulness to the citizens of Louisiana. Support is received through gifts, grants, or bequests. Program services include scholarship and departmental support.

Senate Bill 645 authorized the merger of certain Northeast Louisiana Technical College (NELTC) campuses with Louisiana Delta Community College effective July 1, 2013. The merger increased the student population affected by the Foundation.

Note 2 – Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting and in conformity with Financial Accounting Standards Board (FASB) ASC Section 958.

B. Financial Statement Classification

The net assets of the Foundation are reported as follows:

1. Unrestricted – includes all resources to be used in support of the Foundation’s operations at the sole discretion of the Foundation.
2. Temporarily Restricted – includes amounts that have been donated subject to donor-imposed restrictions and those promises to give for which there are time restrictions.

The Foundation has no permanently restricted net assets.

The Foundation’s policy is to spend restricted funds first and then use unrestricted funds when the request coming through could be paid from either restricted or unrestricted funds. The Foundation records “temporarily restricted funds” as “unrestricted” in the annual financial statements when the restriction is satisfied in the same year that the donation is received.

C. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Foundation considers demand deposits, time deposits, and certificates of deposits of an original maturity of three months or less to be cash equivalents.

LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 2 – Summary of Significant Accounting Policies (Continued)

D. Pledges Receivable

Pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts by charging contribution support and making an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable.

E. Funds Held as Agent

The Foundation considers all donations, matching state funds, and unexpended income from these funds to be reported as Funds Held as Agent. All Funds Held as Agent are recorded at fair market value.

F. Contributions

In accordance with ASC Section 958, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor-imposed restrictions. Contributions are recognized as support when received or when an unconditional promise to give is received.

G. Functional Expenses

Expenses that can be identified with a specific program and support service are allocated directly to that function according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

H. Tax Exempt Status

The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for Federal income taxes. Contributions to the Foundation are tax deductible within the limitations prescribed by the Code. The Foundation is subject to income tax examinations by the IRS and the Louisiana Department of Revenue; however, there are currently no examinations in progress for any tax periods. The Foundation is subject to income tax examinations for the years ended December 31, 2012, 2013, 2014 and 2015.

I. Required Transfers

The Foundation received a matching grant from the State of Louisiana under the Eminent Scholars Endowed Chairs and Endowed Professorships programs, which are only approved after certain levels of private funding have been raised. The Foundation must comply with certain policies, procedures, and regulation regarding the administration of these programs. When matching funds are received from the state, the private funding is transferred from temporarily restricted to Funds Held as Agent (see Note 8).

LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2015

Note 2 – Summary of Significant Accounting Policies (Continued)

J. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 3 – Cash and Investment

At December 31, 2015, there were no uninsured deposits. The Foundation's investment is a five year certificate of deposit which was renewed on July 14, 2013 for 60 months at 1.25%.

Note 4 – Contributions and Pledges Receivable

The Foundation's contributions receivable and pledges receivable balances outstanding at December 31, 2015, was comprised of corporate contributions \$10,000 and pledges from the College's Employee Campaign \$8,316.

Note 5 – Property and Equipment

Fixed assets are stated at cost when purchased or constructed. If acquired by gift, they are recorded at an objective, verifiable basis which is, in the judgment of Foundation management, a fair value for the Foundation's purposes (no independent third party appraisal is obtained). Expenditures for repairs and maintenance are charged to operating expense as incurred. Fixed assets are depreciated using the straight-line method over the estimated useful lives (5-30 years) of the individual assets. Depreciation expense amounted to \$35,898 in 2015.

Net property value at December 31, 2015 was as follows:

	At Cost	Accumulated Depreciation	Net
Land	\$ 82,420	\$ –	\$ 82,420
Capital Equipment	929,265	44,231	885,034
Total	<u>\$ 1,011,685</u>	<u>\$ 44,231</u>	<u>\$ 967,454</u>

Note 6 – Concentration of Contributors

The Foundation received 71% of its contributions for the year ended December 31, 2015, from three contributors. This percent includes \$801,685 noncash donations for land and capital equipment.

LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

Note 7 – Temporarily Restricted Net Assets

Temporarily restricted net assets were comprised of the following:

	December 31, 2015
Business	
Chancellor's Excellence Fund	\$ 1,727
General	
Anthony Gatling Scholarship	600
Capital Campaign - Winnsboro Campus	25,000
Edwards Barham	4,030
Entergy	15,260
Entergy - Workforce Development Training	14,045
General Scholarships	14,962
Glenn B. Roscoe Scholarship	2,855
Morehouse Community Coalition	3,537
Myriant	1,000
Nebraska Book Company	8,613
NELTC Foundation	8,205
New Student	2,310
Scott Scholarship	7,141
Staci R. Aucoin Memorial Scholarship	13,233
Winnsboro Scholarship	75,012
Nursing	
Kitty DeGree Scholarship	61,026
Nursing Lab	20,444
St. Francis Auxillary	500
Other Institutional Support	3,168
Process Technology	
Angus Chemical	15,783
AT&T Scholarship	11,225
Capital One	1,343
Century Link Scholarship	3,779
Eastman	4,727
Euroboard	219
JP Morgan P/T Professor	4,500
JP Morgan P/T Scholarship	9,204
Ouachita Economic Development Corporation	1,778
Total	\$ 335,226

LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2015

Note 8 – Funds Held as Agent

The Foundation participates in a program with the State of Louisiana (the Eminent Scholars/Endowed Professorships Program sponsored by the Louisiana Board of Regents) whereby the state contributes matching funds which, together with donations received by the Foundation, establishes endowment funds, which are accumulated in accounts segregated from other Foundation funds. The state match constitutes 40% of the total endowment. The earnings on these funds are to be used for professorships.

The Foundation considers donations received from donors into this fund as temporarily restricted funds until the state match is made, upon which time the donations and all state matching funds are recorded as funds held as agent. The liability account “Funds Held as Agent” represents the fair value. On June 30, 2015, the Kitty DeGree Workforce Development Endowed Professorship funds were transferred to Louisiana Delta Community College in the amount of \$100,259 including interest of \$259. As of the report date, the Foundation does not maintain endowments. Funds held as agent included:

Kitty DeGree Workforce Development Endowed Professorship

December 31, 2014	\$ 100,259
Distributions/Withdrawals	100,259
December 31, 2015	<u>\$ —</u>

Note 9 – Related Party

The mission of the Foundation is to help support the College, thus making it a related party. Beginning January 1, 2011, the College began maintaining the accounting records for the Foundation. For the year ended December 31, 2015, the Foundation recorded in-kind contributions from the College of \$104,767 for professional services including accounting, management and general and fundraising.

Note 10 – Advertising and Promotion Costs

The Foundation incurred advertising and promotion costs of \$32 for the year ended December 31, 2015. Advertising costs are expensed as incurred.

Note 11 – Subsequent Events

Management has evaluated subsequent events through September 27, 2016, the date which the financial statements were available for issue.

SUPPLEMENTARY INFORMATION

LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	Program Services			Supporting Services			Total Expenses	
	Scholarships	Institutional Support	Chancellor's Fund	Total Program Services	Management and General	Fundraising		Total Supporting Services
Accounting Fees	\$ -	\$ -	\$ -	\$ -	\$ 6,209	\$ -	\$ 6,209	\$ 6,209
Advertising Expenses	-	-	-	-	-	32	32	32
Bad Debt Expense	53	-	25	78	536	-	536	614
Bank Charges	-	-	-	-	983	-	983	983
Cash Awards and Grants	1,137	-	-	1,137	-	-	-	1,137
Conferences, Conventions and Meetings	533	-	85	618	26,064	-	26,064	26,682
Depreciation Expense	-	-	-	-	35,898	-	35,898	35,898
Professional Services	-	-	-	-	24,376	73,130	97,506	97,506
Insurance	-	-	-	-	2,016	-	2,016	2,016
Memberships and Dues	527	1,265	-	1,792	4,303	-	4,303	6,095
Postage and Mailing Services	-	-	-	-	7	-	7	7
Printing and Copying	-	-	-	-	615	-	615	615
Rentals	-	-	-	-	989	-	989	989
Scholarships	40,077	-	-	40,077	-	-	-	40,077
Supplies	358	-	-	358	4,058	-	4,058	4,416
Travel	-	340	-	340	-	-	-	340
Total Functional Expenses	\$ 42,685	\$ 1,605	\$ 110	\$ 44,400	\$ 106,054	\$ 73,162	\$ 179,216	\$ 223,616

LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION
SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Ending	Support and Revenue			Ending
	Balance				Balance
	Net Assets				Net Assets
	12/31/2014	Contributions	Interest	Expenses	12/31/2015
Angus Chemical	\$ -	\$ 22,650	\$ -	\$ (6,867)	\$ 15,783
Anthony Gatling Scholarship	600	-	-	-	600
AT&T Scholarship	15,207	-	-	(3,982)	11,225
Capital Campaign - Winnsboro Campus	25,000	-	-	-	25,000
Century Link Scholarship	5,730	3,000	-	(4,951)	3,779
Chancellor's Excellence Fund	3,741	613	-	(2,627)	1,727
Delta Linc	-	570	-	(570)	-
Fastman	7,480	4,500	-	(7,253)	4,727
Edwards Barham	-	4,030	-	-	4,030
Entergy	5,260	10,000	-	-	15,260
Entergy - Workforce Development Training	14,960	-	-	(915)	14,045
Euroboard	219	-	-	-	219
General Scholarships	-	15,071	-	(109)	14,962
Glenn B. Roscoe Scholarship	1,755	1,100	-	-	2,855
JP Morgan P/T Professor	4,500	-	-	-	4,500
JP Morgan P/T Scholarship	9,204	-	-	-	9,204
Kitty DeGree Scholarship	64,269	-	703	(3,946)	61,026
Maintenance Equipment	10,000	-	-	(10,000)	-
Morehouse Community Coalition	-	5,000	-	(1,463)	3,537
Myriant	1,000	-	-	-	1,000
Nebraska Book Company	-	10,000	-	(1,387)	8,613
NELTC Foundation	8,205	-	-	-	8,205
New Student	2,310	-	-	-	2,310
Nursing Lab	20,444	-	-	-	20,444
Other Institutional Support	3,168	-	-	-	3,168
Ouachita Economic Development Corporation	1,778	-	-	-	1,778
Capital One	-	10,000	-	(8,657)	1,343
Scott Scholarship	-	14,000	-	(6,859)	7,141
St. Francis Auxillary	500	-	-	-	500
Staci R. Aucoin Memorial Scholarship	13,111	122	-	-	13,233
Winnsboro Scholarship	-	75,250	-	(238)	75,012
TOTAL	\$ 218,441	\$ 175,906	\$ 703	\$ (59,824)	\$ 335,226