

LOUISIANA DELTA COMMUNITY  
COLLEGE FOUNDATION

Audited Financial Statements  
As of and For the Year Ended  
December 31, 2014

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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, which comprise the statement of financial position as of December 31, 2014 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, 2014, 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  
December 16, 2015

FINANCIAL STATEMENTS

LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Assets</b>			
Cash	\$ 35,531	\$ 134,486	\$ 170,017
Investment	8,589	56,225	64,814
Contributions Receivable	-	25,000	25,000
Pledges Receivable	4,384	3,532	7,916
Allowance for Doubtful Accounts	(219)	(177)	(396)
Prepaid Insurance	533	-	533
Equipment, Net of \$8,333 in Accumulated Depreciation	191,667	-	191,667
<b>Total Assets</b>	<u>\$ 240,485</u>	<u>\$ 219,066</u>	<u>\$ 459,551</u>
 <b>Liabilities and Net Assets</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 3,424	\$ 625	\$ 4,049
Funds Held as Agent	100,259	-	100,259
<b>Total Liabilities</b>	<u>103,683</u>	<u>625</u>	<u>104,308</u>
 <b>Net Assets</b>			
Unrestricted	136,802	-	136,802
Temporarily Restricted	-	218,441	218,441
<b>Total Net Assets</b>	<u>136,802</u>	<u>218,441</u>	<u>355,243</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 240,485</u>	<u>\$ 219,066</u>	<u>\$ 459,551</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, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Support and Revenues</b>			
Cash Contributions	\$ 27,030	\$ 719,822	\$ 746,852
Noncash Contributions	200,000	-	200,000
Contributions - In Kind	75,806	-	75,806
Interest Income	208	694	902
Total	<u>303,044</u>	<u>720,516</u>	<u>1,023,560</u>
Net Assets Released from Restrictions and Transfers			
Restrictions Satisfied by Payments	<u>737,125</u>	<u>(737,125)</u>	<u>-</u>
Total	<u>737,125</u>	<u>(737,125)</u>	<u>-</u>
Total Support and Revenues	<u>1,040,169</u>	<u>(16,609)</u>	<u>1,023,560</u>
<b>Expenses</b>			
Program Services			
Scholarships	95,423	-	95,423
Institutional Support	731,663	-	731,663
Chancellor's Fund	584	-	584
Total Program Services	<u>827,670</u>	<u>-</u>	<u>827,670</u>
Supporting Services			
Management and General	87,288	-	87,288
Fundraising	58,372	-	58,372
Total Supporting Services	<u>145,660</u>	<u>-</u>	<u>145,660</u>
Total Expenses	<u>973,330</u>	<u>-</u>	<u>973,330</u>
Increase (Decrease) in Net Assets	66,839	(16,609)	50,230
Net Assets at Beginning of Year as Originally Reported	77,185	236,583	313,768
Prior Period Adjustment	<u>(7,222)</u>	<u>(1,533)</u>	<u>(8,755)</u>
Net Assets at Beginning of Year as Restated	69,963	235,050	305,013
Net Assets at End of Year	<u>\$ 136,802</u>	<u>\$ 218,441</u>	<u>\$ 355,243</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, 2014

Cash Flows from Operating Activities	
Increase (Decrease) in Net Assets	\$ 50,230
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities	
Depreciation	8,333
Less: Noncash Donation for Capital Equipment	(200,000)
Changes in Assets and Liabilities	
Contributions Receivable	35,450
Pledges Receivable	4,195
Allowance for Bad Debt	(2,943)
Prepaid Insurance	196
Accounts Payable	4,049
Total Adjustments	<u>(150,720)</u>
Net Cash Provided (Used) by Operating Activities	<u>(100,490)</u>
Cash Flows from Investing Activities	
Interest Received on Investment	<u>(654)</u>
Net Cash Provided (Used) by Investing Activities	<u>(654)</u>
Increase (Decrease) in Cash and Cash Equivalents	(101,144)
Cash and Cash Equivalents at Beginning of Year	<u>271,161</u>
Cash and Cash Equivalents at End of Year	<u>\$ 170,017</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, 2014

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, 2014

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, 2011, 2012, 2013 and 2014.

*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, 2014

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, 2014, 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 – Pledges Receivable

The Foundation's contributions receivable and pledges receivable balances outstanding at December 31, 2014, was comprised of corporate contributions \$25,000 and pledges from the College's Employee Campaign \$7,916.

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 \$8,333 in 2014.

Net property value at December 31, 2014 was as follows:

	<u>At Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>
Equipment	<u>\$ 200,000</u>	<u>\$ 8,333</u>	<u>\$ 191,667</u>
Total	<u>\$ 200,000</u>	<u>\$ 8,333</u>	<u>\$ 191,667</u>

Note 6 – Concentration of Contributors

The Foundation received 64% of its contributions for the year ended December 31, 2014, from three contributors. This percent includes a \$200,000 noncash donation for capital equipment.

LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED DECEMBER 31, 2014

Note 7 – Temporarily Restricted Net Assets

Temporarily restricted net assets were comprised of the following:

	<b>December 31, 2014</b>
<b>Chancellor's Excellence Fund</b>	\$ 3,741
<b>General</b>	
Anthony Gatling Scholarship	600
Capital Campaign - Winnsboro Campus	25,000
Entergy	5,260
Entergy - Workforce Development Training	14,960
Glenn B. Roscoe Scholarship	1,755
Maintenance Equipment	10,000
Myriant	1,000
NELTC Foundation	8,205
New Student	2,310
Staci R. Aucoin Memorial Scholarship	13,111
<b>Nursing</b>	
Kitty DeGree Scholarship	64,269
Nursing Lab	20,444
St. Francis Auxillary	500
<b>Other Institutional Support</b>	3,168
<b>Process Technology</b>	
AT&T Scholarship	15,207
Century Link Scholarship	5,730
Eastman	7,480
Euroboard	219
JP Morgan P/T Professor	4,500
JP Morgan P/T Scholarship	9,204
Ouachita Economic Development Corporation	1,778
Total	<u>\$ 218,441</u>

Of the \$1,048 of interest earned on the checking account and the certificate of deposit, \$146 was allocated to Funds Held as Agent and reflected on the Statement of Financial Position and \$694 was allocated to the Kitty DeGree Temporarily Restricted Scholarship Fund. The remaining \$208 was allocated to unrestricted funds due to the small amount and the feasibility of doing so.

LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

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. Funds held as agent included:

Kitty DeGree Workforce Development Endowed Professorship

December 31, 2013, Balance	\$ 100,113
Interest Earnings	<u>146</u>
December 31, 2014, Balance	<u><u>\$ 100,259</u></u>

Subsequent to year end, the Kitty DeGree Workforce Development Endowed Professorship funds were transferred to Louisiana Delta Community College on June 30, 2015. As of the report date, the Foundation does not maintain endowments.

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, 2014, the Foundation recorded in-kind contributions from the College of \$75,806 for professional services including accounting, management and general and fundraising.

Note 10 – Advertising and Promotion Costs

The Foundation incurred advertising and promotion costs of \$9,239 for the year ended December 31, 2014. Advertising costs are expensed as incurred.

Note 11 – Subsequent Events

Management has evaluated subsequent events through December 16, 2015, the date the financial statements were available to be issued and it was determined that no events occurred that need to be disclosed, except as noted in Note 8.

LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2014

Note 12 – Prior Period Adjustment

The opening balances on the financial statements have been restated as of and for the year ended December 31, 2014 to reflect a decrease in Pledges Receivable in the amount of \$12,094 and Allowance for Doubtful Accounts in the amount of \$3,339. This restated amount effects Cash Contributions and Total Supporting Services as a decrease of \$12,094 and \$3,339, respectively. Once restated, Unrestricted Net Assets and Temporarily Restricted Net Assets decreased by \$7,222 and \$1,533, respectively, which adjusted the opening balances in total to \$8,755.

SUPPLEMENTARY INFORMATION

LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION  
SCHEDULE OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Program Services			Supporting Services			Total Expenses	
	Scholarships	Institutional Support	Chancellor's Fund	Total Program Services	Management and General	Fundraising		Total Supporting Services
Accounting Fees	\$ -	\$ -	\$ -	\$ -	\$ 17,209	\$ -	\$ 17,209	\$ 17,209
Advertising Expenses	-	2,276	-	2,276	-	6,963	6,963	9,239
Bank Charges	-	-	-	-	912	-	912	912
Cash Awards and Grants	30,525	-	-	30,525	-	-	-	30,525
Conferences, Conventions and Meetings	-	-	220	220	21,014	-	21,014	21,234
Depreciation Expense	-	-	-	-	8,333	-	8,333	8,333
Donations and Gifts	-	724,312	-	724,312	-	-	-	724,312
Fundraising Expenses	-	-	-	-	-	51,409	51,409	51,409
Insurance	-	-	-	-	1,997	-	1,997	1,997
Legal Fees	-	-	-	-	10	-	10	10
Memberships and Dues	-	850	-	850	2,378	-	2,378	3,228
Office Supplies	156	-	21	177	17,136	-	17,136	17,313
Outside Contract Services	-	-	-	-	9,765	-	9,765	9,765
Postage and Mailing Services	-	-	-	-	35	-	35	35
Scholarships	64,742	-	-	64,742	-	-	-	64,742
Supplies	-	-	343	343	8,280	-	8,280	8,623
Travel	-	4,225	-	4,225	-	-	-	4,225
<b>Total Functional Expenses</b>	<b>\$ 95,423</b>	<b>\$ 731,663</b>	<b>\$ 584</b>	<b>\$ 827,670</b>	<b>\$ 87,288</b>	<b>\$ 58,372</b>	<b>\$ 145,660</b>	<b>\$ 973,330</b>

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

LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION  
SCHEDULE OF TEMPORARILY RESTRICTED NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2014

	Ending Balance Net Assets as Originally Reported at 12/31/2013	Prior Period Adjustment	Ending Balance Net Assets as Restated at 12/31/2013	Support and Revenue			Ending Balance Net Assets 12/31/2014
				Contributions	Interest	Expenses	
Angus/Dow Chemical	\$ 27,111	\$ -	\$ 27,111	\$ 600	\$ -	\$ (27,711)	\$ -
Anthony Gatling Scholarship	600	-	600	-	-	-	600
AT&T Scholarship	15,000	-	15,000	3,207	-	(3,000)	15,207
Capital Campaign - Jonesboro Campus	-	-	-	93,181	-	(93,181)	-
Capital Campaign - Winnsboro Campus	25,000	-	25,000	577,000	-	(577,000)	25,000
Carol B. Coltharp Memorial Business Scholarship	174	-	174	-	-	(174)	-
Century Link Scholarship	6,204	-	6,204	3,000	-	(3,474)	5,730
Chancellor's Excellence Fund	4,850	(1,533)	3,317	1,008	-	(584)	3,741
Fastman	8,039	-	8,039	7,000	-	(7,559)	7,480
Entergy	5,260	-	5,260	-	-	-	5,260
Entergy - Workforce Development Training	-	-	-	14,960	-	-	14,960
Euroboard	219	-	219	-	-	-	219
General Scholarships	-	-	-	18,560	-	(18,560)	-
Glenn B. Roscoe Scholarship	3,850	-	3,850	300	-	(2,395)	1,755
JP Morgan P/T Professor	4,500	-	4,500	-	-	-	4,500
JP Morgan P/T Scholarship	9,204	-	9,204	-	-	-	9,204
Kitty DeGree Scholarship	67,062	-	67,062	-	694	(3,487)	64,269
Maintenance Equipment	10,000	-	10,000	-	-	-	10,000
Myriant	-	-	-	1,000	-	-	1,000
New Student	2,310	-	2,310	-	-	-	2,310
NELTC Foundation	8,205	-	8,205	-	-	-	8,205
Nursing Lab	20,444	-	20,444	-	-	-	20,444
Other Institutional Support	3,168	-	3,168	-	-	-	3,168
Ouachita Economic Development Corporation	1,778	-	1,778	-	-	-	1,778
St. Francis Auxillary	500	-	500	-	-	-	500
Staci R. Aucoin Memorial Scholarship	13,105	-	13,105	6	-	-	13,111
TOTAL	\$ 236,583	\$ (1,533)	\$ 235,050	\$ 719,822	\$ 694	\$ (737,125)	\$ 218,441

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