

DELTA CAMPUS FACILITIES CORPORATION
MONROE, LOUISIANA

Financial Statements
For the Years Ended December 31, 2021 and 2020

DELTA CAMPUS FACILITIES CORPORATION
MONROE, LOUISIANA

FOR THE YEAR ENDED DECEMBER 31, 2021 AND 2020

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Delta Campus Facilities Corporation
Monroe, Louisiana

Opinion

I have audited the accompanying financial statements of the Delta Campus Facilities Corporation (a nonprofit organization) which comprise the statement of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Delta Campus Facilities Corporation as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of ABC Organization and to meet my other ethical responsibilities in accordance with relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management 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 and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Delta Campus Facilities Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and there fore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Delta Campus Facilities Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Delta Campus Facilities Corporation's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

Other Matters

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of compensation, benefits and other payments to the Executive Director is presented for purposes of additional analysis and is 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Board of Directors
Delta Campus Facilities Corporation
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Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated May 25, 2022, on my consideration of the Delta Campus Facilities Corporation's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Delta Campus Facilities Corporation's internal control over financial reporting and compliance.

David M. Ward, CPA (SPAC)

West Monroe, Louisiana
May 25, 2022

FINANCIAL STATEMENTS

DELTA CAMPUS FACILITIES CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 and 2020

<u>Assets</u>	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 401,576	\$ 399,855
Prepaid Expense	5,685	7,184
Total Current Assets	<u>407,261</u>	<u>407,039</u>
Cash Restricted for Maintenance	2,181,923	2,084,199
Capital Assets, Net	23,076,165	24,141,009
Total Noncurrent Assets	<u>25,258,088</u>	<u>26,225,208</u>
 Total Assets	 <u>\$ 25,665,349</u>	 <u>\$ 26,632,247</u>
 <u>Liabilities</u>		
Accounts Payable	\$ 7,500	\$ 7,500
Accrued Interest	173,238	199,675
Current Portion of Bonds Payable	2,215,000	2,115,000
Total Current Liabilities	<u>2,395,738</u>	<u>2,322,175</u>
Bonds Payable, net	14,323,643	16,825,227
Total Noncurrent Liabilities	<u>14,323,643</u>	<u>16,825,227</u>
 Total Liabilities	 <u>16,719,381</u>	 <u>19,147,402</u>
 <u>Net Assets</u>		
Without Donor Restriction	399,760	398,530
With Donor Restriction	8,546,208	7,086,315
 Total Net Assets	 8,945,968	 7,484,845
 Total Liabilities and Net Assets	 <u>\$ 25,665,349</u>	 <u>\$ 26,632,247</u>

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

DELTA CAMPUS FACILITIES CORPORATION
STATEMENTS OF ACTIVITIES

	<u>For the Year Ended December 31, 2021</u>			<u>For the Year Ended December 31, 2020</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Operating Activities						
Revenue and Support						
Facilities Rental	\$ -	\$ 3,138,694	\$ 3,138,694	\$ -	\$ 3,130,957	\$ 3,130,957
Total Revenue and Support Before Releases	-	3,138,694	3,138,694	-	3,130,957	3,130,957
Net Assets Released from Restrictions	-	-	-	-	-	-
Total Revenue and Support	-	3,138,694	3,138,694	-	3,130,957	3,130,957
Expenses						
Depreciation	-	(1,064,843)	(1,064,843)	-	(1,194,395)	(1,194,395)
Interest Expense	-	(485,679)	(485,679)	-	(587,491)	(587,491)
Maintenance and Repairs	-	(127,836)	(127,836)	-	-	-
Professional Fees	(12,500)	(2,500)	(15,000)	(13,850)	(2,500)	(16,350)
	(12,500)	(1,680,858)	(1,693,358)	(13,850)	(1,784,386)	(1,798,236)
Change in Net Assets from Operating Activities	(12,500)	1,457,836	1,445,336	(13,850)	1,346,571	1,332,721
Nonoperating Activities:						
Other Income	13,730	2,057	15,787	14,363	10,530	24,893
Change in Net Assets from Nonoperating Activities	13,730	2,057	15,787	14,363	10,530	24,893
Change in Net Assets	1,230	1,459,893	1,461,123	513	1,357,101	1,357,614
Net Assets Beginning of Year	398,530	7,086,315	7,484,845	398,017	5,729,214	6,127,231
Net Assets End of Year	<u>\$ 399,760</u>	<u>\$ 8,546,208</u>	<u>\$ 8,945,968</u>	<u>\$ 398,530</u>	<u>\$ 7,086,315</u>	<u>\$ 7,484,845</u>

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

DELTA CAMPUS FACILITIES CORPORATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Program Services - Support of LDCC		
Maintenance and Repairs	\$ 127,836	\$ -
Depreciation	1,064,843	1,194,395
Bank Fees	2,500	2,500
Interest Expense	485,679	587,491
	<u>1,680,858</u>	<u>1,784,386</u>
Management and General		
Legal and Professional Services	12,500	13,850
Total Functional Expense	<u>\$ 1,693,358</u>	<u>\$ 1,798,236</u>

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

DELTA CAMPUS FACILITIES CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u><i>CASH FLOWS FROM OPERATING ACTIVITIES</i></u>		
Cash Received from Rental Income	\$ 3,138,694	\$ 3,130,957
Cash Received from Other Income	15,000	15,000
Payments for Services	(141,336)	(20,980)
Interest Paid on Bonds	(798,700)	(899,200)
Net Cash provided by operating activities	<u>2,213,658</u>	<u>2,225,777</u>
<u><i>CASH FLOWS FROM INVESTING ACTIVITIES</i></u>		
Earnings on Investments	<u>787</u>	<u>9,893</u>
Net cash provided from financing activities	787	9,893
<u><i>CASH FLOWS FROM FINANCING ACTIVITIES</i></u>		
Bond Principal Retired	<u>(2,115,000)</u>	<u>(2,010,000)</u>
Net Cash used by investing activities	(2,115,000)	(2,010,000)
<u>NET INCREASE IN CASH</u>	<u>99,445</u>	<u>225,670</u>
<u>CASH AT BEGINNING OF YEAR</u>	<u>2,484,054</u>	<u>2,258,384</u>
<u>CASH AT END OF YEAR</u>	<u>\$ 2,583,499</u>	<u>\$ 2,484,054</u>
<u>Cash as Presented on the Statement of Net Position:</u>		
Cash and Cash Equivalents	\$ 401,576	\$ 399,855
Cash Restricted for Maintenance	2,181,923	2,084,199
	<u>\$ 2,583,499</u>	<u>\$ 2,484,054</u>

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

DELTA CAMPUS FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Delta Campus Facilities Corporation (DCFC) was formed March 1, 2005, to provide a vehicle for funding and oversee construction of the campus to be occupied upon completion by Louisiana Delta Community College (the College). The construction project is funded by Louisiana Local Government Environmental Facilities and Community Development Authority (the Authority) Revenue Bonds. The proceeds of the bonds have been loaned by the Authority to DCFC pursuant to a Loan and Assignment agreement dated November 1, 2008, and are to be used for (1) financing a portion of the costs of the development, design and construction of a new campus and related facilities for students, faculty, and staff of the College; (2) funding debt service principal and interest on the bonds; and (3) paying costs of issuance of the bonds. In connection with the issuance of Series 2017 Refunding Bonds, a new Loan and Assignment Agreement was executed October 1, 2017. The proceeds from the issuance of the Series 2017 bonds, along with other cash on hand, were deposited into escrow to defease the Series 2008 bonds.

The Board of Supervisors of the Louisiana Community and Technical College System (the LCTCS Board), an agency of the State, is leasing the unimproved land on which the campus was constructed to the Corporation pursuant to a ground lease. DCFC subleases the Facilities back to the LCTCS Board pursuant to an Agreement to Lease with Option to Purchase (the Facilities Lease) dated November 1, 2008. The source of repayment of the bonds will be payments of the base rental will be payments of the base rental received by DCFC from the LCTCS Board pursuant to the Facilities Lease. In connection with the issuance of Series 2017 Refunding Bonds, a new ground lease and facilities lease were executed on October 1, 2017. These payments of base rental will enable DCFC to make its required payments to the Authority under the loan agreement; provided, however, the availability of these base rental payable by the LCTCS Board is subject to annual appropriation of funds to the LCTCS Board sufficient for such purpose by the State of Louisiana Legislature. (See Note 6).

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016. ASC 958-205 was effective January 1, 2018.

Fair Value Measurements

Investments as of December 31, 2021 and 2020, include \$2,181,924 and \$2,084,200, respectively, of money market funds and are carried at fair value. ASC Section 820 *Fair Value Measurements and Disclosures* and ASC Section 825 *Financial Instruments* require all entities to disclose the fair value of financial instruments for which it is practicable to estimate fair value. ASC Section 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

DELTA CAMPUS FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 1 - Nature of Activities and Summary of Significant Accounting Policies – Continued

The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 820-10 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets and liabilities in active markets that DCFC has the ability to access;
- Level 2 Inputs to the valuation methodology include quoted market prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of an input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The money market funds held by DCFC at December 31, 2021 and 2020 are valued at their published net asset value at those dates, and are considered to be Level 1 in the fair value hierarchy.

For purposes of the statement of cash flows, cash equivalents include all highly liquid investments with a maturity date of three months or less when purchased.

Capital Assets

Capital assets are reported at cost on the date of acquisition or their estimated fair value at the date of donation. For movable property, DCFC'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, infrastructure and land improvements that significantly increase the value or extend the useful life of the structure are capitalized. Routine repairs and maintenance expense are charged to operating expense in the year in which the expense is incurred. Depreciation is provided using the straight-line method over estimated useful lives of 40 years for buildings, 20 years for land improvements, and 5 to 10 years for furniture, fixtures and equipment. Depreciation expense was \$1,064,843, and \$1,194,395 for 2021 and 2020, respectively.

DELTA CAMPUS FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 1 - Nature of Activities and Summary of Significant Accounting Policies – Continued

Accounting Pronouncement Adopted

During 2018, DCFC adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 598): Presentation of Financial Statements of Not-for-Profit Entities*, which finalizes Proposed ASU No. 2015-230, by the same name and topic, and simplifies and improves the manner in which a not-for-profit (NFP) classifies its net assets, as well as the information that it presents in financial statements and notes concerning liquidity, financial performance, and cash flows. In particular, ASU No. 2016-14 amends the requirements for financial statements and notes in Topic 598, Not-for-Profit Entities, and requires and NFP to, among other things, (1) present on the face of the statement of financial position amounts for two classes of net assets at the end of the period, rather than for the currently required three classes; (2) present on the face of the statement of activities the amount of the change in each of the two classes of net assets referenced above, rather than that of the currently required three classes; (3) continue to present on the face of the statement of cash flows the net amount for operating cash flows, using either the direct or the indirect method of reporting, but no longer require the presentation or disclosure of the indirect method (reconciliation) if using the direct method. Net assets previously reported as temporarily restricted and permanently restricted are now reported as net assets with donor restrictions. Likewise, net assets previously reported as unrestricted are now reported as net assets without donor restrictions.

Net Assets

Net assets, revenues, expenses, gains and losses are classified based upon the existence or absence of donor-imposed restrictions. Accordingly, the net assets of DCFC and changes therein are classified as follows:

Net Assets Without Donor Restriction: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of DCFC. DCFC's board may designate assets without restrictions for specific operational purposes from time to time.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and/or grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of DCFC or the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the net assets be maintained in perpetuity. The remaining assets not discussed above are considered restricted to the purposes outlined in the bond indentures.

Tax Status

DCFC is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. DCFC is required to review various tax positions it has taken with respect to its exempt status and determine whether in fact it continues to qualify as a tax-exempt entity and assess whether it has any tax positions associated with unrelated business income subject to tax. DCFC does not expect any of these tax positions to change materially over the near term. Any penalties related to the late filing or other requirements would be recognized as penalties in DCFC's accounting records.

DELTA CAMPUS FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 1 - Nature of Activities and Summary of Significant Accounting Policies – Continued

Measure of Operations

The Statement of Activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to DCFC's ongoing activities. Non-operating activities are limited to resources that generate return from activities considered to be more unusual or non-recurring in nature.

Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the statement of financial position and statement of activities for the period. Actual results could differ from those estimates.

Note 2 - Cash and Cash Equivalents

Cash and cash equivalents at fair value consist of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash in Banks	\$ 401,575	\$ 399,854
Money Market Funds	<u>2,181,924</u>	<u>2,084,200</u>
Total	<u>\$ 2,583,499</u>	<u>\$ 2,484,054</u>

The terms of the bond indenture require DCFC to hold investments in accounts designated for specific purposes. As of December 31, 2021, and 2020, DCFC held \$2,181,923 and \$2,084,199, respectively, in a separate fund the cost of replacing any worn out, obsolete, inadequate, unsuitable or undesirable property, furniture, fixtures or equipment of the facilities constructed with the proceeds from the Series 2008 bonds. At December 31, 2021, DCFC held cash in excess of Federal Deposit Insurance Corporation coverage of approximately \$151,575.

Note 3 - Capital Assets

A summary of changes in capital assets for the year ended December 31, 2021 is as follows:

	Balance December 31, <u>2020</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2021</u>
Capital assets, being depreciated:				
Buildings	\$ 27,983,736	\$ -	\$ -	\$ 27,983,736
Land Improvements	7,357,813	-	-	7,357,813
Furniture and Equipment	<u>4,525,322</u>	-	-	<u>4,525,322</u>
Total capital assets being depreciated	39,866,871	-	-	39,866,871
Less accumulated depreciation for:				
Buildings	(7,329,825)	(699,594)	-	(8,029,419)
Land Improvements	(3,870,716)	(365,250)	-	(4,235,966)
Furniture and Equipment	<u>(4,525,321)</u>	<u>(-)</u>	-	<u>(4,525,321)</u>
Total accumulated depreciation	<u>(15,725,862)</u>	<u>(1,064,844)</u>	-	<u>(16,790,706)</u>
Total capital assets, being depreciated, net	<u>24,141,009</u>	<u>(1,064,844)</u>	-	<u>23,076,165</u>

DELTA CAMPUS FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 3 - Capital Assets – Continued

A summary of changes in capital assets for the year ended December 31, 2020 is as follows:

	Balance December 31, <u>2019</u>	<u>Additions</u>	<u>Retirements</u>	Balance December 31, <u>2020</u>
Capital assets, being depreciated:				
Buildings	\$ 27,983,736	\$ -	\$ -	\$ 27,983,736
Land Improvements	7,357,813	-	-	7,357,813
Furniture and Equipment	<u>4,596,151</u>	-	<u>(70,829)</u>	<u>4,525,322</u>
Total capital assets being depreciated	39,937,700	-	-	39,866,871
Less accumulated depreciation for:				
Buildings	(6,630,231)	(699,594)	-	(7,329,825)
Land Improvements	(3,505,466)	(365,250)	-	(3,870,716)
Furniture and Equipment	<u>(4,466,599)</u>	<u>(129,551)</u>	<u>70,829</u>	<u>(4,525,321)</u>
Total accumulated depreciation	<u>(14,602,296)</u>	<u>(1,194,395)</u>	<u>-</u>	<u>(15,725,862)</u>
Total capital assets, being depreciated, net	<u>25,335,404</u>	<u>(1,194,395)</u>	<u>-</u>	<u>24,141,009</u>

The campus is sited on 16.5 acres of land and consists of two buildings of approximately 135,000 square feet, a maintenance building, and related parking, drives, hardscape and landscape. The main building accommodates administrative and instructional facilities on three levels; the second building houses the Advanced Technology Center and which includes classrooms and labs, high-bay flexible labs and a conference center on two levels.

Note 4 - Bonds Payable

In November 2008, Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds were issued for the purpose of providing funds to pay for the construction of the campus to be occupied by Louisiana Delta Community College. In September 2017, \$22,750,000 of Louisiana Local Government Environmental Facilities and Community Development Authority Refunding Bonds were issued for the purpose of an in-substance defeasement of the Series 2008 bonds. The balance of the outstanding bonds as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Louisiana Local Government Environmental Facilities and Community Development Authority Refunding Bonds, Series 2017 Serial Bonds, interest rates ranging from 3.64% to 5.00%, principal payments began October 1, 2018, final maturity October 1, 2027	<u>\$14,890,000</u>	<u>\$17,005,000</u>
Original Issue Premium	1,900,950	2,231,392
Less: Net Debt Issuance Costs	(252,307)	(296,165)
Less: Current Maturities	<u>(2,215,000)</u>	<u>(2,115,000)</u>
Total Bonds Payable	<u>\$14,323,643</u>	<u>\$16,825,227</u>

DELTA CAMPUS FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 4 - Bonds Payable - Continued

The 2017 bonds were issued at a premium of \$3,284,129. This premium is being accreted over the life of the bonds on a straight-line basis. Amortization in 2021 and 2020 was \$330,442.

Debt issuance costs at December 31, 2021 and 2020 consist of the following:

	<u>2021</u>	<u>2020</u>
Bond Issuance Costs	\$ 435,892	\$ 435,892
Less: Accumulated Amortization	<u>(183,585)</u>	<u>(139,727)</u>
	<u>\$ 252,307</u>	<u>\$ 296,165</u>

The bond issuance costs are being amortized over the life of the Series 2017 bonds on the straight-line basis. Amortization expense is included in interest expense on the accompanying financial statements.

The annual debt service requirements to maturity for bonds payable at December 31, 2021, are as follows:

	<u>Principal</u>	<u>Interest</u>
Year ending December 31:		
2022	\$2,215,000	\$692,950
2023	2,300,000	602,500
2024	2,405,000	518,750
2025	2,525,000	398,500
2026	2,655,000	272,250
2027	\$2,790,000	\$139,500

Note 5 - Liquidity and Availability of Resources

DCFC strives to maintain liquid financial assets sufficient to meet its general operating expenditures. As of December 31, 2021, all net assets with donor restrictions are available for payment of qualifying expenses associated with DCFC's mission to support the campus facilities and service the related debt. Likewise, as of December 31, 2021, all net assets without donor restrictions are available to meet cash needs for general expenditures of DCFC within one year.

Note 6 - Risks, Uncertainties, and Concentrations

As discussed in Note 1, DCFC is dependent upon the State Legislature appropriating funds to the LCTCS Board sufficient to make payments of base rental to DCFC. The State of Louisiana, the LCTCS Board and DCFC entered into an Agreement dated November 1, 2008, pursuant to which the Commissioner of Administration agreed to include in the Executive Budget and request that the State Legislature provide funding for the payment of Base Rental pursuant to the Facilities Lease without any further obligations. Absent an appropriation by the Legislature sufficient to allow the LCTCS Board to make payments of base rent under the Facilities Lease, DCFC will have no obligation to make payments under the Loan Agreement. The LCTCS Board is under no obligation to use any other of its funds to make payments of base rental.

DELTA CAMPUS FACILITIES CORPORATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

Note 7 - Bond Insurance

Payments of scheduled payments and interest on the Series 2017 Bonds, when due, are insured by Build America Mutual.

Note 8 - Subsequent Events

In accordance with ASC 855, the Delta Campus Facilities Corporation evaluated subsequent events through May 25, 2022, the date these financial statements were available to be issued and determined that there were no significant events to report.

OTHER SUPPLEMENTAL SCHEDULES

DELTA CAMPUS FACILITIES CORPORATION
MONROE, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Clyde White, President of Delta Campus Facilities Corporation, January 1, 2021 to December 31, 2021 – no compensation, benefits or reimbursements were provided.

The corporation does not have any employees. The board members do not receive any compensation.

COMPLIANCE REPORTING

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Board of Directors
Delta Campus Facilities Corporation

I have audited, 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 financial statements of the Delta Campus Facilities Corporation (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated May 25, 2022.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the DCFC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, I do not express an opinion on the effectiveness of the DCFC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the DCFC's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

David M. Haeth, CPA (APAC)

West Monroe, Louisiana
May 25, 2022

DELTA CAMPUS FACILITIES CORPORATION
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

To The Board of Directors
Delta Campus Facilities Corporation
Monroe, Louisiana

I have audited the financial statements of Delta Campus Facilities Corporation as of and for the year ended December 31, 2021, and have issued my report thereon dated May 25, 2022. I conducted my audit 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. My audit of the financial statements as of December 31, 2021, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness _____ yes X no

Significant Deficiencies not considered to be
Material Weaknesses _____ yes X no

Compliance

Compliance Material to Financial Statements _____ yes X no

B. Federal Awards

Material Weakness Identified _____ yes X no

Significant Deficiencies not considered to be
Material Weaknesses _____ yes X no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified _____ Qualified _____

Disclaimer _____ Adverse _____

Are their findings required to be reported in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)

CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a "low-risk" auditee, as defined by the Uniform Guidance? N/A

DELTA CAMPUS FACILITIES CORPORATION
MONROE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

Section II- Financial Statement Findings

There were no findings in this section.

Section III- Federal Award Findings and Questioned Costs

There were no findings in this section.

DELTA CAMPUS FACILITIES CORPORATION
MONROE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

Internal Control and Compliance Material to the Financial Statements

This section not applicable.

Internal Control and Compliance Material to Federal Awards

This section not applicable.

Management Letter

This section not applicable.