

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

FINANCIAL REPORT

For the year ended June 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9-22-99

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*Ann T. Hebert*

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INDEPENDENT AUDITOR'S REPORT

To the Board,  
Nicholls State University Foundation, Inc.  
Thibodaux, Louisiana

I have audited the accompanying statement of financial position of Nicholls State University Foundation, Inc., (a nonprofit organization) as of June 30, 1999, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Nicholls State University Foundation, Inc. as of June 30, 1999, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

*Ann T. Hebert*

Ann T. Hebert  
Certified Public Accountant  
August 10, 1999

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 1999

ASSETS		
Cash and cash equivalents		\$ 135,481
Investments - Hibernia		1,466,155
Investments - Heardon		233,097
Note receivable - Daily review		3,800
Pledged support		138,575
Antique collection		87,555
Etching collection		21,800
		<u>2,086,463</u>
TOTAL ASSETS		<u>\$ 2,086,463</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable		\$ 100
Note payable		90,000
		<u>90,100</u>
TOTAL LIABILITIES		<u>90,100</u>
NET ASSETS		
Unrestricted		837,266
Temporarily restricted		360,077
Permanently restricted		799,020
		<u>1,996,363</u>
TOTAL NET ASSETS		<u>1,996,363</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 2,086,463</u>

See accompanying notes.

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

STATEMENT OF ACTIVITIES  
Year Ended June 30, 1999

UNRESTRICTED NET ASSETS

Revenues and gains (losses)		
Contributions		\$ 71,699
Dividends		11,100
Interest		13,520
Gain (Loss) from sale of assets		(12,199)
Gain (Loss) from investments (net)		(129,801)
Miscellaneous		19,039
		<u>          </u>
Total revenues and gains (losses)		<u>(26,642)</u>
Net assets released from restrictions		
Satisfaction by payment		282,908
		<u>          </u>
Total net assets released from restrictions		<u>282,908</u>
Total unrestricted revenues, gains (losses) and other support		<u>256,266</u>

Expenses

Program services		
Chef John Folse Culinary Institute		
Culinary supplies and literature	21,081	
Fund-raising expense	29,260	
Promotion	25,820	
French Program	1,600	77,761
		<u>          </u>
Colonels Brigade		
Nicholls State University Athletic Department		37,733
Free Enterprise week		
Trophies and awards	430	
Promotion	6,705	7,135
		<u>          </u>
Louisiana Center for Women in Government		
Meals and travel	257	
Miscellaneous	923	1,180
		<u>          </u>
Nicholls State University Anniversary		
50th Anniversary Expenses		102,728
State Wide Computer		
Computer Expense		1,400

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See accompanying notes.

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

STATEMENT OF ACTIVITIES (Continued)  
Year Ended June 30, 1999

Upward Bound Project Expenses		2,249
A+ Scholar Promotion	348	
Fund-raising expense	<u>1,105</u>	1,453
White Paper on technology Administration Cost		308
Scholarships		50,961
Supporting services		
Institutional Development	55,432	
Faculty and Student recognition	<u>7,281</u>	62,713
Management and general		
Foundation Office	3,409	
Foundation Meeting	9,609	
Professional services	8,675	
Other	<u>4,064</u>	<u>25,757</u>
		<u>(115,112)</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions		187,187
Dividends		1,027
Interest income		21,645
Gain (loss) from investments (net)		(6,508)
Colonels Brigade Contributions		20,579
Colonels Brigade membership		650
Season Tickets		4,000
A+ Scholarship Fund-raiser		19,680
John Folse Culinary Institute Fund-raiser		51,608
Fees		28,934
Net assets reclassified per donor request		(5,000)
Net assets released from restrictions		
Satisfaction of program restrictions		(52,907)
Restrictions satisfied by payments		<u>(282,908)</u>

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See accompanying notes.

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

STATEMENT OF ACTIVITIES (Continued)  
Year Ended June 30, 1999

	INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>(12,013)</u>
PERMANENTLY RESTRICTED NET ASSETS		
Contributions		349,685
Dividends		1,071
Interest income		3,166
Gain (loss) from investments (net)		38,130
Net assets reclassified per donor request		<u>5,000</u>
	INCREASE (DECREASE) IN PERMANENTLY RESTRICTED NET ASSETS	<u>397,052</u>
	INCREASE (DECREASE) IN NET ASSETS	269,927
NET ASSETS AT BEGINNING OF YEAR		<u>1,726,436</u>
	NET ASSETS AT END OF YEAR	<u>\$ 1,996,363</u>

(Concluded)

See accompanying notes.

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

STATEMENT OF CASH FLOWS  
Year Ended June 30, 1999

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase (decrease) in net assets	\$ 269,927
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Net loss from investments	98,179
<i>Depreciation in value of investments</i>	(95,124)
Non-cash contributions of assets	(238,741)
Net loss from sale of assets	12,199
(Increase) decrease in:	
Pledged support	(8,575)
Accrued dividends	2,504
Increase (decrease):	
Accounts payable	-
Contract payable	(121,280)
	<u>(80,911)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
	<u>(80,911)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from note receivable - Daily Review	3,800
Proceeds from sale of investments	347,405
Proceeds from sale of assets	10,000
Purchase of investments	(1,205,780)
	<u>(844,575)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	
	<u>(844,575)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:	
Repayment of note payable	(10,000)
	<u>(10,000)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
	(935,486)
BEGINNING CASH AND CASH EQUIVALENTS	<u>1,070,967</u>
ENDING CASH AND CASH EQUIVALENTS	<u>\$ 135,481</u>

See accompanying notes.



NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Nicholls State University Foundation, Inc. (the "Foundation") was incorporated under Title 12, Sec 101 et seq of the State of Louisiana laws as a non-profit organization on June 25, 1964.

The objects and purposes of this corporation are to promote, stimulate and improve the educational, cultural, moral and material welfare of Nicholls State University, to promote, improve and encourage closer cultural, moral and intellectual intercourse therewith between the members of this corporation and Nicholls State University; to give financial aids to needy and deserving students; to promote and encourage research and scholastic excellence among the faculty members of Nicholls State University; to buy, sell, lease, erect, or otherwise acquire lands and all necessary buildings and appurtenances to further such ends, to hold, maintain and operate same, to sell lease or dispose thereof and generally to do all things necessary or proper to achieve such ends; and this corporation is organized and shall be operated exclusively for educational, scientific and literary purposes.

Pledged Support

Contributions are recognized when the donor makes a pledge to contribute to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restrictions expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Foundation recognizes uncollected pledged support through direct charge off each year when the support is determined uncollectible.

Method of Accounting

Assets, liabilities, revenues and expenses are recognized on the accrual method of accounting for financial statement presentation and the cash basis for federal income tax purposes.

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.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

NOTE A - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - Continued

Collections

Donations of collections are recorded as support at their estimated fair value at the date of their donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Financial Statement Presentation

The foundation has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Foundation is required to present a statement of cash flows. As permitted by the statement, the Foundation does not use fund accounting.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Income Taxes

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. If the Foundation has unrelated trade or business income of \$1,000 or more in any year, it does file an Exempt Organization Business Income Tax Return. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170 (b)(1)(A) of the code.

Cash and Cash Equivalents

For purposes of the statement of cash flow, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

As of June 30, 1999, the Foundation held cash in accounts at Hibernia National Bank in excess of the federally insured amount.

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

NOTE B - RESTRICTIONS ON ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>07/01/98</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/99</u>
A+ Scholar Contributions	\$ 4,238.42	\$ 608.51	\$	\$ 4,846.93
A+ Scholar Fundraisers	8,431.24	19,799.39	17,166.78	11,063.85
Airboat Transportation Scholarship	509.38	7.05		516.43
Betsy Ayo Memorial	35,907.33	7,000.00	42,907.33	0.00
Barker Scholarship	244.74	382.83	500.00	127.57
Candy Fleet Scholarship	0.00	210.91	37.91	173.00
Cenac Towing	0.00	533.41	500.00	33.41
Colonels Brigade	101,741.42	18,877.91	32,853.38	87,765.95
Crosby Tugs, Inc. Scholarship	0.00	300.04	319.34	(19.30)
Charlene Crowley Prize	4,741.94	72.71	500.00	4,314.65
Chef John Folse Culinary Institute Building	66,034.08	827.85		66,861.93
Chef John Folse Culinary Institute Contributions	3,520.84	8,584.87	10,961.36	1,144.35
Chef John Folse Culinary Institute Fees	0.00	29,046.09	27,580.62	1,465.47
Chef John Folse Culinary Institute - Scholarship	0.00	(107.96)	(6,500.00)	6,392.04
Chef John Folse Culinary Institute French Program	1,690.22	48.72	1,599.70	139.24
Chef John Folse Culinary Institute Fundraisers	0.00	47,642.80	47,369.57	273.23
Cycle World Scholarship	1,000.00	18.66	1,000.00	18.66
Danos & Curole	0.00	(77.20)		(77.20)
Free Enterprise Week	7,244.58	7,058.57	7,135.28	7,167.87
Robert Wayne Folse	0.00	212.32	235.67	(23.35)
Lester & Myrtle Fremin Culinary Scholarship	56.80	273.04		329.84
G & B Marine/Gilco Scholarship	224.16	332.64		556.80
Good Year - Houma/ Thibodaux Scholarship	0.00	76.09	75.00	1.09
L. J. Hebert, Jr.	6,147.73	92.96	500.00	5,740.69
Thomas Holcombe - Scholarship	0.00	4,916.95		4,916.95

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

NOTE B - RESTRICTIONS ON ASSETS - Continued

	07/01/98	Increases	Decreases	06/30/99
Honors Scholarship	0.00	31,002.51		31,002.51
Clarence James Minority Scholarship	2,692.57	716.09	2,500.00	908.66
K & B Machine Scholarship	0.00	274.55		274.55
King Trucking Scholarship	500.00	6.51		506.51
L & M BoTruc Rental Scholarship	0.00	1,095.24	404.00	691.24
Henry J. Lafont Criminal Justice Scholarship	0.00	1,046.50	500.00	546.50
Eray J. Lapeyrouse Louisiana Center for Women in Government	22,564.13	2,793.49	1,180.28	24,177.34
M & L Engine, Inc. Academic Scholarship	0.00	273.79	101.00	172.79
Sue Miller College of Education	0.00	444.82	444.82	0.00
Misc. Scholarship	0.00	2,500.00	2,200.00	300.00
Ralph Morel Memorial Nicholls' 50th Anniversary	4,012.95	648.99	500.00	4,161.94
Nicholls' 50th Anniversary - Maint. Fun	59,066.67	94,465.61	98,161.98	55,370.30
Enest Pierce Scholarship	0.00	2,500.00		2,500.00
RAE Shipyard	3,257.24	47.10	300.00	3,004.34
Ann Raziano Memorial Scholarship	261.46	18.15	179.00	100.61
Anthony J. Rouse, Sr. Scholarship	732.77	10.11		742.88
Fred Roth Memorial	177.14	456.15		633.29
Louis St. Martin Scholarship	19,572.01	1,246.84	20,828.50	(9.65)
Season Tickets	263.70	19,671.73		19,935.43
Statewide Computer System	0.00	4,000.00		4,000.00
Ronald Sternfels Thibodaux Kiwanis Club Scholarship	1,528.13	53.46	1,400.49	181.10
Upward Bound	0.00	10,000.00	10,000.00	0.00
Walls Scholarship	412.77	807.46	800.00	420.23
White Paper	0.00	2,249.00	2,249.00	0.00
	10,621.14	5,593.68	9,450.00	6,764.82
	4,694.75	179.81	4,874.56	0.00
	<u>\$ 372,090.31</u>	<u>\$ 328,802.15</u>	<u>\$ 340,815.57</u>	<u>\$ 360,076.89</u>

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS  
June 30, 1999

NOTE B - RESTRICTIONS ON ASSETS - Continued

Permanently restricted net assets consist of endowment fund investments to be held indefinitely, the income from which is expendable to support the following:

	<u>07/01/98</u>	<u>Increases</u>	<u>Decreases</u>	<u>06/30/99</u>
Barker Scholarship				
Scholarship	\$ 11,000.00	\$ 5,000.00	\$	\$ 16,000.00
Candies Towing Company	0.00	255,724.13		255,724.13
Candy Fleet Scholarship	9,937.54	62.46		10,000.00
Cenac Towing				
Scholarship	1,796.14	8,203.86		10,000.00
Crosby Tugs, Inc.				
Scholarship	10,000.00			10,000.00
Danos & Curole	0.00	40,000.00		40,000.00
Duplantis Truckline				
Scholarship	1,000.00	27.85		1,027.85
Robert Wayne Folse	0.00	12,100.00		12,100.00
Free Enterprise C.D.				
Professorship	31,304.99	11,842.19		43,147.18
Lester & Myrtle Fremin				
Culinary Scholarship	10,000.00			10,000.00
G & B Marine/Gilco				
Scholarship	12,000.00			12,000.00
Clarence James Minority				
Scholarship	25,000.00			25,000.00
K & B Machine	10,000.00			10,000.00
L & M BoTruc Rental				
Scholarship	40,000.00			40,000.00
Henry J. Lafont Criminal				
Justice Scholarship	1,639.50	45.66		1,685.16
Lafourche Parish Bar				
Association Scholarship	5,000.00	139.27		5,139.27
Elray J. Lapeyrouse	0.00	20,000.00		20,000.00
M & L Engine, Inc.				
Academic Scholarship	10,000.00			10,000.00
Sue Miller College of				
Education Fund	9,606.71	221.96		9,828.67
Fred Roth Memorial	0.00	5,000.00		5,000.00
Anthony J. Rouse, Sr.				
Scholarship	17,183.64	9,000.00		26,183.64
Thibodaux Voluntary Fire				
Dept. Scholarship	0.00	29,115.53		29,115.53
Walls Scholarship	196,499.05	570.00		197,069.05
	<u>\$ 401,967.57</u>	<u>\$ 397,052.91</u>	<u>\$ 0.00</u>	<u>\$ 799,020.48</u>

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

NOTE C - NOTE RECEIVABLE

Note receivable of \$3,800 represents the balance of a \$76,000 note donated to the Foundation payable in annual installments of \$3,800 plus interest at 8%.

NOTE D - INVESTMENTS

Investments as of June 30, 1999, summarized as follows:

	Foundation's Basis 06/30/99	Fair Market Value 06/30/99	Unrealized Appreciation (Depreciation) 06/30/99
Hibernia Trust Group			
Money Market Funds	\$ 77,174	\$ 77,174	\$ -
Government Bonds	693,424	669,885	(23,539)
High Grade Corporate Bonds	152,998	143,580	(9,418)
Equity Mutual Funds	134,753	149,100	14,347
Common Stock - Hibernia	545,307	426,416	(118,891)
	<u>1,603,656</u>	<u>1,466,155</u>	<u>(137,501)</u>
Heardon Plant Oakley			
Independent Energy Holdings	190,719	233,097	42,378
	<u>\$ 1,794,375</u>	<u>\$ 1,699,252</u>	<u>\$ (95,123)</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 1999. Interest, dividends, and net gain (loss) have been distributed to Unrestricted, Temporarily Restricted, or Permanently Restricted based on each classification's pro-rata share of investments.

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest	\$ 13,520	\$ 21,645	\$ 3,166	\$ 38,331
Dividends	11,100	1,027	1,071	13,198
Net gain (loss)	<u>(129,801)</u>	<u>(6,508)</u>	<u>38,130</u>	<u>(98,179)</u>
Total investment return	<u>\$ (105,181)</u>	<u>\$ 16,164</u>	<u>\$ 42,367</u>	<u>\$ (46,650)</u>

Investment custodial and advisory fees paid during the year ending June 30, 1999 were \$4,679.

NOTE E - ANTIQUE COLLECTION

Antique collection consists of various antique furniture, dinner ware, paintings and other household items donated to the Foundation.

NICHOLLS STATE UNIVERSITY FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

NOTE F - ETCHING COLLECTION

Etchings consist of six giant size lithographs by Salvador Dali.

NOTE H - SUPPLEMENTAL INFORMATION ABOUT CASH FLOWS

There are no noncash financing and investing transactions.

NOTE I - PLEDGED SUPPORT

The following have pledged support through agreements with the Nicholls State University Foundation, Inc.:

	Pledged	Received Prior Year	Received 06/30/98	Receivable 06/30/99
Coca Cola	\$ 50,000	\$ 10,000	\$ 5,000	\$ 35,000
BFB (McDonald)	25,000	20,000	5,000	0
Hibernia National Bank	50,000	10,000	-	40,000
State Farm	50,000	5,000	-	45,000
Individuals	18,575	-	-	18,575
	<u>\$ 193,575</u>	<u>\$ 45,000</u>	<u>\$ 10,000</u>	<u>\$ 138,575</u>

Pledges are due as follows:	Less than one year	\$ 43,575
	One year to 5 years	80,000
	More than 5 years	15,000
		<u>\$ 138,575</u>

NOTE J - NOTE PAYABLE

Promissory note on February 18, 1998 signed by Nicholls State University Foundation, Inc. promises to pay to Bernard Lafasa \$100,000 for a loan received. Note to be paid in ten (10) annual installments of \$10,000 with interest at a rate of zero (0%) percent. First installment paid January 15, 1999.

NOTE K - LEASE

On March 2, 1998 the Nicholls State University Foundation, Inc. signed a lease with the Louisiana State Board of Trustees for the University of Louisiana System for office space on the Nicholls State University campus for \$100 plus payment of utilities for a term of ten (10) years.