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ELAINE F. NUÑEZ  
COMMUNITY COLLEGE FOUNDATION

June 30, 1998

## Audit of Financial Statements

June 30, 1998

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Release Date 11/2/03

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To The Board of Trustees  
Elaine F. Muniz Community College Foundation

**Independent Auditor's Report**

We have audited the accompanying statement of financial position of ELAINE F. MUNIZ COMMUNITY COLLEGE FOUNDATION (a nonprofit organization) as of June 30, 1998, and the related statement of activities, and statement of cash flows for the year ended June 30, 1998. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the ELAINE F. MUNIZ COMMUNITY COLLEGE FOUNDATION as of June 30, 1998 and the changes in its net assets and the changes in its cash flows for the year ended June 30, 1998 in conformity with generally accepted accounting principles.

A Professional Accounting Corporation

December 21, 1998

BLAISE F. NUNEZ  
 COMMUNITY COLLEGE FOUNDATION  
 STATEMENT OF FINANCIAL POSITION  
 June 30, 1998

ASSETS

CURRENT ASSETS

Cash	\$ 81,697
Restricted Cash	292,961
Faculty and Staff Unconditional Promises to Give (Less: Allowance for Uncollectible Pledges of \$-0-)	445
Friends of the College Unconditional Promises to give (Less: Allowance for Uncollectible Pledges of \$26,200)	<u>184,808</u>
Total Current Assets	<u>480,100</u>

NON-CURRENT ASSETS

Faculty and Staff Unconditional Promises to Give (Less: Allowance for Uncollectible Pledges of \$-0-)	\$ 3,000
Friends of the College Unconditional Promises to give (Less: Allowance for Uncollectible Pledges of \$26,848)	<u>187,396</u>
Total Non-Current Assets	<u>190,396</u>
Total Assets	<u>\$ 670,496</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ -
Total Liabilities	<u>-</u>

NET ASSETS

Unrestricted	56,884
Temporarily Restricted	54,781
Permanently Restricted	<u>418,004</u>
Total Net Assets	<u>529,669</u>
Total Liabilities and Net Assets	<u>\$ 670,496</u>

See independent auditor's report.  
 The accompanying notes are an integral part of these financial statements.

**ELAINE P. WINEZ**  
**COMMUNITY COLLEGE FOUNDATION**  
**STATEMENT OF ACTIVITIES**  
**For The Year Ended June 30, 1998**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUES, SUPPORT AND RECLASSIFICATIONS</b>				
Interest Income	\$ 400	\$ 3,411	\$ -	\$ 3,811
Miscellaneous Income	113	-	-	113
Net Assets Released from Restrictions				
Restricted Support Recognized in Prior Period - Unallocable	<u>21,480</u>	<u>(8,509)</u>	<u>(46,911)</u>	<u>-</u>
<b>Total Revenues</b>	<u>22,993</u>	<u>(5,098)</u>	<u>(46,911)</u>	<u>3,984</u>
<b>EXPENSES</b>				
<b>Program Services</b>				
Awards	500	-	-	500
Donations to College	<u>1,320</u>	<u>-</u>	<u>-</u>	<u>1,320</u>
<b>Total Program Services</b>	<u>1,820</u>	<u>-</u>	<u>-</u>	<u>1,820</u>
<b>Supporting Services</b>				
<b>Fundraising</b>				
Bad Debt	66,647	-	-	66,647
Other Fundraising Expenses	1,152	-	-	1,152
Management and General	<u>4,563</u>	<u>-</u>	<u>-</u>	<u>4,563</u>
<b>Total Supporting Services</b>	<u>71,262</u>	<u>-</u>	<u>-</u>	<u>71,262</u>
<b>Total Expenses</b>	<u>73,082</u>	<u>-</u>	<u>-</u>	<u>73,082</u>
<b>DECREASE IN NET ASSETS</b>	<u>(17,379)</u>	<u>(5,158)</u>	<u>(46,911)</u>	<u>(69,448)</u>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>74,462</u>	<u>39,079</u>	<u>484,543</u>	<u>638,044</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 57,083</u>	<u>\$ 33,921</u>	<u>\$ 437,632</u>	<u>\$ 528,636</u>

See independent auditor's report.

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

ELAINE P. MINICK  
 COMMUNITY COLLEGE FOUNDATION  
 STATEMENT OF CASH FLOWS  
 For The Year Ended June 30, 1998

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase in Net Assets	\$ (69,648)
Adjustments to Reconcile Excess of Expenditures Over Revenues to Net Cash Provided By Operating Activities	
(Increase) in Restricted Cash	(121,678)
Decrease in Faculty and Staff	
Unconditional Promises to Give	18,598
Decrease in Friends of the College	
Unconditional Promises to Give	225,888
Decrease in Accounts Payable	<u>(27)</u>
Net Cash Provided By Operating Activities	<u>52,728</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>52,728</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD</b>	<u>31,171</u>
<b>CASH AND CASH EQUIVALENTS - END OF PERIOD</b>	<u><b>\$ 83,899</b></u>

See independent auditor's report.

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

ELAINE F. NUNEZ  
COMMUNITY COLLEGE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS

**NOTE A**

**NATURE OF ACTIVITIES**

The **ELAINE F. NUNEZ COMMUNITY COLLEGE FOUNDATION** financially assists the students attending Elaine F. Nunez Community College in pursuing their collegiate training. The Foundation also provides the Community College with funds with which to acquire or purchase real or personal property, to pay for services the institution, and for the purpose of providing funds to carry on any proper activity of the College.

**NOTE B**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Foundation have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements.

Financial Statement Presentation

The Foundation adopted provisions of Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations" during the fiscal year ended June 30, 1997. SFAS No. 117 establishes standards for general purpose external financial statements of not-for-profit organizations and requires a statement of financial position and a statement of activities. These statements must reflect the three categories of net assets: unrestricted, temporarily restricted, and permanently restricted. On the statement of activities, expenses are charged directly to program or supporting services based on specific identification. In addition, a statement of cash flows must be presented. The Foundation has discontinued its use of fund accounting and, accordingly, has reclassified its financial statements to present the three classes of net assets.

Contributions

The Foundation adopted provisions of SFAS No. 116, "Accounting for Contributions Received and Contributions Made" during the fiscal year ended June 30, 1997. SFAS No. 116 requires the Foundation to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair value. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using a discount rate commensurate with the risks involved.

The allowance for uncollectible pledges is computed by applying a percentage to the total discounted pledges receivable. This amount represents the percentage of pledges that management deems it will not collect during the campaign.

Fair Value of Financial Instruments

During 1997, the Foundation adopted SFAS No. 107, "Disclosures about Fair Value of Financial Instruments," which requires the disclosure of fair value information about financial instruments, whether or not recognized in the statement of financial position, for which it is practicable to estimate the value.

**ELAINE F. NUNEZ  
COMMUNITY COLLEGE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS**

**NOTE B**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash Equivalents**

The Foundation considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

**Use of 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 may differ from these estimates.

**NOTE C**

**INCOME TAX**

The Foundation was incorporated on August 11, 1985. It is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Its purpose is to work with and support the services and programs of Elaine F. Nunez Community College.

**NOTE D**

**RELATED PARTY TRANSACTIONS**

The Foundation made donations to Elaine F. Nunez Community College to support its various programs. An amount of \$1,500 was donated to the college to support its expenses incurred for student services and building supplies during the period ended June 30, 1998.

**NOTE E**

**CONCENTRATION OF CREDIT RISK**

The Foundation receives a majority of its funding from individuals and small businesses located in the Southeast Louisiana area. These donations are generally received through the pledge campaign in two ways: first, through payroll deductions from faculty and staff, and secondly, from Friends of the College.

The Foundation has deposits at one financial institution in excess of the federally insured amount of \$100,000.

**NOTE F**

**RESTRICTED CASH**

The restricted cash balance represents amounts collected on restricted pledges but not expended.



**ELAINE F. NUNZI  
COMMUNITY COLLEGE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS**

**NOTE G**

**PROMISES TO GIVE**

The Foundation began a pledge campaign in 1995 to raise funds to support the general activities of the Foundation as well as to fund various scholarships, developments, and programs. Funds were raised through the solicitation of pledges for contributions from faculty and staff members, and friends of the college. The pledges have been recorded at their present value using a discount rate of 3%. As of June 30, 1998, the Foundation had pledges receivable from faculty and staff in the amount of \$3,443. Pledges receivable from friends of the college amounted to \$261,143 as of June 30, 1998. The pledges are to be received over the next three years. Unconditional promises to give at June 30, 1998 are as follows:

	Faculty and Staff Pledges	Friends of the College Pledges	Total
Receivable in Less than One Year	\$ 443	\$ 131,000	\$ 131,443
Receivable in One to Three Years	5,000	150,000	155,000
Total Unconditional Promises to Give	5,443	281,000	286,443
Less Discounts to Net Present Value	2,000	19,255	21,255
Less Allowance for Uncollectible Promises	-	52,148	52,148
Net Unconditional Promises to Give	<u>\$ 3,443</u>	<u>\$ 209,597</u>	<u>\$ 213,040</u>

**NOTE H**

**TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	Total as of June 30, 1997	Increase/ (Decrease)	Total
Athletics	\$ 289	-	\$ 289
Library Subscriptions	797	-	797
STATE	5,000	-	5,000
Phonemans	180	-	180
Professorships	180	-	180
Scholarships	49,837	(8,569)	41,268
Student Assistance	3,623	-	3,623
Technical Scholarships	531	-	531
Business and Technology Equipment	1,237	-	1,237
Business and Technology School	784	-	784
Culinary Scholarships	2,774	-	2,774
Day Care	5,308	-	5,308
Faculty and Staff Development	3,179	-	3,179
Direct Expenses	5,336	-	5,336
Interest	3,174	3,413	6,587
Total Temporarily Restricted Net Assets	<u>\$ 85,558</u>	<u>\$ (1,158)</u>	<u>\$ 84,400</u>

ELAINE P. SUÑEZ  
COMMUNITY COLLEGE FOUNDATION  
NOTES TO FINANCIAL STATEMENTS

**NOTE I**

**PERMANENTLY RESTRICTED NET ASSETS**

Net assets were permanently restricted for an endowed professorship at June 30, 1998. The endowment requires a permanent trust of at least \$100,000. The original principal, which consists of \$68,000 from private contributions matched with \$40,000 from the Board of Regents, cannot be expended. The interest earnings from the fund are to be used to help offset the expenditures necessary to employ and support the professor who holds the endowed professorship. In 1998, the Foundation recognized a loss of \$48,911 in permanently restricted support relating to this endowment due to a write-off of pledges receivable as uncollectible.

**NOTE J**

**NET ASSETS RELEASED FROM RESTRICTIONS**

Temporarily and Permanently Restricted Net Assets released from restrictions in the amounts of \$8,189 and \$48,911, respectively resulted from the evaluation of collectibility of the remaining balance in the pledges receivable account and the subsequent write-off of those amounts as uncollectible.

**NOTE K**

**DONATED SERVICES**

The Foundation did not recognize any revenue as a result of donated services for the year ended June 30, 1998 as there were none that met the recognition criteria under generally accepted accounting principles.

To: The Board of Trustees  
Elaine F. Nunez Community College Foundation

Independent Auditor's Report  
on Supplemental Information

Our report on our audit of the basic financial statements of ELAINE F. NUNEZ COMMUNITY COLLEGE FOUNDATION for June 30, 1998 appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The statement of Functional Expenses is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Robert John Romig, CPA*

A Professional Accounting Corporation

December 23, 1998

A Professional Accounting Corporation

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ELAINE F. NUÑEZ  
 COMMUNITY COLLEGE FOUNDATION  
 STATEMENT OF FUNCTIONAL EXPENSES  
 For The Year Ended June 30, 1998

<b>PROGRAM SERVICES</b>	
Awards	\$ 580
Donations to College	<u>1,200</u>
Total Program Services	<u>1,200</u>
<b>SUPPORTING SERVICES</b>	
<b>Fundraising</b>	
Pledge Campaign	
Bad Debts	<u>65,047</u>
<b>Other</b>	
Lunches	461
Food	322
Travel	389
Other	<u>180</u>
Total Other Fundraising	1,152
Total Pledge Campaign	<u>67,199</u>
<b>Management and General</b>	
Accounting	4,580
Other	<u>65</u>
Total Management and General	<u>4,645</u>
Total Supporting Services	<u>11,764</u>
<b>TOTAL EXPENSES</b>	<u>\$ 13,584</u>

See independent auditor's report on supplementary information.