

5557

RECEIVED
LEGISLATIVE AUDITOR

03 NOV -6 AM 10:35

**ELAINE P. NUNEZ
COMMUNITY COLLEGE FOUNDATION**

June 30, 1999

Audits of Financial Statements

June 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 11/12/03

CONTENTS

Independent Auditor's Report	1
Statements of Financial Position	2
Statement of Activities	3 - 4
Statements of Cash Flows	5
Notes to Financial Statements	6 - 10
Independent Auditor's Report on Supplementary Information	11
Schedule of Functional Expenses	12



To The Board of Trustees
Elaine P. Nunez Community College Foundation

Independent Auditor's Report

We have audited the accompanying statements of financial position of **ELAINE P. NUNEZ COMMUNITY COLLEGE FOUNDATION** (a nonprofit organization) as of June 30, 1999 and 1998, and the related statements of activities, and the statements of cash flows for the years ended June 30, 1999 and 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 audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits 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 audits provide 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 P. NUNEZ COMMUNITY COLLEGE FOUNDATION** as of June 30, 1999 and 1998, and the changes in its net assets and the changes in its cash flows for the years ended June 30, 1999 and 1998 in conformity with generally accepted accounting principles.

A handwritten signature in black ink, appearing to read 'LaPorte, Sehr, Romig & Hand', is located in the lower right quadrant of the page.

A Professional Accounting Corporation

August 20, 1999

**ELAINE P. NUNEZ
COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION**

ASSETS

	June 30,	
	1999	1998
CURRENT ASSETS		
Cash	\$ 45,096	\$ 83,897
Restricted Cash	504,894	292,961
Faculty and Staff Unconditional Promises to Give	-	445
Friends of the College Unconditional Promises to give (Less: Allowance for Uncollectible Pledges of \$-0- in 1999 and \$26,200 in 1998)	34,850	104,800
Total Current Assets	584,840	482,103
NON-CURRENT ASSETS		
Faculty and Staff Unconditional Promises to Give	\$ 3,000	\$ 3,000
Investments	12,626	-
Friends of the College Unconditional Promises to give (Less: Allowance for Uncollectible Pledges of \$22,600 in 1999 and \$26,149 in 1998)	84,750	104,596
Total Non-Current Assets	100,376	107,596
Total Assets	\$ 685,216	\$ 589,699
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ -	\$ -
Total Liabilities	-	-
NET ASSETS		
Unrestricted	81,801	56,884
Temporarily Restricted	105,381	94,781
Permanently Restricted	498,034	438,034
Total Net Assets	685,216	589,699
Total Liabilities and Net Assets	\$ 685,216	\$ 589,699

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

ELAINE P. NUNEZ
COMMUNITY COLLEGE FOUNDATION
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 1999

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, SUPPORT AND RECLASSIFICATIONS				
Contributions	\$ 37,059	\$ 400	\$ 60,000	\$ 97,459
Interest Income	798	9,244	-	10,042
Miscellaneous Income	-	-	-	-
Gain/(Loss) on Investments	(3,330)	956	-	(2,374)
Dividends	60	-	-	60
Net Assets Released from Restrictions				
Restricted Support Recognized in Prior Period - Uncollectible	-	-	-	-
Total Revenues	<u>34,587</u>	<u>10,600</u>	<u>60,000</u>	<u>105,187</u>
EXPENSES				
Program Services				
Awards	500	-	-	500
Donations to College	2,293	-	-	2,293
Total Program Services	<u>2,793</u>	<u>-</u>	<u>-</u>	<u>2,793</u>
Supporting Services				
Fundraising				
Bad Debts	-	-	-	-
Other Fundraising Expenses	-	-	-	-
Management and General	6,877	-	-	6,877
Total Supporting Services	<u>6,877</u>	<u>-</u>	<u>-</u>	<u>6,877</u>
Total Expenses	<u>9,670</u>	<u>-</u>	<u>-</u>	<u>9,670</u>
INCREASE IN NET ASSETS	24,917	10,600	60,000	95,517
NET ASSETS - BEGINNING OF YEAR	<u>56,884</u>	<u>94,781</u>	<u>438,034</u>	<u>589,699</u>
NET ASSETS - END OF YEAR	<u>\$ 81,801</u>	<u>\$ 105,381</u>	<u>\$ 498,034</u>	<u>\$ 685,216</u>

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

ELAINE P. NUNEZ
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>
REVENUES, SUPPORT AND RECLASSIFICATIONS				
Interest Income	\$ 410	\$ 3,411	\$ -	\$ 3,821
Miscellaneous Income	115	-	-	115
Net Assets Released from Restrictions				
Restricted Support Recognized in Prior Period - Uncollectible	<u>55,480</u>	<u>(8,569)</u>	<u>(46,911)</u>	<u>-</u>
Total Revenues	<u>56,005</u>	<u>(5,158)</u>	<u>(46,911)</u>	<u>3,936</u>
EXPENSES				
Program Services				
Awards	500	-	-	500
Donations to College	<u>1,320</u>	<u>-</u>	<u>-</u>	<u>1,320</u>
Total Program Services	<u>1,820</u>	<u>-</u>	<u>-</u>	<u>1,820</u>
Supporting Services				
Fundraising				
Bad Debts	66,047	-	-	66,047
Other Fundraising Expenses	1,152	-	-	1,152
Management and General	<u>4,565</u>	<u>-</u>	<u>-</u>	<u>4,565</u>
Total Supporting Services	<u>71,764</u>	<u>-</u>	<u>-</u>	<u>71,764</u>
Total Expenses	<u>73,584</u>	<u>-</u>	<u>-</u>	<u>73,584</u>
DECREASE IN NET ASSETS	(17,579)	(5,158)	(46,911)	(69,648)
NET ASSETS - BEGINNING OF YEAR	<u>74,463</u>	<u>99,939</u>	<u>484,945</u>	<u>659,347</u>
NET ASSETS - END OF YEAR	<u>\$ 56,884</u>	<u>\$ 94,781</u>	<u>\$ 438,034</u>	<u>\$ 589,699</u>

See independent auditor's report.

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

**ELAINE P. NUNEZ
COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS**

	For The Years Ended	
	June 30,	
	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	\$ 95,517	\$ (69,648)
Adjustments to Reconcile Excess of Expenditures Over Revenues to Net Cash (Used in) Provided By Operating Activities		
(Increase) in Restricted Cash	(211,933)	(121,678)
Decrease in Faculty and Staff Unconditional Promises to Give	445	18,590
Decrease in Friends of the College Unconditional Promises to Give	38,540	225,489
Non-Cash Donation - Stock	(15,000)	-
Unrealized Loss On Investments	2,374	-
(Increase) in Accounts Payable	-	(27)
Net Cash (Used in) Provided By Operating Activities	(90,057)	52,726
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in Friends of the College Unconditional Promises to Give - Permanently Restricted	51,256	-
Net Cash Provided By Financing Activities	51,256	-
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(38,801)	52,726
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	83,897	31,171
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 45,096	\$ 83,897

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

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

NOTE A

NATURE OF ACTIVITIES

The ELAINE P. NUNEZ COMMUNITY COLLEGE FOUNDATION financially assists the students attending Elaine P. 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 for instruction, 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 complies with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. 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.

Contributions

The Foundation complies with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. 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 satisfactions 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

The Foundation complies with 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 P. 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

RESTRICTED CASH

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

NOTE D

PROMISES TO GIVE

The Foundation began a pledge campaign in 1996 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 5%. The pledges are to be received over the next three years. Unconditional promises to give at June 30, 1999 are as follows:

	Faculty and Staff Pledges	Friends of the College Pledges	Total
Less than One Year	\$ -	\$ 34,850	\$ 34,850
One to Three Years	5,000	113,000	118,000
Total Unconditional Promises to Give	5,000	147,850	152,850
Less:			
Discounts to Net Present Value	2,000	5,650	7,650
Allowance for Uncollectible Promises	-	22,600	22,600
Net Unconditional Promises to Give	\$ 3,000	\$ 119,600	\$ 122,600

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

NOTE E

TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	Total as of June 30,	
	1999	1998
Athletics	\$ 289	\$ 289
Library Enhancements	757	757
MATE	5,000	5,000
Plaquemine	100	100
Professorships	100	100
Scholarships	61,788	61,388
Student Assistance	3,628	3,628
Technical Scholarships	532	532
Business and Technology Equipment	1,257	1,257
Business and Technology School	788	788
Culinary Scholarships	2,574	2,574
Day Care	7,308	7,308
Faculty and Staff Development	1,179	1,179
Dinner Banquets	5,336	5,336
Gain on Investments	956	-
Interest	13,789	4,545
	<u>\$ 105,381</u>	<u>\$ 94,781</u>
Total Temporarily Restricted Net Assets	<u>\$ 105,381</u>	<u>\$ 94,781</u>

NOTE F

PERMANENTLY RESTRICTED NET ASSETS

Net assets were permanently restricted for an endowed professorship at June 30, 1999. The endowment requires a permanent trust of at least \$100,000. The original principal, which consists of \$60,000 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. During the year ended June 30, 1999, the Foundation's permanently restricted net assets were increased by \$60,000 as a result of a new contribution. During the year ended June 30, 1998, the Foundation recognized a loss of \$46,911 in permanently restricted support relating to this endowment due to a write-off of pledges receivable as uncollectible.

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

NOTE G

INCOME TAX

The Foundation was incorporated on August 11, 1986. 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 P. Nunez Community College.

NOTE H

RELATED PARTY TRANSACTIONS

The Foundation made donations to Elaine P. Nunez Community College to support its various programs. Donations to the college for expenses incurred for student services and building supplies during the period ended June 30, 1999 and 1998 amounted to \$2,293 and \$1,320 respectively.

NOTE I

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 J

NET ASSETS RELEASED FROM RESTRICTIONS

During the year ended June 30, 1998, Temporarily and Permanently Restricted Net Assets released from restrictions in the amounts of \$8,569 and \$46,911, respectively resulted from the evaluation of collectibility of the remaining balance in the pledges receivable account and the subsequent write-off of these 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, 1999 as there were none that met the recognition criteria under generally accepted accounting principles.

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

NOTE L

INVESTMENTS

During the year ended June 30, 1999, the Foundation received two separate gifts of corporate stocks. The stocks are reported according to Statement of Financial Accounting (SFAS) No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. Under SFAS No. 124, the Foundation reports investments in equity securities with readily determinable fair values at fair value. The Securities are valued as follows:

Market Value on Date of Receipt	\$ 15,000
Market Value as of June 30, 1999	<u>12,626</u>
 Unrealized Loss on Investments	 <u><u>\$ (2,374)</u></u>

Investment revenues during the year ended June 30, 1999 consisted of the following:

Dividends	\$ 60
(Loss) on Investment Portfolio	<u>(2,374)</u>
 Total	 <u><u>\$ (2,314)</u></u>



To The Board of Trustees
Elaine P. Nunez Community College Foundation

Independent Auditor's Report
on Supplementary Information

Our report on our audit of the basic financial statements of ELAINE P. NUNEZ COMMUNITY COLLEGE FOUNDATION for June 30, 1999 and 1998 appear 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.

A handwritten signature in cursive script, reading "LaPorte, Sehart, Romig & Hand", is located to the right of the main text.

A Professional Accounting Corporation

August 20, 1999

**ELAINE P. NUNEZ
COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES**

	For The Years Ended June 30,	
	1999	1998
PROGRAM SERVICES		
Awards	\$ 500	\$ 500
Donations to College	2,293	1,320
Total Program Services	2,793	1,820
SUPPORTING SERVICES		
Fundraising		
Pledge Campaign		
Bad Debts	-	66,047
Other Fundraising	-	1,152
Total Pledge Campaign	-	67,199
Management and General		
Accounting	6,418	4,500
Other	459	65
Total Management and General	6,877	4,565
Total Supporting Services	6,877	71,764
TOTAL EXPENSES	\$ 9,670	\$ 73,584

See independent auditor's report on supplementary information.