

**ELAINE P. NUNEZ  
COMMUNITY COLLEGE FOUNDATION**

**June 30, 2003**

**Audits of Financial Statements**

**June 30, 2003  
and  
June 30, 2002**

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 6-9-04

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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, 2003 and 2002, and the related statements of activities, and cash flows for the years then ended. 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 audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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, 2003 and 2002, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A Professional Accounting Corporation

December 1, 2003

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

**ASSETS**

	June 30,	
	2003	2002
		Restated
<b>CURRENT ASSETS</b>		
Cash	\$ 122,105	\$ 106,845
Restricted Cash	784,244	770,888
Interest Receivable	645	1,205
Total Current Assets	906,994	878,938
<b>NON-CURRENT ASSETS</b>		
Faculty and Staff Unconditional Promises to Give Investments	-	3,000
	5,687	6,764
Total Non-Current Assets	5,687	9,764
Total Assets	\$ 912,681	\$ 888,702

**NET ASSETS**

<b>NET ASSETS</b>		
Unrestricted	\$ 109,894	\$ 99,076
Temporarily Restricted	168,990	155,829
Permanently Restricted	633,797	633,797
Total Net Assets	\$ 912,681	\$ 888,702

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, 2003**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES, SUPPORT AND RECLASSIFICATIONS</b>				
Contributions	\$ 31,256	\$ 10,000	\$ -	\$ 41,256
Interest Income	1,939	15,106	-	17,045
Miscellaneous Income	-	-	-	-
Gain/(Loss) on Investments	(948)	(130)	-	(1,078)
Dividends	84	-	-	84
Net Assets Released from Restrictions	11,815	(11,815)	-	-
<b>Total Revenues</b>	<b>44,146</b>	<b>13,161</b>	<b>-</b>	<b>57,307</b>
<b>EXPENSES</b>				
<b>Program Services</b>				
Awards	1,342	-	-	1,342
Endowed Professorships	7,216	-	-	7,216
Other	3,257	-	-	3,257
Donations to College	1,500	-	-	1,500
<b>Total Program Services</b>	<b>13,315</b>	<b>-</b>	<b>-</b>	<b>13,315</b>
<b>Fundraising Expenses</b>				
GALA Expense	11,524	-	-	11,524
<b>Total Fundraising Expenses</b>	<b>11,524</b>	<b>-</b>	<b>-</b>	<b>11,524</b>
<b>Supporting Services</b>				
Management and General	8,489	-	-	8,489
<b>Total Supporting Services</b>	<b>8,489</b>	<b>-</b>	<b>-</b>	<b>8,489</b>
<b>Total Expenses</b>	<b>33,328</b>	<b>-</b>	<b>-</b>	<b>33,328</b>
<b>INCREASE IN NET ASSETS</b>	<b>10,818</b>	<b>13,161</b>	<b>-</b>	<b>23,979</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>99,076</b>	<b>155,829</b>	<b>633,797</b>	<b>888,702</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 109,894</b>	<b>\$ 168,990</b>	<b>\$ 633,797</b>	<b>\$ 912,681</b>

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, 2002 - Restated**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES, SUPPORT AND RECLASSIFICATIONS</b>				
Contributions	\$ 34,505	\$ 1,905	\$ 85,763	\$ 122,173
Interest Income	2,490	29,885	-	32,375
Miscellaneous Income	-	13,317	-	13,317
Gains/(Loss) on Investments	(426)	268	-	(158)
Dividends	63	-	-	63
Net Assets Released from Restrictions	19,453	(19,453)	-	-
<b>Total Revenues</b>	<u>56,085</u>	<u>25,922</u>	<u>85,763</u>	<u>167,770</u>
<b>EXPENSES</b>				
<b>Program Services</b>				
Other	14,311	-	-	14,311
Endowed Professorships	4,498	-	-	4,498
Donations to College	3,000	-	-	3,000
Awards	645	-	-	645
<b>Total Program Services</b>	<u>22,454</u>	<u>-</u>	<u>-</u>	<u>22,454</u>
<b>Fundraising Expenses</b>				
GALA Expense	13,556	-	-	13,556
<b>Total Fundraising Expenses</b>	<u>13,556</u>	<u>-</u>	<u>-</u>	<u>13,556</u>
<b>Supporting Services</b>				
Management and General	5,320	-	-	5,320
<b>Total Supporting Services</b>	<u>5,320</u>	<u>-</u>	<u>-</u>	<u>5,320</u>
<b>Total Expenses</b>	<u>41,330</u>	<u>-</u>	<u>-</u>	<u>41,330</u>
<b>INCREASE IN NET ASSETS</b>	14,755	25,922	85,763	126,440
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>84,321</u>	<u>129,907</u>	<u>548,034</u>	<u>762,262</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 99,076</u>	<u>\$ 155,829</u>	<u>\$ 633,797</u>	<u>\$ 888,702</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,	
	2003	2002
		Restated
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase in Net Assets	\$ 23,979	\$ 126,440
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
Contribution Restricted for Long-Term Investments	-	(85,763)
Decrease in Interest Receivable	560	1,017
Decrease in Faculty and Staff Unconditional Promises to Give	3,000	-
Unrealized Loss on Investments	1,078	158
Net Cash Provided by Operating Activities	28,617	41,852
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in Restricted Cash	(13,357)	(109,689)
Net Cash Used in Investing Activities	(13,357)	(109,689)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Permanently Restricted Contributions	-	85,763
Net Cash Provided by Financing Activities	-	85,763
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	15,260	17,926
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	106,845	88,919
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 122,105	\$ 106,845

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.

**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.



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

**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%. In the year 2003, these pledges were determined to be uncollectible as the faculty members to whom they relate are no longer associated with the college. There were no promises to give at June 30, 2003.

At June 30, 2002, unconditional promises to give were as follows:

	June 30, 2002		
	Faculty and Staff Pledges	Friends of the College Pledges	Total
Less than One Year	\$ -	\$ -	\$ -
One to Three Years	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total Unconditional Promises to Give	5,000	-	5,000
Less:			
Discounts to Net Present Value	2,000	-	2,000
Allowance for Uncollectible Promises	<u>-</u>	<u>-</u>	<u>-</u>
Net Unconditional Promises to Give	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 3,000</u>

**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:

	June 30,	
	2003	2002
School Program Development	\$ 61,813	\$ 65,070
Scholarships and Professorships	53,232	47,962
Day Care	7,308	7,308
Dinner Banquets	5,336	5,336
Arts Department	10,000	-
Investment Income Restricted for Scholarships and Professorships	<u>31,301</u>	<u>30,153</u>
Total Temporarily Restricted Net Assets	<u>\$ 168,990</u>	<u>\$ 155,829</u>

Net assets were released from restrictions for the following purposes during the years ended June 30, 2003 and 2002:

	June 30,	
	2003	2002
Awards	\$ 1,342	\$ 645
Endowed Professorships	7,216	4,498
Other Development and Program Expenses	<u>3,257</u>	<u>14,310</u>
Total Net Assets Released from Restriction	<u>\$ 11,815</u>	<u>\$ 19,453</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 along with subsequent contributions 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 years ended June 30, 2003 and 2002, the Foundation's permanently restricted net assets were increased by \$-0- and \$85,763, respectively, as a result of new contributions.

**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, 2003 and 2002 amounted to \$1,500 and \$3,000, 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 a 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**

**DONATED SERVICES**

The Foundation did not recognize any revenue as a result of donated services for the years ended June 30, 2003 and 2002, as there were none that met the recognition criteria under generally accepted accounting principles.

**NOTE K**

**INVESTMENTS**

The Foundation owns 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. Investments stated at fair value, at June 30, 2003 and 2002 include:

	<u>2003</u>	<u>2002</u>
Equity Securities	<u>\$ 5,687</u>	<u>\$ 6,764</u>

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

**NOTE K**

**INVESTMENTS (Continued)**

Investment revenues during the years ended June 30, 2003 and 2002 consisted of the following:

	<u>2003</u>	<u>2002</u>
Dividends	\$ 84	\$ 63
Unrealized (Loss) on Investment Portfolio	<u>(1,078)</u>	<u>(158)</u>
Total	<u>\$ (994)</u>	<u>\$ (95)</u>

**NOTE L**

**RESTATEMENT OF FINANCIAL STATEMENTS**

The beginning net assets for June 30, 2002 and the Statements of Financial Position, Activities and Cash Flows for June 30, 2002 were restated to include donations and certificates of deposit totaling \$85,763 that were not recorded in the prior year.



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

Independent Auditor's Report  
on Supplementary Information

Our report on our audits of the basic financial statements of **ELAINE P. NUNEZ COMMUNITY COLLEGE FOUNDATION** for June 30, 2003 and 2002 appears on page 1. These audits were 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 audits 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 Professional Accounting Corporation

December 1, 2003

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

	For The Years Ended	
	June 30,	
	2003	2002
<b>PROGRAM SERVICES</b>		
Other	\$ 3,257	\$ 14,311
Endowed Professorships	7,216	4,498
Donations to College	1,500	3,000
Awards	1,342	645
Total Program Services	13,315	22,454
<b>FUNDRAISING PLEDGE EXPENSES</b>		
GALA Expense	11,524	13,556
Total Fundraising Expenses	11,524	13,556
<b>SUPPORTING SERVICES</b>		
Management and General		
Accounting	2,976	3,000
Other	5,513	2,320
Total Management and General	8,489	5,320
Total Supporting Services	8,489	5,320
<b>TOTAL EXPENSES</b>	\$ 33,328	\$ 41,330

See independent auditor's report on supplementary information.