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**LOUISIANA DELTA COMMUNITY
COLLEGE FOUNDATION**

**Financial Statements
For the Years Ended June 30, 2004 and 2003**

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 11-03-04

LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION

**Financial Statements
For the Years Ended June 30, 2004 and 2003**

TABLE OF CONTENTS

	Page
Independent Auditors' Report.....	1
Statements of Financial Position.....	2
Statements of Activities and Changes in Net Assets	4
Statements of Cash Flows.....	6
Notes to the Financial Statements.....	7
Supplementary Information	
Schedules of Functional Expenses.....	11



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Esther Atteberry, CPA

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INDEPENDENT AUDITORS' REPORT

**BOARD OF DIRECTORS
LOUISIANA DELTA COMMUNITY COLLEGE
FOUNDATION
MONROE, LOUISIANA**

We have audited the accompanying statements of financial position of the **Louisiana Delta Community College Foundation** (the Foundation) as of June 30, 2004 and 2003 and the related statements of activities and changes in net assets 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Foundation as of June 30, 2004 and 2003, 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.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Information listed in the Table of Contents is presented for the purpose 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 Professional Accounting Corporation)

October 13, 2004

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**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF FINANCIAL POSITION**

	June 30, 2004		
	Unrestricted	Temporarily Restricted	Total
ASSETS			
Cash	\$ 4,972	\$ 69,685	\$ 74,657
Pledges Receivable, Net of Allowance for Doubtful Accounts (Note 3)	15,310	1,050	16,360
TOTAL ASSETS	\$ 20,282	\$ 70,735	\$ 91,017
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts Payable	\$ -	\$ -	\$ -
Total Liabilities	-	-	-
Net Assets			
Unrestricted	20,282	-	20,282
Temporarily Restricted	-	70,735	70,735
Total Net Assets	20,282	70,735	91,017
TOTAL LIABILITIES AND NET ASSETS	\$ 20,282	\$ 70,735	\$ 91,017

The accompanying notes are an integral part of these statements.

June 30, 2003

Unrestricted	Temporarily Restricted	Total
\$ 24,024	\$ 55,885	\$ 79,909
19,550	16,300	35,850
\$ 43,574	\$ 72,185	\$ 115,759
\$ -	\$ -	\$ -
43,574	-	43,574
-	72,185	72,185
43,574	72,185	115,759
\$ 43,574	\$ 72,185	\$ 115,759

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED**

	June 30, 2004		
	Unrestricted	Temporarily Restricted	Total
Support and Revenues			
Contributions	\$ 25,979	\$ 11,025	\$ 37,004
Sponsorships	-	-	-
Interest Income	1,362	-	1,362
Other Income	3,107	100	3,207
	<u>30,448</u>	<u>11,125</u>	<u>41,573</u>
Net Assets Released from Restriction	<u>12,575</u>	<u>(12,575)</u>	<u>-</u>
 Total Support and Revenue	 <u>43,023</u>	 <u>(1,450)</u>	 <u>41,573</u>
Expenses			
Program Services			
Scholarships	6,579	-	6,579
Departmental Support	40,400	-	40,400
Total Program Services	<u>46,979</u>	<u>-</u>	<u>46,979</u>
Supporting Services			
Management and General	12,230	-	12,230
Fund Raising	7,106	-	7,106
Total Supporting Services	<u>19,336</u>	<u>-</u>	<u>19,336</u>
 Total Expenses	 <u>66,315</u>	 <u>-</u>	 <u>66,315</u>
 Increase (Decrease) in Net Assets	 <u>(23,292)</u>	 <u>(1,450)</u>	 <u>(24,742)</u>
 Net Assets at Beginning of Year	 <u>43,574</u>	 <u>72,185</u>	 <u>115,759</u>
 NET ASSETS AT END OF YEAR	 <u>\$ 20,282</u>	 <u>\$ 70,735</u>	 <u>\$ 91,017</u>

The accompanying notes are an integral part of these statements.

June 30, 2003

Unrestricted	Temporarily Restricted	Total
\$ 46,970	\$ 72,185	\$ 119,155
2,100	-	2,100
181	-	181
-	-	-
<u>49,251</u>	<u>72,185</u>	<u>121,436</u>
-	-	-
<u>49,251</u>	<u>72,185</u>	<u>121,436</u>
3,386	-	3,386
-	-	-
<u>3,386</u>	<u>-</u>	<u>3,386</u>
2,523	-	2,523
4,306	-	4,306
<u>6,829</u>	<u>-</u>	<u>6,829</u>
10,215	-	10,215
<u>39,036</u>	<u>72,185</u>	<u>111,221</u>
4,538	-	4,538
<u>43,574</u>	<u>72,185</u>	<u>115,759</u>

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED**

	June 30,	
	2004	2003
Cash Flows From Operating Activities		
Increase (Decrease) in Net Assets	\$ (24,742)	\$ 111,221
Adjustment to reconcile increase in net assets to net cash provided by operating activities:		
Changes in assets and liabilities		
Pledges receivable - Unrestricted	4,240	(19,550)
Pledges receivable - Restricted	15,250	(16,300)
Net cash provided by operating activities	(5,252)	75,371
Increase (Decrease) in Cash	(5,252)	75,371
Cash at Beginning of Year	79,909	4,538
Cash at End of Year	\$ 74,657	\$ 79,909

The accompanying notes are an integral part of these statements.

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2004 AND 2003**

Note 1 - Organization

The Louisiana Delta Community College Foundation (the Foundation) is an autonomous fund-raising foundation that raises funds for the benefit of Louisiana Delta Community College (the College). Its purpose is to promote the educational and cultural welfare of the College. Its purpose, also, is to develop, expand and improve the College's facilities so as to provide broader educational advantages and opportunities, encourage educational advancement, and increase the College's usefulness to the citizens of Louisiana. Support is received through gifts, grants or bequests. Program services include scholarships, academic support and departmental funding.

Note 2 - Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements have been prepared on an accrual basis and in conformity with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements for Not-For-Profit Organizations*.

B. Financial Statement Classification

The net assets of the Foundation are reported as follows:

1. Unrestricted – includes all resources to be used in support of the Foundation's operations at the sole discretion of the Foundation.
2. Temporarily Restricted – includes amounts that have been donated subject to donor-imposed restrictions and those promises to give for which there are time restrictions.

The Foundation has no permanently restricted net assets.

C. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Foundation considers demand deposits, time deposits, and certificates of deposits of an original maturity of three months or less to be cash equivalents.

LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2004 AND 2003

D. Pledges Receivable

Pledge receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts by charging contribution support and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable.

E. Contributions

In accordance with Statement of Financial Accounting (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor-imposed restrictions. Contributions are recognized as support when received or when an unconditional promise to give is received.

F. Functional Expenses

Expenses that can be identified with a specific program are allocated directly to that program according to their natural expenditure classification.

G. Tax Exempt Status

The Foundation is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for Federal income taxes. Contributions to the Foundation are tax deductible with limitations prescribed by the Code.

H. 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.

Note 3 - Pledges Receivable

Contributions receivable represent unconditional promises to give by donors. Current contributions are expected to be collected during the next fiscal year and are recorded

LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2004 AND 2003

at net realizable value. Long-term contributions are expected to be collected subsequent to the next fiscal year and are reflected in the financial statements at their net realizable value, which approximates their net present value. Contributions receivable are due as follows:

	<u>June 30, 2004</u>		<u>June 30, 2003</u>	
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
Receivables due in				
less than one year	\$ 20,310	\$ 1,050	\$ 19,550	\$ 1,000
Receivables due in				
two to five years	-	-	-	15,300
Allowance for Doubtful				
Accounts	(5,000)	-	-	-
	<u>\$ 15,310</u>	<u>\$ 1,050</u>	<u>\$ 19,550</u>	<u>\$ 16,300</u>

Note 4 - Credit Risk

At June 30, 2004 the Foundation's deposits were fully covered by FDIC insurance.

Supplementary Information

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION
 SCHEDULE OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2004**

	Program Services			Supporting Services			Total Expenses
	Scholarships	Departmental	Total	Management and General	Fund	Total	
		Support	Program Services		Raising	Supporting Services	
\$	6,579	\$ -	6,579	\$ -	\$ -	\$ -	6,579
Scholarships	-	400	400	-	-	-	400
Departmental Support	-	40,000	40,000	-	-	-	40,000
Endowed Professorships - Nursing	-	-	-	3,410	-	3,410	3,410
Accounting and Auditing	-	-	-	750	1,297	2,047	2,047
Advertising and Sponsorships	-	-	-	135	-	135	135
Bank Charges	-	-	-	3,766	-	3,766	3,766
Conferences and Meetings	-	-	-	475	-	475	475
Dues and Subscriptions	-	-	-	35	-	35	35
Gifts and Acknowledgements	-	-	-	1,238	-	1,238	1,238
Insurance	-	-	-	806	-	806	806
Legal Expenses	-	-	-	1,239	-	1,239	1,239
Meetings and Meals	-	-	-	53	-	53	53
Miscellaneous	-	-	-	68	-	68	68
Office Expense	-	-	-	37	-	37	37
Postage and Delivery	-	-	-	213	-	213	213
Printing	-	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-	-
Special Events	-	-	-	-	3,127	3,127	3,127
Supplies	-	-	-	-	2,682	2,682	2,682
Taxes and Licenses	-	-	-	5	-	5	5
Total Functional Expenses	6,579	40,400	46,979	12,230	7,106	19,336	66,315

**LOUISIANA DELTA COMMUNITY COLLEGE FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2003**

	Program Services			Supporting Services			Total Expenses
	Scholarships	Departmental Support	Total	Management and General	Fund Raising	Total	
			Program Services			Supporting Services	
Scholarships	3,386	-	3,386	-	-	-	3,386
Departmental Support	-	-	-	-	-	-	-
Endowed Professorships	-	-	-	-	-	-	-
Accounting and Auditing	-	-	-	-	-	-	-
Advertising and Sponsorships	-	-	-	-	1,428	1,428	1,428
Bank Charges	-	-	-	132	-	132	132
Conferences and Meetings	-	-	-	-	-	-	-
Dues and Subscriptions	-	-	-	250	-	250	250
Gifts and Acknowledgements	-	-	-	-	-	-	-
Insurance	-	-	-	186	-	186	186
Legal Expenses	-	-	-	-	-	-	-
Meetings and Meals	-	-	-	223	1,858	2,081	2,081
Miscellaneous	-	-	-	78	-	78	78
Office Expense	-	-	-	305	-	305	305
Postage and Delivery	-	-	-	662	-	662	662
Printing	-	-	-	-	1,020	1,020	1,020
Professional Fees	-	-	-	71	-	71	71
Special Events	-	-	-	-	-	-	-
Supplies	-	-	-	116	-	116	116
Taxes and Licenses	-	-	-	500	-	500	500
Total Functional Expenses	3,386 \$	- \$	3,386 \$	2,523 \$	4,306 \$	6,829 \$	10,215



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MANAGEMENT LETTER

**Board of Directors
Louisiana Delta Community
Community College Foundation
Monroe, Louisiana**

In planning and performing our audit of the financial statements of Louisiana Delta Community College Foundation (the Foundation) for the year ended June 30, 2004, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control. However we noted certain matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgment, could adversely affect the Foundation's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements.

Segregation of Duties:

There is a lack of segregation of duties in the Foundation due to the small management staff (all volunteers). As part of the management team, the Treasurer writes and signs checks. Checks for \$1,000 or more require two signatures. Each month the Treasurer receives the bank statement from the bank and reconciles it. Based on the fact that no one other than the Treasurer reviews the bank statement, there is a possibility that unauthorized disbursements could be made and go undetected.

We recommend that someone independent of the Treasurer, with knowledge of the financial activities of the Foundation, receive the bank statements directly from the bank and scan the canceled checks and other returned items for authenticity before giving the account to the Treasurer for reconciliation. This will protect both the Treasurer and the Foundation.

Management's Response:

Management will implement a procedure effective immediately, whereby a responsible person, independent from the Treasurer, will open and examine all bank statements and cancelled checks to ensure that all disbursements are authorized and have been made within existing disbursement policies and procedures. After such review, the statement

**Louisiana Delta Community
Community College Foundation
Management Letter**

will be initialed by the reviewer and given to the Treasurer for reconciliation. At the present time, the Chairman of the Board will perform this function.

Pledges Receivable:

We confirmed certain pledges outstanding at year end. Of those confirmations, we received four replies stating they were unable to find any records of the pledge. In order to reconcile the confirmation differences, we requested management provide us with documentation to support the pledges recorded on the books. Management informed us that many of the pledges from the previous year had been verbal in nature. It was also noted that statements on outstanding pledges were not sent out during the current year and a number of pledges did not have any collections during the year ended June 30, 2004. Management decided to set up an allowance for doubtful accounts of \$5,000 to ensure that pledges receivable were properly stated on the financial statements.

Even though the pledges referenced above go back to a previous year, management should endeavor to receive a pledge card or a pledge acknowledgement statement from all future contributors that want to pay their pledge at some point in the future.

Management's Response:

Management has recently implemented two procedures with respect to pledges as follows:

1. Standard form invoices are now sent to donors at appropriate points in time in accordance with pledge agreements.
2. While the Foundation has utilized standardized pledge cards since 2002, it is not always convenient to ask donors to complete the pledge card document at the time of pledge solicitation. Accordingly, management has developed a pledge confirmation document that will be sent to each donor that will provide a comprehensive summary of each pledge including amounts, timing of payments, restrictions, etc. These confirmations will be signed by the donor.

This report is intended solely for the information and use of the Board of Directors, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.



A Professional Accounting Corporation

October 13, 2004