

**Southeastern Louisiana University
Foundation**

Financial Report

Year Ended June 30, 2018

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PEDELAHORE & CO., LLP

Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
Southeastern Louisiana University Foundation
Hammond, Louisiana

We have audited the accompanying financial statements of Southeastern Louisiana University Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southeastern Louisiana University Foundation as of June 30, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Southeastern Louisiana University Foundation's June 30, 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 3, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenses on page 18 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Redelbach & Co., LLP

November 19, 2018
New Orleans, Louisiana

Southeastern Louisiana University Foundation

Statement Of Financial Position

June 30, 2018

(With Comparative Totals for 2017)

	<u>Assets</u>	
	<u>2018</u>	<u>2017</u>
Current Assets		
Cash	\$ 200,570	\$ 252,571
Current portion of receivables	210,451	110,961
Current unconditional promises to give	45,500	75,300
Investments	31,000,022	28,009,574
Prepaid expenses	7,641	34,542
Total current assets	<u>31,464,184</u>	<u>28,482,948</u>
Noncurrent Assets		
Long-term unconditional promises to give, net	19,855	40,055
Investments, endowment	27,346,638	26,295,180
Property and equipment, net	-	3,870,712
Donated land	1,635,630	1,993,130
	<u>29,002,123</u>	<u>32,199,077</u>
	<u>\$ 60,466,307</u>	<u>\$ 60,682,025</u>
	<u>Liabilities And Net Assets</u>	
Current Liabilities		
Accounts payable	\$ 165,345	\$ 137,225
Deferred rent	-	92,095
Agency funds/funds held in custody	17,257,548	16,712,613
Total current liabilities	<u>17,422,893</u>	<u>16,941,933</u>
Long Term Liabilities		
Deferred rent	-	1,105,138
Net Assets		
Unrestricted	414,422	334,730
Temporarily restricted	15,040,335	15,407,039
Permanently restricted	27,588,657	26,893,185
	<u>43,043,414</u>	<u>42,634,954</u>
	<u>\$ 60,466,307</u>	<u>\$ 60,682,025</u>

The Notes to Financial Statements are an integral part of these statements.

Southeastern Louisiana University Foundation
Statement Of Activities And Changes In Net Assets
Year Ended June 30, 2018
(With Comparative Totals for 2017)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals 2018	2017
Revenue And Other Support					
Unrestricted donations	\$ 101,937	\$ -	\$ -	\$ 101,937	\$ 125,462
Special events	113,620	-	-	113,620	106,431
Foundation administrative fee	333,719	-	-	333,719	454,012
Scholarships	-	76,616	-	76,616	57,885
Chair	-	-	-	-	8,310
Program donations	-	108,261	-	108,261	147,783
Restricted donations	-	1,339,110	-	1,339,110	280,080
Rent, Livingston Center	-	61,397	-	61,397	92,095
Other	-	315,961	-	315,961	734,295
Donated land	-	-	-	-	375,000
In-kind donations	-	156,177	-	156,177	74,515
Endowments	-	-	684,410	684,410	10,239,783
Interest and dividends	36	-	-	36	25
Investment income	-	793,033	-	793,033	568,006
Realized gain (loss)	-	1,475,418	-	1,475,418	904,784
Unrealized gain (loss)	-	322,736	-	322,736	1,202,904
Total revenues and other support	<u>549,312</u>	<u>4,648,709</u>	<u>684,410</u>	<u>5,882,431</u>	<u>15,371,370</u>
Net Assets Released From Restrictions					
Satisfaction of program restrictions	<u>4,892,246</u>	<u>(4,892,246)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues and other support	5,441,558	(243,537)	684,410	5,882,431	15,371,370
Reclassification of Net Assets					
Interfund transfers	<u>112,105</u>	<u>(123,167)</u>	<u>11,062</u>	<u>-</u>	<u>-</u>
Expenses					
Restricted	4,007,389	-	-	4,007,389	1,182,793
Endowment	884,857	-	-	884,857	1,018,313
Unrestricted	<u>581,725</u>	<u>-</u>	<u>-</u>	<u>581,725</u>	<u>544,322</u>
	<u>5,473,971</u>	<u>-</u>	<u>-</u>	<u>5,473,971</u>	<u>2,745,428</u>
Changes In Net Assets					
	79,692	(366,704)	695,472	408,460	12,625,942
Net Assets - Beginning Of Year	<u>334,730</u>	<u>15,407,039</u>	<u>26,893,185</u>	<u>42,634,954</u>	<u>30,009,012</u>
Net Assets - End Of Year	<u>\$ 414,422</u>	<u>\$ 15,040,335</u>	<u>\$ 27,588,657</u>	<u>\$ 43,043,414</u>	<u>\$ 42,634,954</u>

The Notes to Financial Statements are an integral part of these statements.

Southeastern Louisiana University Foundation
Statement Of Cash Flows
Year Ended June 30, 2018
(With Comparative Totals For 2017)

	2018	2017
Cash Flows From Operating Activities		
Change in net assets	\$ 408,460	\$ 12,625,942
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	98,573	147,859
Realized and unrealized (gain) loss on investments	(1,798,154)	(2,107,688)
Transfer of property to Southeastern Louisiana University	3,772,139	-
Donated land	-	(375,000)
Decrease (increase) in:		
Accounts receivable	(49,490)	53,442
Prepaid expenses	26,901	(5,779)
Increase (decrease) in:		
Accounts payable	28,120	4,541
Deferred revenue	(1,197,233)	(92,095)
	1,289,316	10,251,222
Cash Flows From Investing Activities		
(Purchases) sales of investments - net	(2,243,752)	(11,807,018)
Increase in Agency funds	544,935	1,606,437
Proceeds from sale of property	357,500	82,500
Purchase of property and equipment	-	(17,890)
	(1,341,317)	(10,135,971)
Net Increase (Decrease) In Cash And Cash Equivalents	\$ (52,001)	\$ 115,251
Cash and cash equivalents at beginning of year	252,571	137,320
Cash and cash equivalents at end of year	\$ 200,570	\$ 252,571

The Notes to Financial Statements are an integral part of these statements.

Southeastern Louisiana University Foundation
Notes To Financial Statements
Year Ended June 30, 2018

Note 1. Summary Of Significant Accounting Policies

Nature of Organization

Southeastern Louisiana University Foundation (“the Foundation”) was incorporated on April 17, 1963 under the provisions of Louisiana Revised Statute 12:201-155 as Southeastern Development Foundation, Inc. a non-profit corporation. In June 2011, the name changed to Southeastern Louisiana University Foundation. The Foundation was formed to promote and support, on all levels, the Southeastern Louisiana University (SLU) programs, including the solicitation and acceptance of donations for the purpose of providing scholarships and other benefits for the university, its faculty, and its students.

Basis of Accounting

The financial statements of Southeastern Louisiana University Foundation have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

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:

- Unrestricted net assets are not subject to donor-imposed stipulations.
- Temporarily restricted net assets are subject to donor-imposed stipulations that can be fulfilled by actions of the Foundation and/or the passage of time.
- Permanently restricted net assets are subject to donor-imposed stipulations that must be maintained permanently by the Foundation. Permanently restricted net assets are primarily comprised of the original endowment gifts given to the Foundation by donors. The donors of these assets permit the Foundation to use the income from these assets.

Revenue Recognition

Revenues are reported as increases in unrestricted, temporarily restricted or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions. All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the

Southeastern Louisiana University Foundation
Notes To Financial Statements
Year Ended June 30, 2018

Note 1. Summary Of Significant Accounting Policies (continued)

Revenue Recognition

restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Expenses are reported as decreases in unrestricted net assets. Gain or losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less, except for investments purchased with endowment assets, which are classified as long-term investments.

Promises to Give

Contributions are recognized when the donor makes a promise to give 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 restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Foundation uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Conditional Promises to Give

Pursuant with the Foundation's policy, the Foundation does not recognize conditional promises to give as revenue until the condition is met or the pledges are received.

Donated Services and Materials

Significant portions of the Foundation's fundraising events are conducted by unpaid volunteers and some materials are donated to the Foundation's fundraising events by unpaid vendors. The value of the donated services and materials was not reasonably determinable; therefore, no related donation or expense is recorded.

Southeastern Louisiana University Foundation
Notes To Financial Statements
Year Ended June 30, 2018

Note 1. Summary Of Significant Accounting Policies (continued)

Contributions

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

Investments

The Foundation carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Real estate investments, which were received by gift, are carried at an independently appraised market value as of the date of acquisition.

Property and Equipment

Purchased property and equipment are recorded at cost. Property and equipment donated to the Foundation are recorded as contributions at their estimated fair market values at the date of donation. Depreciation is provided over the estimated useful lives of exhaustible assets on a straight-line basis over lives ranging from five to forty years.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Agency Funds/ Funds Held in Custody

The Foundation considers all state matching funds and unexpected income from these funds to be funds held in custody. Additionally, amounts held for Southeastern Louisiana University are also reported as funds held in custody. All funds held in custody are recorded in the statements of financial position at their estimated fair market values.

Southeastern Louisiana University Foundation
Notes To Financial Statements
Year Ended June 30, 2018

Note 1. Summary Of Significant Accounting Policies (continued)

Income Taxes

Under provisions of the Internal Revenue Code, Section 501(c)(3), and the applicable income tax regulations of Louisiana, the Foundation is exempt from taxes on income other than unrelated business income. The Foundation has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(VI). Since the Foundation had no net unrelated business income during the year ended June 30, 2018, no provision for income tax was made. Management has evaluated its tax positions and has determined that there are no uncertainties in income taxes that require adjustments for or disclosures in the financial statements.

Also, the Foundation's federal income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those returns. In general, both the federal and state income tax returns have a three year statute of limitations.

Accounts Receivables

Accounts receivables consist of an amount due for management fees and the reimbursement of salary and other expenses in the amount of \$210,451. Management believes the amounts are collectible, and no provision has been made for uncollectible amounts.

Note 2. Investments

Investment fees for the year ended June 30, 2018 are \$166,085. Investments are comprised of the following as of June 30, 2018:

	<u>Fair Value</u>
Cash and Money Market Accounts	\$ 1,772,762
Certificate of Deposit	844,376
Government Obligations	19,801,989
Corporate bonds	4,986,206
Equity Securities	28,672,155
Mutual Funds	1,493,124
Foreign bonds	91,536
Investments in Maurin Farm, LLC	678,599
Minerals	<u>5,913</u>
	<u>\$ 58,346,660</u>

Southeastern Louisiana University Foundation
Notes To Financial Statements
Year Ended June 30, 2018

Note 3. Fair Value Measurements

The ASC topic on Fair Market Value Measurements and Disclosures establishes a framework for measuring fair value. That framework provides a fair market value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 – inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2 – inputs to the valuation methodology include quoted prices for similar assets or liabilities in active market; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the fully term of the asset or liability.
- Level 3 – inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. There have been no change in the methodologies used at June 30, 2018.

The following table presents the Foundation's assets measured at fair value on a recurring basis at June 30, 2018.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and Money Market	\$ 1,772,762	\$ -	\$ -	\$ 1,772,762
Certificate of Deposit	-	844,376	-	844,376
Government Obligations	-	19,801,989	-	19,801,989
Corporate Bonds	-	4,986,206	-	4,986,206
Equity Securities	28,672,155	-	-	28,672,155
Mutual Funds	1,493,124	-	-	1,493,124
Foreign Bonds	-	91,536	-	91,536
Investment in Maurin Farm, LLC	-	-	678,599	678,599
Minerals Interest	-	-	5,913	5,913
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets at Fair Value	<u>\$ 31,938,041</u>	<u>\$ 25,724,107</u>	<u>\$ 684,512</u>	<u>\$58,346,660</u>

Southeastern Louisiana University Foundation
Notes To Financial Statements
Year Ended June 30, 2018

Note 3. Fair Value Measurements (continued)

Investments classified within level 3 have unobservable inputs as they are not traded. These assets are stated at the fair market value as the date of original donation. Foundation staff and management monitor and review the value to ensure that reporting and valuation techniques are in accordance with industry standards and best practices.

Note 4. Unconditional Promises To Give Receivable

Pledge Receivables at June 30, 2018 are as follows:

Receivable in Less than One Year	\$ 45,500
Receivable in One to Five Years	<u>37,500</u>
Total Pledges Receivables	83,000
Less Allowance for Uncollectible Pledges	<u>(17,645)</u>
Net Pledges Receivable at June 30, 2018	<u>\$ 65,355</u>

Management estimated the allowance for uncollectible pledges to be approximately twenty-one percent of total pledged receivables. The pledge receivables are unsecured.

Note 5. Net Assets

Temporarily restricted net assets at June 30, 2018, consisted of the following:

Land	\$ 1,635,630
Scholarships and University Program Support	<u>13,404,705</u>
	<u>\$ 15,040,335</u>
Temporarily restricted net assets, beginning of year	\$ 15,407,039
Contributions and other income	1,996,125
Rent, Livingston Center	61,397

Southeastern Louisiana University Foundation
Notes To Financial Statements
Year Ended June 30, 2018

Note 5. Net Assets (continued)

Interfund transfers	(123,167)
Investment income	2,268,451
Net appreciation	322,736
Amounts appropriated for expenditure	<u>(4,892,246)</u>
Temporarily restricted net assets, end of year	<u>\$ 15,040,335</u>

Permanently restricted net assets at June 30, 2018, consisted of the following endowed gifts to be held in perpetuity with income to be used for scholarships:

Endowment Net Assets, Beginning of Year	\$ 26,893,185
Contributions	<u>695,472</u>
Endowment Net Assets, End of Year	<u>\$ 27,588,657</u>

Note 6. Endowed Net Assets

The Foundation has established prudent investment and spending policies with the objective of maintaining the purchasing power of its endowed assets in perpetuity and to provide a stable level of support to the beneficiaries. To achieve this objective, the Foundation's asset allocation strategy is reviewed periodically and adjusted to target a total return that covers inflation, administrative expenses, and spending allocations, while minimizing volatility.

Private endowed contributions received for professorships, chairs, and scholarships are included in endowed net assets. Certain endowed funds are provided by the state of Louisiana as a match to these qualifying private endowed contributions and are managed under agreement with the University for the University's benefit. These endowed assets are further subject to the investment and spending policies established by the Louisiana Board of Regents, which has statutory authority to administer the matching funds program.

A spending rate is determined by the Foundation's Board of Directors, with consideration given to market conditions, the spending levels of peer institutions and historical returns. The objective is to provide relatively stable spending allocations. The Board approved a discretionary spending rate of 3% for fiscal year ended June 30, 2018, based on a separate review of each individual endowment's performance.

Southeastern Louisiana University Foundation
Notes To Financial Statements
Year Ended June 30, 2018

Note 6. Endowed Net Assets (continued)

Effectively July 1, 2010, the Louisiana legislature enacted Act No. 168 (“Act”) to implement the Uniform Prudent Management of Industrial Funds Act (“UPMIFA”) as the standard for the management and investment of institutional funds in Louisiana. The Act permits an institution to appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for that uses, benefits, purposes, and duration for which the endowment fund was established, subject to the intent of the donor as expressed in the gift instrument.

The Foundation’s Board of Directors has adopted the investment policies set forth by the Louisiana Board of Regents and applies these policies to all endowments. The Louisiana Board of Regents spending policy dictates that the market value of each endowment at the end of the most recent fiscal trust fund year must exceed the original corpus of the endowment by an amount equal to the amount to be made available for expenditure in the next fiscal year for which a spending allocation is made. When the current market value of each endowment is below the original corpus, no spending is allowed.

Note 7. Property And Equipment

The Foundation donated the Livingston Literacy Center to the University in which all the property, equipment, and accumulated depreciation was removed and the remaining value was recorded as a donation to the University

Note 8. Related Party Transactions

During the fiscal year ended June 30, 2018, the Foundation occupied office space in a building owned by Southeastern Louisiana University Alumni Association, Inc. Under the terms of the lease agreement for the land housing the facilities between the Board of Trustees for State Colleges and Universities (Landlord), and the Southeastern Louisiana University Alumni Association, Inc. (Tenant), the Landlord assumed responsibility for repair, maintenance, taxes, and insurance coverage for the facility, and the Tenant agreed to sublease approximately 3,000 square feet of office space to Southeastern Louisiana University including the space housing the Southeastern Louisiana University Foundation.

Southeastern Louisiana University Foundation
Notes To Financial Statements
Year Ended June 30, 2018

Note 8. Related Party Transactions (continued)

In accordance with Louisiana Revised Statutes LSA-RS 17.3390, the Foundation is of the opinion that all expenditures and in-kind services, except unrestricted funds used for administration, benefit the University. These amounts greatly exceed the cost of housing, personnel, and other support furnished to the foundation by the University. The value of the facilities used by the Foundation was not reasonably determinable; therefore, no related donation or expense is recorded.

At June 30, 2018, accounts receivable include the following:

Southeastern Louisiana University	\$ 32,150
Lion Athletic Association Inc.	1,052
Southeastern Louisiana University Alumni Association Inc.	6,679

At June 30, 2018, accounts payable included the following:

Southeastern Louisiana University	\$ 39,003
Lion Athletic Association Inc.	12,000

Note 9. Fundraising Expense Ratio

The following represents the entity's fund raising expense ratio for the year ended June 30, 2018:

Total support generated in the statement of activities	\$ 2,896,091
Fund raising expense	\$ 129,798
Fund raising expense ratio	4.5%

Note 10. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Expenses for the year are classified as follows:

Program services	\$ 4,892,246
Supporting activities	
Management and general	451,927
Fundraising	<u>129,798</u>
Total expense	<u>\$ 5,473,971</u>

Southeastern Louisiana University Foundation
Notes To Financial Statements
Year Ended June 30, 2018

Note 11. Contingencies

On February 5, 1998, the Foundation entered into an investment agreement with Southeastern Louisiana University (SLU). Under the terms of this agreement, the Foundation, acting as an agent for SLU, holds funds for endowed professorships, endowed chairs, and endowment funds and provides investment review and management of these funds. The agreement also stipulates that if the principal amount as of June 30th of each year falls below the endowment base, the Foundation must use other revenues to restore the principal amount to the endowment base. As of June 30, 2018, the endowment base is \$9,800,000 and the fair value of the investment is \$17,325,399 resulting in a \$7,525,399 surplus.

Note 12. Concentrations Of Credit Risk Arising From Cash Deposits

The Foundation maintains its cash balances at banks that are insured by the Federal Deposit Insurance Corporation (FDIC). The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Foundation has not experienced any losses in cash accounts and believes it is not exposed to any significant credit risk to cash. The Foundation periodically maintains cash balances in excess of FDIC coverage.

Note 13. Deferred Rents

On June 18, 2002, the Foundation entered into a cooperative endeavor agreement with the Livingston Parish School Board and the Livingston Educational Public Benefit Corporation to rent the Livingston Parish Literacy Center for a term of twenty-five years as an education facility. The lease payments included \$1,000,000 paid in 2006 with five annual payments of \$260,474.50 for a total of \$2,302,372.50. The lease term is 25 years. Rental payments commenced upon substantial completion of the facility constructed under court order. At June 30, 2018, \$61,397 was recognized as income for the year.

In 2018, The Foundation donated the Livingston Parish Literacy Center to the University. The deferred revenue was removed and offset the amount of donation to University.

Note 14. Comparative Totals For 2017

The financial statements include certain prior year summarized comparative information in total but not by fund. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Southeastern Louisiana University Foundation
Notes To Financial Statements
Year Ended June 30, 2018

Note 15. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 19, 2018.

Supplemental Schedules

Southeastern Louisiana University Foundation
Schedule Of Expenses
Year Ended June 30, 2018
(With Comparative Totals For 2017)

Expenses	<u>2018</u>	<u>2017</u>
Restricted		
Scholarships	\$ 184,312	\$ 138,256
Transfer to Southeastern Louisiana University	2,636,303	-
Departmental	861,279	485,274
Programs	3,859	69,629
Depreciation	98,573	147,859
Other operating	777	6,081
In-Kind	156,177	74,515
Interfund transfers	245	152,566
Salary and benefits	1,574	1,840
Professional fees	47,857	9,314
Disaster Relief	15,433	94,459
Fundraising	1,000	-
Uncollectible pledges	-	3,000
	<u>\$ 4,007,389</u>	<u>\$ 1,182,793</u>
Endowment		
Scholarships	\$ 484,352	\$ 475,561
Investment fees	166,085	147,817
Merchant fees	701	923
Foundation administrative fee	233,719	394,012
	<u>\$ 884,857</u>	<u>\$ 1,018,313</u>
Unrestricted		
Dues	\$ 13,882	\$ 15,510
Fundraising	128,798	95,589
Other operating	11,482	21,195
Professional development	14,989	13,071
Professional fees	62,103	111,016
Salary and benefits	321,534	257,459
Special events	14,602	16,742
Uncollectible pledges	-	1,100
University promotions	14,335	12,640
	<u>\$ 581,725</u>	<u>\$ 544,322</u>

The Notes to Financial Statements are an integral part of these statements.