

**SOUTH LOUISIANA COMMUNITY
COLLEGE FOUNDATION**

Lafayette, Louisiana

Financial Report
June 30, 2017

TABLE OF CONTENTS

Independent Auditor's Report	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6-10
INTERNAL CONTROL AND COMPLIANCE	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	11-12
Summary Schedule of Prior Year Findings	13
Schedule of Findings and Questioned Costs	14
Management's Corrective Action Plan for Current Year Findings	15

E. Larry Sikes, CPA/PFS, CVA, CFP®
Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, III, CPA
Stephanie M. Higginbotham, CPA
John P. Armato, CPA/PFS
J. Stephen Gardes, CPA
Jennifer S. Ziegler, CPA/PFS, CFP®
Chris A. Miller, CPA, CVA
Steven G. Moosa, CPA
M. Rebecca Gardes, CPA
Joan B. Moody, CPA
Lauren V. Hebert, CPA/PFS
Erich G. Loewer, III, CPA, M.S. Tax
Jeremy C. Meaux, CPA
Stephen R. Dischler, CPA, MBA
Pamela Mayeux Bonin, CPA, CVA
Craig C. Babineaux, CPA/PFS, CFP®
Adam J. Curry, CPA, CFP®
Kyle P. Saltzman, CPA, CFE
Jacob C. Roberie, CPA

Kevin S. Young, CPA
Christy S. Dew, CPA, MPA
Rachel W. Ashford, CPA
Veronica L. LeBleu, CPA, MBA
Christine Guidry Berwick, CPA, MBA
Brandon L. Porter, CPA
Brandon R. Dunphy, CPA
Robert C. Darnall, CPA, CVA, M.S.



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
South Louisiana Community College Foundation
Lafayette, Louisiana

We have audited the accompanying financial statements of South Louisiana Community College Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. 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.

2000 Kaliste Saloom
Suite 300
Lafayette, LA 70508
Phone: 337.232.3312
Fax: 337.237.3614

1231 E. Laurel Avenue
Eunice, LA 70535
Phone: 337.457.4146
Fax: 337.457.5060

1201 Brashear Avenue
Suite 301
Morgan City, LA 70380
Phone: 985.384.6264
Fax: 985.384.8140

203 S. Jefferson Street
Abbeville, LA 70510
Phone: 337.893.5470
Fax: 337.893.5470

A Member of:
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

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 South Louisiana Community College Foundation as of June 30, 2017, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 30, 2017, on our consideration of South Louisiana Community College Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering South Louisiana Community College Foundation's internal control over financial reporting and compliance.

Dannall, Sikes, Gardes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

August 30, 2017

SOUTH LOUISIANA COMMUNITY COLLEGE FOUNDATION

Statement of Financial Position
June 30, 2017

ASSETS

CURRENT ASSETS

Cash	\$ 1,455,946
Investments	733,552
Commitment receivable	<u>81,959</u>
Total current assets	<u>2,271,457</u>

TOTAL ASSETS \$ 2,271,457

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

State Funds Held in Custody	\$ <u>793,534</u>
Total current liabilities	<u>793,534</u>

NET ASSETS

Unrestricted	57,096
Temporarily restricted	711,313
Permanently restricted	<u>709,514</u>
Total net assets	<u>1,477,923</u>

TOTAL LIABILITIES AND NET ASSETS \$ 2,271,457

See independent auditor's report and notes to financial statements.

SOUTH LOUISIANA COMMUNITY COLLEGE FOUNDATION

Statement of Activities
Year Ended June 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues, Gains and Other Support				
Annual Fund donations	\$ -	\$ 126,121	\$ -	\$ 126,121
Miscellaneous donations	45,554	-	-	45,554
Endowments	-	-	372,459	372,459
Investment revenue	-	25,378	-	25,378
In-kind contributions	<u>34,184</u>	<u>-</u>	<u>-</u>	<u>34,184</u>
Total support and revenue	<u>79,738</u>	<u>151,499</u>	<u>372,459</u>	<u>603,696</u>
Expenses:				
Support services -				
Management and general	65,539	84,213	-	149,752
Fund-raising	<u>4,219</u>	<u>-</u>	<u>-</u>	<u>4,219</u>
Total expenses	<u>69,758</u>	<u>84,213</u>	<u>-</u>	<u>153,971</u>
Excess of support and revenue over expenses	9,980	67,286	372,459	449,725
NET ASSETS, beginning	<u>47,116</u>	<u>644,027</u>	<u>337,055</u>	<u>1,028,198</u>
NET ASSETS, ending	<u>\$ 57,096</u>	<u>\$ 711,313</u>	<u>\$ 709,514</u>	<u>\$ 1,477,923</u>

See independent auditor's report and notes to financial statements.

SOUTH LOUISIANA COMMUNITY COLLEGE FOUNDATION

Statement of Cash Flows
Year Ended June 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 449,725
Adjustments to reconcile increase in net assets	
to cash provided by operations	
Change in current assets and liabilities	
Commitment receivable	(81,959)
State Funds Held in Custody	394,646
Investments	<u>(234,375)</u>
Net cash provided by operating activities	<u>528,037</u>
Net increase in cash	<u>528,037</u>
CASH, beginning of year	<u>927,909</u>
CASH, end of year	<u>\$ 1,455,946</u>

See independent auditor's report and notes to financial statements.

SOUTH LOUISIANA COMMUNITY COLLEGE FOUNDATION

Notes to Financial Statements

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *"Financial Statements of Not-for-Profit Organizations."* Under SFAS No. 117, 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.

Reporting Entity

South Louisiana Community College Foundation is a non-profit organization organized for the purpose and mission of engaging in educational, scientific, literary, benevolent, and charitable works in support exclusively for the campuses of South Louisiana Community College, which is a political subdivision and component unit of the State of Louisiana. On July 1, 2012, the Foundation legally changed its name to South Louisiana Community College Foundation.

Nature of Activities

South Louisiana Community College Foundation (Foundation) was organized to:

- Promote the educational and cultural welfare of South Louisiana Community College and all departments thereof, and to develop, expand, and improve the Region's facilities so as to provide broader educational advantages and opportunities, encourage educational advancement and opportunities, and increase the Region's usefulness to the citizens of Louisiana and the United States of America,
- To solicit and accept funds of all kinds, including property, both real and personal, whether principal or income, tangible or intangible, vested or contingent, for the purposes that meet the goal of serving Region,
- To provide educational and financial aid and resources to the students, faculty, and staff and by providing relief for those students in need of financial resources in order to attend one of the campuses of South Louisiana Community College,
- To engage in fundraising activities, promotions, or any legal activity for the purpose of meeting the mission of serving the Region's administration in educating it's students,

Income Tax Exemption

The Foundation is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the U.S. Internal Revenue Code and comparable state law, and contributions to it are tax deductions within the limitations prescribed by the Code. The Foundation's management believes it is no longer subject to income tax examinations for fiscal years prior to June 30, 2014.

SOUTH LOUISIANA COMMUNITY COLLEGE FOUNDATION

Notes to Financial Statements

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting.

Contributions

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

Recognition of Donor Restrictions

Contributions are recognized as revenue when the donor makes a promise to give 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 as unrestricted net assets.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Foundation considers all highly liquid debt instruments purchased with an original maturity of six months or less to be cash equivalents. The Foundation had certificates of deposit that were considered to be cash equivalents at June 30, 2017.

Uses 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In-Kind Contributions

In-kind contributions consist primarily of donated services (banquet services) and contributed specialized skills (accounting administration). Contributed services are recorded at the fair value of the services provided.

Net Assets

Net assets of the Foundation are reported as unrestricted (no donor restrictions), temporarily restricted (based on the existence of donor restrictions), or permanently restricted.

SOUTH LOUISIANA COMMUNITY COLLEGE FOUNDATION

Notes to Financial Statements

NOTE 1 NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Values of Financial Instruments

Fair value accounting standards define fair value, establish a framework for measuring fair value, outline a fair value hierarchy based on inputs used to measure fair value and enhance disclosure requirements for fair value measurements. The fair value hierarchy distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Level 1 or 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

- Level 1 inputs are quoted prices in active markets for identical investments that the investment manager has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the investment.

Subsequent Events

Management has evaluated subsequent events through August 30, 2017, the date the financial statements were available to be issued.

NOTE 2 COMPENSATION OF BOARD OF DIRECTORS

Presently, Trustees do not receive any compensation for their services as Trustees of the Foundation. Directors and Trustees may be reimbursed for their expenses, if any, incurred in carrying out the purposes of the Foundation, provided that such reimbursement does not adversely affect the Foundation's qualification under Section 501(c)(3) of the Internal Revenue Code.

NOTE 3 IN-KIND CONTRIBUTIONS

The Foundation recognizes revenue for certain services received at the fair value of those services. These services include professional services donated by accountants and donated services provided for the annual banquet. The fair value of the donated services is reflected in revenues and included in expenses in the following functional categories:

Management and general	\$ 29,965
Fund-raising	<u>4,219</u>
Total	<u><u>\$ 34,184</u></u>

SOUTH LOUISIANA COMMUNITY COLLEGE FOUNDATION

Notes to Financial Statements

NOTE 4 PROMISES TO GIVE

Unconditional promises to give are reported at net realizable value if, at the time the promise is made, payment is expected to be received in one year or less. Unconditional promises that are expected to be collected in more than one year are reported at fair value initially and in subsequent periods because the Foundation elected that measure in accordance with SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* (ASC 825-10). Management believes that the use of fair value reduces the cost of measuring unconditional promises to give in periods subsequent to their receipt and provides equal or better information to users of its financial statements than if those promises were measured using present value techniques and historical discount rates.

NOTE 5 STATE FUNDS HELD IN CUSTODY

The Foundation participates in a program with the State of Louisiana (The Eminent Scholars/Endowed Professorships Program) sponsored by the Louisiana Board of Regents, whereby the State contributes matching funds which, together with donations received by SLCC and transferred to the Foundation for investment, establishes endowment funds accumulated in accounts segregated from other Foundation funds. The Foundation must comply with certain policies, procedures, and regulations regarding the administration of these programs. The earnings of these endowed funds are to be used for professorships. All endowment funds and their investment earnings are classified as state funds held in custody.

NOTE 6 INVESTMENTS

Investment securities are carried at fair value based on investment statements provided by the Community Foundation of Acadiana and consist of the following at June 30, 2017:

	Cost	Fair Value	Unrealized Appreciation
Investments	\$ 668,547	\$ 733,552	\$ 43,667
Total	\$ 668,547	\$ 733,552	\$ 43,667

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2017.

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Interest and dividends	\$ -	\$ 16,108	\$ -	\$ 16,108
Net realized and unrealized gains	-	40,786	-	\$ 40,786
	\$ -	\$ 56,894	\$ -	\$ 56,894

SOUTH LOUISIANA COMMUNITY COLLEGE FOUNDATION

Notes to Financial Statements

NOTE 6 INVESTMENTS (CONTINUED)

Investment expenses are netted with investment revenue. The amount of investment expenses as of June 30, 2017 are \$6,061.

NOTE 7 FAIR VALUE MEASUREMENTS

The following table summarizes assets measured at fair value by classification within the fair value hierarchy at June 30, 2017:

	Quoted Prices in Active Markets for Identical Assets (Level 1)
Stocks, options and ETFs	\$ 733,552

INTERNAL CONTROL AND COMPLIANCE

E. Larry Sikes, CPA/PFS, CVA, CFP®
 Danny P. Frederick, CPA
 Clayton E. Darnall, CPA, CVA
 Eugene H. Darnall, III, CPA
 Stephanie M. Higginbotham, CPA
 John P. Armato, CPA/PFS
 J. Stephen Gardes, CPA
 Jennifer S. Ziegler, CPA/PFS, CFP®
 Chris A. Miller, CPA, CVA
 Steven G. Moosa, CPA
 M. Rebecca Gardes, CPA
 Joan B. Moody, CPA
 Lauren V. Hebert, CPA/PFS
 Erich G. Loewer, III, CPA, M.S. Tax
 Jeremy C. Meaux, CPA
 Stephen R. Dischler, CPA, MBA
 Pamela Mayeux Bonin, CPA, CVA
 Craig C. Babineaux, CPA/PFS, CFP®
 Adam J. Curry, CPA, CFP®
 Kyle P. Saltzman, CPA, CFE
 Jacob C. Roberie, CPA

Kevin S. Young, CPA
 Christy S. Dew, CPA, MPA
 Rachel W. Ashford, CPA
 Veronica L. LeBleu, CPA, MBA
 Christine Guidry Berwick, CPA, MBA
 Brandon L. Porter, CPA
 Brandon R. Dunphy, CPA
 Robert C. Darnall, CPA, CVA, M.S.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

The Board of Trustees
 South Louisiana Community College Foundation
 Lafayette, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of South Louisiana Community College Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 30, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered South Louisiana Community College Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of South Louisiana Community College Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

2000 Kaliste Saloom
 Suite 300
 Lafayette, LA 70508
 Phone: 337.232.3312
 Fax: 337.237.3614

1231 E. Laurel Avenue
 Eunice, LA 70535
 Phone: 337.457.4146
 Fax: 337.457.5060

1201 Brashear Avenue
 Suite 301
 Morgan City, LA 70380
 Phone: 985.384.6264
 Fax: 985.384.8140

203 S. Jefferson Street
 Abbeville, LA 70510
 Phone: 337.893.5470
 Fax: 337.893.5470

A Member of:
 American Institute of
 Certified Public Accountants
 Society of Louisiana
 Certified Public Accountants

www.dsfcpas.com

Compliance and Other Matters

As part of obtaining reasonable assurance about whether South Louisiana Community College Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Darnall, Sikes, Gardes & Frederick

A Corporation of Certified Public Accountants

Lafayette, Louisiana

August 30, 2017

SOUTH LOUISIANA COMMUNITY COLLEGE FOUNDATION

Summary Schedule of Prior Year Findings
Year Ended June 30, 2017

This section is not applicable for the fiscal year ended June 30, 2017.

SOUTH LOUISIANA COMMUNITY COLLEGE FOUNDATION

Schedules of Findings and Questioned Costs
Year Ended June 30, 2017

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report - Financial Statements

An unqualified opinion has been issued on South Louisiana Community College Foundation's financial statements as of and for the year ended June 30, 2017.

Significant Deficiencies – Financial Reporting

No significant deficiencies in internal control over financial reporting were disclosed during the audit of the financial statements.

Material Noncompliance - Financial Reporting

There were no instances of noncompliance material to the financial statements disclosed during the audit of the financial statements.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 2017.

Part 2: Findings Relating to an Audit in Accordance with *Government Auditing Standards*

This section is not applicable for the fiscal year ended June 30, 2017.

SOUTH LOUISIANA COMMUNITY COLLEGE FOUNDATION

Management's Corrective Action Plan for Current Year Findings
Year Ended June 30, 2017

This section is not applicable for the fiscal year ended June 30, 2017.