

**Southeastern Louisiana University
Alumni Association, Inc.**

Financial Report

Year Ended June 30, 2024

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Independent Auditor's Report

To the Board of Directors
Southeastern Louisiana University Alumni Association, Inc.
Hammond, Louisiana

Opinion

We have audited the accompanying financial statements of Southeastern Louisiana University Alumni Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southeastern Louisiana University Alumni Association, Inc. as June 30, 2024, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis For Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Southeastern Louisiana University Alumni Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities Of Management For The Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Southeastern Louisiana University Alumni Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities For The Audit Of The Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Southeastern Louisiana University Alumni Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Southeastern Louisiana University Alumni Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report On Summarized Comparative Information

We have previously audited Southeastern Louisiana University Alumni Association, Inc.'s 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 13, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Pedelahore & Co, LLP

Pedelahore & Co., LLP

Metairie, Louisiana

September 20, 2024

Southeastern Louisiana University Alumni Association, Inc.

Statement Of Financial Position

June 30, 2024

(With Comparative Totals for 2023)

	<u>Assets</u>	
	<u>2024</u>	<u>2023</u>
Current Assets		
Cash	\$ 206,151	\$ 233,920
Current portion of receivables	2,392	1,550
Unconditional promises to give, net	106	461
Due from Southeastern Louisiana University	3,685	16,233
Prepaid expenses	<u>6,307</u>	<u>1,007</u>
Total current assets	<u>218,641</u>	<u>253,171</u>
	<u>\$ 218,641</u>	<u>\$ 253,171</u>
 <u>Liabilities And Net Assets</u>		
Current Liabilities		
Accounts payable	\$ 7,460	\$ 8,385
Due to Southeastern Louisiana University Foundation	-	1,069
Deferred revenue	225	980
Deferred membership dues	<u>-</u>	<u>2,310</u>
Total current liabilities	<u>7,685</u>	<u>12,744</u>
Net Assets		
Without Donor Restrictions	189,692	219,165
With Donor Restrictions	<u>21,264</u>	<u>21,262</u>
	<u>210,956</u>	<u>240,427</u>
	<u>\$ 218,641</u>	<u>\$ 253,171</u>

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

Southeastern Louisiana University Alumni Association, Inc.

Statement Of Activities And Changes In Net Assets

Year Ended June 30, 2024

(With Comparative Totals for 2023)

	<u>2024</u>			<u>2023</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Total</u>
Revenue And Other Support				
Membership dues	\$ 1,860	\$ -	\$ 1,860	\$ 10,996
Student fees	104,954	-	104,954	106,208
Special events	60,049	-	60,049	47,193
Royalties	3,420	-	3,420	8,330
Contributions of cash and other financial assets	55,058	3,000	58,058	52,387
Other income	11,147	-	11,147	6,267
Interest income	5,351	2	5,353	143
	<u>241,839</u>	<u>3,002</u>	<u>244,841</u>	<u>231,524</u>
Net Assets Released From Restrictions				
Satisfaction of program restrictions	<u>3,000</u>	<u>(3,000)</u>	<u>-</u>	<u>-</u>
Total revenues and other support	<u>244,839</u>	<u>2</u>	<u>244,841</u>	<u>231,524</u>
Expenses				
Program Services:				
Alumni Center	40,618	-	40,618	13,664
University promotions	132,968	-	132,968	126,772
Chapter expenses	20,131	-	20,131	4,016
Supporting Services:				
Management and general	77,821	-	77,821	89,228
Fundraising	2,774	-	2,774	4,184
Total expenses	<u>274,312</u>	<u>-</u>	<u>274,312</u>	<u>237,864</u>
Changes In Net Assets	(29,473)	2	(29,471)	(6,340)
Net Assets - Beginning Of Year	219,165	21,262	240,427	<u>97,052</u>
				90,712
Prior period adjustment	-	-	-	149,715
Net Assets - End Of Year	<u>\$ 189,692</u>	<u>\$ 21,264</u>	<u>\$ 210,956</u>	<u>\$ 240,427</u>

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

Southeastern Louisiana University Alumni Association, Inc.
Statement Of Functional Expenses
Year Ended June 30, 2024
(With Comparative Totals for 2023)

	2024					2023	
	Program Activities			Supporting Activities		Total	Total
	Alumni Center	University Promotions	Chapter Expenses	Management and General	Fundraising		
General building	\$ 27,897	\$ -	\$ -	\$ 1,115	\$ -	\$ 29,012	\$ 15,356
Insurance	-	-	-	1,007	-	1,007	1,005
Miscellaneous	-	90	-	172	-	262	-
Office expense	5,539	-	-	-	-	5,539	4,497
Postage	1,570	-	-	-	-	1,570	1,490
Printing	5,612	-	-	-	-	5,612	-
Special events	-	44,102	-	-	-	44,102	58,706
Athletic tickets	-	2,144	-	-	-	2,144	2,602
Athletic program support	-	72	-	-	-	72	587
Faculty	-	158	-	-	-	158	-
Promo items	-	2,774	-	-	2,774	5,548	5,794
Student promotions	-	-	-	-	-	-	1,533
Other University promotions	-	5,415	-	-	-	5,415	6,869
Chapter development expense	-	-	20,131	-	-	20,131	4,016
Accounting	-	-	-	8,234	-	8,234	9,189
Executive and associate director expenses	-	-	-	882	-	882	5,225
Board of Directors	-	-	-	2,761	-	2,761	3,427
Board of Directors Gold Council	-	-	-	1,943	-	1,943	1,748
Dues and subscriptions	-	-	-	10,065	-	10,065	9,011
ID fees	-	-	-	15	-	15	9
Merchant fees	-	-	-	3,338	-	3,338	3,254
Professional fees	-	-	-	9,000	-	9,000	8,900
Salary expense paid by SELU	-	78,213	-	39,289	-	117,502	93,359
Fundraising expenses	-	-	-	-	-	-	1,287
	<u>\$ 40,618</u>	<u>\$ 132,968</u>	<u>\$ 20,131</u>	<u>\$ 77,821</u>	<u>\$ 2,774</u>	<u>\$ 274,312</u>	<u>\$ 237,864</u>

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

Southeastern Louisiana University Alumni Association, Inc.

Statement Of Cash Flows

Year Ended June 30, 2024

(With Comparative Totals for 2023)

Cash Flows From Operating Activities	<u>2024</u>	<u>2023</u>
Change in net assets	\$ (29,471)	\$ (6,340)
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Increase (decrease) in:		
Accounts receivable	12,061	(13,033)
Prepaid expenses	(5,300)	7,640
Increase (decrease) in:		
Accounts payable	(925)	1,920
Due to Southeastern Louisiana University Foundation	(1,069)	(495)
Deferred revenue	<u>(3,065)</u>	<u>(12,534)</u>
 Net cash provided (used) by operating activities	 <u>(27,769)</u>	 <u>(22,842)</u>
 Net Increase (Decrease) In Cash And Cash Equivalents	 (27,769)	 (22,842)
 Cash and cash equivalents at beginning of year	 <u>233,920</u>	 <u>256,762</u>
 Cash and cash equivalents at end of year	 <u>\$ 206,151</u>	 <u>\$ 233,920</u>

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

Southeastern Louisiana University Alumni Association, Inc.
Notes To Financial Statements
Year Ended June 30, 2024

Note 1. Summary Of Significant Accounting Policies

General

The Southeastern Louisiana University Alumni Association, Inc. (the Association) is a nonprofit organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. The mission of the Association is to preserve and strengthen the bonds of friendship existing among Southeastern Louisiana University's former students; to foster, preserve and perpetuate the University's ideals and traditions so as to enhance its prestige as an institution of learning; and establish strong ties between the University and its former students in order to promote its educational and physical growth.

The Southeastern Louisiana University Alumni Association, Inc. was incorporated December 5, 1948, under provisions of Louisiana Revised Statutes 12:101-155 as a nonprofit corporation.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, the Association is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions – Those net assets whose use is not restricted by donors

Net Assets With Donor Restrictions – Those net assets whose use by the Association has been limited by donors (a) to later periods of time or after specified dates, or (b) to specific purposes.

Southeastern Louisiana University Alumni Association, Inc.
Notes To Financial Statements
Year Ended June 30, 2024

Note 1. Summary Of Significant Accounting Policies (continued)

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Membership dues are recognized as revenue in the fiscal period to which they relate. All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Accounts Receivables

Accounts receivables are recorded at cost less an allowance for credit losses, which is the net amount expected to be collected. The Association's policy is to measure its allowance for credit losses based on an evaluation of historical internal and external information and past experience of the receivable aging, adjusted for current economic conditions, and reasonable and supportable forecast about future events that affects the collectability of receivables. In 2024, there were no changes in the Association's accounting policies, methodology, in measuring credit losses related to its receivables. As of June 30, 2024 and 2023, there is no allowance for credit losses and there were no significant changes in the amount of accounts written.

Promises to Give

Unconditional promises to give that are expected to be collectible within one year are recorded at their net realizable value. Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases of liabilities, or expense depending on the form of the benefits received. The Association determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and review of subsequent collection. Promises to give are written off when deemed uncollectible. Unconditional promises to give are presented net of an allowance for doubtful accounts of \$300 at June 30, 2024. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Southeastern Louisiana University Alumni Association, Inc.
Notes To Financial Statements
Year Ended June 30, 2024

Note 1. Summary Of Significant Accounting Policies (continued)

Contributed Services

The Association received donated service from unpaid volunteers who perform a variety of tasks that support the Association's activities. No amounts have been recognized for these services in the statement of activities since the criteria for recognition under FASB 958-605, *Revenue Recognition*, have not been satisfied.

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.

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.

Deferred Revenues

Deferred revenue represents rental fees collected but not earned as of June 30, 2024.

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort and occupancy, which are allocated on a square footage basis.

Income Taxes

The Association is exempt from income taxes under IRC Section 501(c)(3) as a nonprofit entity and, accordingly, the financial statements do not reflect a provision for income taxes.

Southeastern Louisiana University Alumni Association, Inc.
Notes To Financial Statements
Year Ended June 30, 2024

Note 1. Summary Of Significant Accounting Policies (continued)

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Association may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on technical merits of the position. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended June 30, 2024.

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

Concentration of Credit Risk

The Association maintains its cash in bank deposit accounts at high credit quality financial institutions. The balances, at times, may exceed federally insured limits. At June 30, 2024, all of the Association's bank deposits were insured by the Federal Deposit Insurance Corporation.

Comparative Data

The accompanying financial statements include certain prior-year summarized comparative information in total, but not by net asset class or functional expense category. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2023 from which the summarized information was derived.

Southeastern Louisiana University Alumni Association, Inc.
Notes To Financial Statements
Year Ended June 30, 2024

Note 2. Net Assets With Donor Restrictions

Net Assets With Donor Restrictions for the following activities at June 30, 2024:

Alumni Center	\$ 21,264
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Changes in Net Assets With Donor Restrictions for the fiscal year ended June 30, 2024 are as follows:

Net Assets With Donor Restrictions at July 1, 2023	\$ 21,262
Increase in Net Assets With Donor Restrictions	2
Net Asset Released from Restriction	-

Net Assets With Donor Restrictions at June 30, 2024	\$ 21,264
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Note 3. Liquidity And Availability Of Financial Assets

The following reflects the Association’s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Financial assets at year-end	\$ 212,334
Less those unavailable for general expenditures within one year	-
Financial assets available to meet cash needs for general expenditure within one year	\$ 212,334

As part the Association’s liquidity management, the Association invests cash in excess of daily requirements in short term investments, typically savings accounts.

Southeastern Louisiana University Alumni Association, Inc.
Notes To Financial Statements
Year Ended June 30, 2024

Note 4. Related Parties

The Southeastern Louisiana University Foundation, Inc. (the Foundation), a nonprofit organization, obtains donations for the University and also for the Association, conversely the Association obtains donations for the Foundation. Financial services for the Association are performed by Southeastern Louisiana University Foundation employees. In 2024 fees paid for these services were \$8,234. As of June 30, 2024, the Association had a balance due to the Foundation of \$-0-.

In 2021, the Association transferred a building housing the Association's office space to Southeastern Louisiana University (the University). The Association continues to use this office space.

Student fees are collected by the University on behalf of the Association. For the year ended June 30, 2024, student fees amount to \$104,954 which made up approximately 43% of revenue. The University also provides administrative and accounting services for the Association, which are included in expense in the Statement of Activities. As of June 30, 2024, the Association had a balance due from the University of \$3,685. These are open balances with no set repayment terms or interest rates.

Note 5. Contractual Commitments

The Association entered into an agreement with an alumni network and digital career community software. The software is used by the Association and University Advancement to power Southeastern Connect Networking Platform for the engagement of young alumni and graduating seniors for their lifetime commitment, philanthropically and otherwise to the University. The agreement requires annual payments of \$9,500 per year and the current term end date is December 31, 2024.

Note 6. Prior Period Adjustment

During the year ended June 30, 2024, the Association recognized that previous lifetime membership were no longer required to join the Association and no longer had any intrinsic value. Accordingly, an adjustment of \$149,715 was made during the year to decrease deferred member dues as of the beginning of 2023. A corresponding entry was made to increase net assets without donor restrictions. The reported amounts of deferred membership dues and net assets without donor restrictions have been restated in the 2023 comparative financial statements now presented.

Southeastern Louisiana University Alumni Association, Inc.
Notes To Financial Statements
Year Ended June 30, 2024

Note 7. Fundraising Expense Ratio

The following represents the Association's fundraising expense ratio for the year ended June 30, 2024:

Total support generated in the statement of activities	\$ 59,918
Fund raising expense	\$ 2,774
Fund raising expense ratio	5%

Note 8. Subsequent Events

The Association evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through September 20, 2024, the date which financial statements were available to be issued.