

**LSU MEDICAL SCHOOL – NEW ORLEANS**  
**MEDICAL ALUMNI ASSOCIATION, INC.**  
**AS OF AND FOR THE YEAR ENDED**  
**DECEMBER 31, 2022**



**ERICKSEN KRENTEL**<sup>LLP</sup>  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
<b><u>INDEPENDENT AUDITORS' REPORT</u></b> .....	1 - 3
 <b><u>FINANCIAL STATEMENTS:</u></b>	
Exhibit "A" Statement of Financial Position .....	4
Exhibit "B" Statement of Activities .....	5
Exhibit "C" Statement of Functional Expenses .....	6
Exhibit "D" Statement of Cash Flows .....	7
Notes to the Financial Statements .....	8 - 15
 <b><u>SUPPLEMENTARY INFORMATION:</u></b>	
Schedule "1" Schedule of Compensation, Benefits, and Other Payments to the Agency Head .....	16
 <b><u>OTHER REPORTING REQUIRED BY GOVERNMENT AUDING STANDARDS</u></b>	
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	17 - 18
Schedule of Findings and Responses .....	19
Schedule of Prior Year Findings .....	20



## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors of  
LSU School of Medicine-New Orleans Medical Alumni Association, Inc.

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of LSU School of Medicine – New Orleans Medical Alumni Association, Inc. (Alumni Association), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, 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 LSU School of Medicine – New Orleans Medical Alumni Association, Inc. as of December 31, 2022, 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, the *Louisiana Governmental Audit Guide*, and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of LSU School of Medicine – New Orleans Medical 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 opinions.

#### ***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.



To the Board of Directors of  
LSU School of Medicine – New Orleans Medical Alumni Association, Inc.  
June 23, 2023

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 LSU School of Medicine – New Orleans Medical 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.

***Auditors’ 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 auditors’ 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 and *Governmental 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, including omissions, 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 and *Governmental 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 LSU School of Medicine – New Orleans Medical 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.





To the Board of Directors of  
LSU School of Medicine – New Orleans Medical Alumni Association, Inc.  
June 23, 2023

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about LSU School of Medicine – New Orleans Medical 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in Schedule “1” is presented for the 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.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2023, on our consideration of LSU School of Medicine – New Orleans Medical Alumni Association, Inc.’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 solely 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 the effectiveness of LSU School of Medicine – New Orleans Medical Alumni Association, Inc.’s 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 LSU School of Medicine – New Orleans Medical Alumni Association, Inc.’s internal control over financial reporting and compliance.

June 23, 2023  
New Orleans, Louisiana

*Ericksen Krentel, LLP*  
Certified Public Accountants

**LSU SCHOOL OF MEDICINE-NEW ORLEANS  
MEDICAL ALUMNI ASSOCIATION, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2022**

**ASSETS**

**CURRENT ASSETS:**

Cash and cash equivalents	\$ 2,674,405
Certificates of deposit	423,540
Investments	352,987
Beneficial interest in remainder trust	<u>53,000</u>
Total current assets	<u>3,503,932</u>

**PROPERTY AND EQUIPMENT:**

Furniture, fixtures and equipment	<u>11,710</u>
Less: accumulated depreciation	<u>(11,710)</u>
Net property and equipment	<u>-</u>
Total assets	<u><u>\$ 3,503,932</u></u>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES:**

Accounts payable and accrued expenses	<u>\$ 6,175</u>
Total current liabilities	<u>6,175</u>

**NET ASSETS:**

Without donor restrictions	2,978,898
With donor restrictions	<u>518,859</u>
Total net assets	<u>3,497,757</u>
Total liabilities and net assets	<u><u>\$ 3,503,932</u></u>

See accompanying NOTES TO FINANCIAL STATEMENTS

**LSU SCHOOL OF MEDICINE-NEW ORLEANS  
MEDICAL ALUMNI ASSOCIATION, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS:**

**Revenues and Gains:**

Contributions:	
Alumni and others	\$ 609,155
Special events	176,173
Investment loss	<u>(43,385)</u>
Total revenues without donor restrictions	<u>741,943</u>

**Net Assets Released From Restrictions:**

Restrictions satisfied by payments	<u>460</u>
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**Expenses:**

Program services:	
Special events	606,008
Donations	51,648
Support services:	
General and administrative	107,773
Fundraising	<u>189,596</u>
Total expenses	<u>955,025</u>

Decrease in net assets without donor restrictions	(212,622)
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**CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS:**

Net assets released from restrictions	(460)
Contributions	<u>18,726</u>
Increase in net assets with donor restrictions	18,266
Decrease in net assets	(194,356)
Net assets, beginning of year	<u>3,238,039</u>
Prior period adjustment (Note 7)	<u>454,074</u>
Net assets, end of year	<u><u>\$ 3,497,757</u></u>

See accompanying NOTES TO FINANCIAL STATEMENTS

**LSU SCHOOL OF MEDICINE-NEW ORLEANS  
 MEDICAL ALUMNI ASSOCIATION, INC.  
 STATEMENT OF FUNCTIONAL EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 2022**

	<u>Program Services</u>		<u>Supporting Services</u>		<u>Total</u>
	<u>Special Events</u>	<u>Donations</u>	<u>General and Administrative</u>	<u>Fundraising</u>	
Contract labor	\$ -	\$ -	\$ 42,556	\$ 21,804	\$ 64,360
Total contract labor	-	-	42,556	21,804	64,360
Accounting fees	-	-	15,770	-	15,770
Bank and credit card fees	-	-	7,627	-	7,627
Gala	65,772	-	-	-	65,772
Operations	-	-	37,555	-	37,555
Postage	-	-	-	87,898	87,898
Printing	-	-	-	79,840	79,840
Reunion	488,236	-	-	-	488,236
Special alumni events	52,000	-	-	-	52,000
Scholarships	-	51,648	-	-	51,648
Supplies	-	-	-	54	54
Travel and meetings	-	-	4,265	-	4,265
Total expenses	<u>\$ 606,008</u>	<u>\$ 51,648</u>	<u>\$ 107,773</u>	<u>\$ 189,596</u>	<u>\$ 955,025</u>



**LSU SCHOOL OF MEDICINE-NEW ORLEANS  
MEDICAL ALUMNI ASSOCIATION, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:**

Decrease in net assets	\$ (194,356)
Adjustments to reconcile decrease in net assets to net cash from (used for) operating activities:	
Unrealized loss on investments	48,084
(Increase) decrease in:	
Prepaid expenses	7,684
Receipt of donor specified contributions on behalf of Foundation	84,196
Transfer of contributions to Foundation	<u>(84,196)</u>
Net cash (used for) operating activities	<u>(138,588)</u>

**CASH FLOWS (USED FOR) INVESTING ACTIVITIES:**

Purchases of certificates of deposit	<u>(2,069)</u>
Net cash (used for) investing activities	<u>(2,069)</u>
Net decrease in cash and cash equivalents	(140,657)
Cash and cash equivalents, beginning of year	<u>2,815,062</u>
Cash and cash equivalents, end of year	<u>\$ 2,674,405</u>

**LSU SCHOOL OF MEDICINE – NEW ORLEANS  
MEDICAL ALUMNI ASSOCIATION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

LSU School of Medicine – New Orleans Medical Alumni Association, Inc. (the Alumni Association) supports and promotes the research, educational and service work of the LSU School of Medicine – New Orleans (the School) and the LSU Health Sciences Center (the Center).

The Alumni Association began operations on December 3, 2003. It acts as a fundraising arm, in an agency relationship, for the LSU Health Sciences Center. Alumni and corporate sponsor directed contributions collected for endowments are remitted to the LSU Health Sciences Center Foundation (the Foundation) to fund professorships, chairs, scholarships, awards, etc. Alumni and corporate sponsor directed contributions collected for dues, reunion expenses, certain professional education activities, and construction are maintained by the Alumni Association.

**Method of Accounting and Financial Reporting Framework**

Assets and liabilities and revenues and expenses are recognized on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as promulgated by the Financial Accounting Standards Board.

**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 Alumni 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 Alumni Association has been limited by donors (a) to later periods of time or after specified dates, or (b) to specific purposes.

**Use of Estimates**

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

**LSU SCHOOL OF MEDICINE – NEW ORLEANS  
MEDICAL ALUMNI ASSOCIATION, INC.**  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2022

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

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Alumni Association considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Certificates of Deposit**

The certificates bear interest at .70% and have maturities ranging from six to seven months, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

**Fair Value Measurements**

The carrying amounts reflected in the statements of financial position for cash, cash equivalents, and accounts receivable approximate the respective fair values of those instruments, due to their relatively short collection times. The fair value of the investments classified as “available for sale” were derived from the quoted market values for those instruments from an active market when available.

**Investments and Beneficial Interest in a Remainder Trust**

Investments are recorded at fair market value based on market quotations and consist of mutual funds, money market accounts, stocks, and bonds. Gains and losses on investments are reported on the statement of activities as increases or decreases in net assets without donor restrictions. Dividend, interest and other investment income are reported in the period earned in the statement of activities as increases in net assets without donor restrictions. Investment return is presented net of investment fees.

The Alumni Association discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure the fair value. Investments are recorded at fair value on a recurring basis. Nonrecurring fair value adjustments, if any, would typically involve donated property and equipment. There were no material nonrecurring fair value adjustments in 2022. The three levels of the fair value hierarchy are described below:

**LSU SCHOOL OF MEDICINE – NEW ORLEANS  
MEDICAL ALUMNI ASSOCIATION, INC.**  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2022

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments and Beneficial Interest in a Trust (Continued)**

Level 1 lies at the top of the hierarchy. Inputs are quoted prices in active markets.

Level 2 inputs are in the middle of the hierarchy, where data is adjusted from similar items traded in markets that are active markets or from identical or similar items in markets that are not active. Level 2 inputs do not stem directly from quoted prices.

Level 3 inputs are unobservable and require the entity to develop its own assumptions

For assets that are measured at fair value on a recurring basis in periods after initial recognition, there were no transfers between Levels 1 and 2, or transfers into and out of Level 3 in 2022. If such transfers were to occur, they would be recognized as of the actual date of the event.

No level 2 inputs were used by the Alumni Association during 2022.

The Alumni Association's measurements of fair value are made on a recurring basis, and their valuation techniques (no changes in 2022) for assets and liabilities recorded at fair value are as follows:

Mutual Funds – Valued at the net asset value of shares on the last trading day of the fiscal year, which is the basis of transactions at that date.

Beneficial Interest in a Charitable Remainder Unitrust—Valued by using an income approach based on calculating the present value of the future distribution expected to be received. The approach takes into account the Alumni Association's determination of an appropriate risk-adjusted discount rate (0% at December 31, 2022), the expected appreciation of the unitrust's investments (5% at December 31, 2022), and life expectancy information published in the 2020 period life table for the Social Security area population, as used in the 2023 Trustees Report (TR). The Alumni Association remeasures the fair value of its beneficial interest in a charitable remainder trust annually and adjusts the measurement inputs based on statements received from the trustee, market conditions, and other relevant data.

**LSU SCHOOL OF MEDICINE – NEW ORLEANS  
MEDICAL ALUMNI ASSOCIATION, INC.**  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2022

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Charitable Remainder Unitrust**

The Alumni Association is the beneficiary of an irrevocable charitable remainder unitrust held and administered by an independent trustee. Under the terms of the trust, the Alumni Association has the irrevocable right to receive one third of the remainder of the trust upon the death of the surviving recipient. The surviving recipient is entitled to receive eight percent of the net fair market value of the trust assets each taxable year of the trust. The fair value of the beneficial interest in the trust is recognized as an asset and a contribution the without donor restrictions at the date the trust becomes irrevocable. The Alumni Association's estimate of fair value each reporting date is based statements received from the trustee, expected appreciation of the unitrust's and life expectancy information. Trust assets consist of, but are not limited to, cash and cash equivalents, mutual funds, and equity securities. These assets are not subject to control or direction by the Alumni Association. Remeasurements of fair value are reflected as change in value of split interest agreement in the statement of activities.

**Property and Equipment**

Equipment and furniture are depreciated over their estimated useful lives of 7 years using the straight-line method of depreciation. Depreciable assets are valued at cost if purchased or fair value if contributed.

**Contribution Revenue**

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period 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 and reported in the Statement of Activities as net assets released from restrictions. Restricted contributions that are used in the reporting period in which the contribution is made are reported as unrestricted contribution revenue.

**LSU SCHOOL OF MEDICINE – NEW ORLEANS  
MEDICAL ALUMNI ASSOCIATION, INC.**  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2022

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Special Event Revenue**

Special event revenue is generated from individual class reunions and the gala, which are held in June and November, respectively. A portion of this revenue is recognized as a contribution and in part as an exchange transaction for the event when it occurs.

**Functional Allocation of Expenses**

Directly identifiable expenses are charged to programs and supporting services. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Alumni Association.

**Agency Transactions**

The Alumni Association acts as the fundraising agent for the Center. In accordance with requirements established by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 958, donor directed contributions received on behalf of the Center and subsequently transferred to the Foundation are not reported as revenue and expenses in the accompanying financial statements.

**Income Taxes**

The Alumni Association is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and from state income taxes under Section 121(5) of Title 47 of the Louisiana Revised Statutes.

The Alumni Association's evaluation as of December 31, 2022 and concluded their organization has taken no uncertain tax positions that require adjustment or disclosure to the financial statements to comply with the provisions of the accounting guidance for income tax.

**Date of Management's Review**

Subsequent events have been evaluated through June 23, 2023, which is the date the financial statements were available to be issued and determined that the event below occurred that require disclosure.



**LSU SCHOOL OF MEDICINE – NEW ORLEANS  
MEDICAL ALUMNI ASSOCIATION, INC.**  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2022

**(2) LIQUIDITY**

The Alumni Association's financial assets available within one year of December 31, 2022 for general expenditure are as follows:

Financial assets, at year end	\$ 3,450,932
Less those unavailable for general expenditure	
Within one year due to:	
Donor-imposed restrictions	518,859
Financial assets available to meet cash needs for	
General expenditures within one year	\$ 2,932,073

The Alumni Associations' financial assets have been reduced by amounts not available for general use because of donor restrictions.

As part of the Alumni Association's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Alumni Association invests cash in excess of daily liquidity requirements in short-term investments. Although the Alumni Association does not intend to spend from its certificates of deposit other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its certificates of deposit could be made available if necessary. At December 31, 2022, the Alumni Association had an additional \$423,540 in certificates of deposit that are unavailable for general expenditures within one year due to donor restrictions.

**(3) INVESTMENTS AND BENEFICIAL INTEREST IN A TRUST**

The following table presents investments measured at fair value on a recurring basis as of December 31, 2022 by the fair value measurements valuation hierarchy:

	(Level 1)	(Level 2)	(Level 3)	Total
Mutual funds	\$ 352,987	\$ -	\$ -	\$ 352,987
Beneficial Interest in a Trust	-	-	53,000	53,000
Investments at fair value	\$ 352,987	\$ -	\$ 53,000	\$ 405,987

Investment loss consisted of the following at December 31<sup>st</sup>:

Interest/dividend income	\$ -
Unrealized (losses)	(47,901)
Investment fees	(183)
Total investment (loss)	\$ (48,084)

**LSU SCHOOL OF MEDICINE – NEW ORLEANS  
 MEDICAL ALUMNI ASSOCIATION, INC.  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2022**

**(4) NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions for the following activities at December 31, 2022:

Isidore Cohn Student Learning Center	\$ 441,019
Murphey Memorial Fund	3,578
Alumni Affairs – Oliver	565
AZAR	6,500
Class of '76	<u>14,197</u>
 Total	 <u>\$ 465,859</u>

Net assets with donor restrictions subjected to the passage of time is the \$53,000 beneficial interest in the charitable remainder unitrust held by other at December 31, 2022.

**Released from Restrictions**

Net assets with donor restrictions were released from restrictions for the following purposes during the year ended December 31, 2022:

Isidore Cohn Student Learning Center	\$ <u>460</u>
 Total	 <u>\$ 460</u>

**(5) RELATED PARTY TRANSACTIONS**

During the year ended December 31, 2022, as an agent for the Center, the Alumni Association collected cash contributions of \$84,196 and remitted \$84,196 to the Foundation.

The Center and the School provide space and office equipment to the Alumni Association at no cost. These costs have not been determined for the year ended December 31, 2022, and will not be reimbursed to the Center or to the School.

**(6) CONCENTRATION OF CREDIT RISK**

The Alumni Association maintains its cash and cash equivalents in a local financial institution in Louisiana. The balance is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2022, cash deposits in excess of the insured limits totaled \$2,407,758. The Alumni Association has not experienced a loss in such accounts and believe it is not exposed to any significant credit risk related to cash.

**LSU SCHOOL OF MEDICINE – NEW ORLEANS  
MEDICAL ALUMNI ASSOCIATION, INC.**  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 2022

**(7) PRIOR PERIOD ADJUSTMENT**

During the fiscal year ended December 31, 2022, a prior period adjustment to net assets was made related to investments and beneficial interest in a remainder trust. Contribution revenue without donor restrictions of \$401,075 was recognized for the year ended December 31, 2021 related to the investments. Contribution revenue with donor restrictions of \$53,000 was recognized for the year ended December 31, 2021 related to the beneficial interest in a remainder trust.

**LSU SCHOOL OF MEDICINE-NEW ORLEANS  
MEDICAL ALUMNI ASSOCIATION, INC.**  
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO AGENCY HEAD  
FOR THE YEAR ENDED DECEMBER 31, 2022

**(See Independent Auditors' Report)**

	Cathi Fontenot, MD Secretary/Treasurer
Salary	\$ -
FICA and Medicare	-
Mileage reimbursements	-
Program expense reimbursement	-
Total compensation, benefits, and other payments	<u>\$ -</u>

\*Note: Dr. Cathi E. Fontenot does not receive salary or related benefits from public sources.



**INDEPENDENT AUDITORS' 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***

To the Board of Directors of  
LSU School of Medicine—New Orleans Medical Alumni Association, Inc.  
New Orleans, Louisiana

We have audited, 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, the financial statements of LSU School of Medicine—New Orleans Medical Alumni Association, Inc. (the Alumni Association), which comprise the statements of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 23, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Alumni Association's internal control over financial reporting (internal control) as a basis for designing 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 the Alumni Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Alumni Association'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 or significant deficiencies may exist that were not identified.

To the Board of Directors of  
LSU School of Medicine – New Orleans Medical Alumni Association, Inc.  
June 23, 2023

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Alumni Association’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 financial statements. 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 Alumni Association’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 Alumni Association’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

June 23, 2023  
New Orleans, Louisiana

*Erickson Krentel, LLP*  
Certified Public Accountants



**LSU SCHOOL OF MEDICINE—NEW ORLEANS  
MEDICAL ALUMNI ASSOCIATION, INC.  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**SECTION I SUMMARY OF AUDITORS' REPORTS**

1. The auditors' report expresses an unmodified opinion on the financial statements of LSU School of Medicine—New Orleans Medical Alumni Association, Inc.
2. No significant deficiency or material weakness disclosed during the audit of the financial statements are reported in the Independent Auditors' 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*.
3. No instances of noncompliance material to the financial statements were reported in the Independent Auditors' 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*.
4. A management letter was issued for the year ended December 31, 2022.

**SECTION II FINANCIAL STATEMENT FINDINGS**

NOT APPLICABLE

**LSU SCHOOL OF MEDICINE — NEW ORLEANS  
MEDICAL ALUMNI ASSOCIATION, INC.  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**SECTION I - FINDINGS RELATED TO THE FINANCIAL STATEMENTS**

NOT APPLICABLE

**SECTION II – MANAGEMENT LETTER ITEMS**

NOT APPLICABLE

# LSU MEDICAL ALUMNI ASSOCIATION, INC.

June 23, 2023

Louisiana Legislative Auditor

LSU School of Medicine— New Orleans Medical Alumni Association, Inc. respectfully submits the following corrective action plan for the year ended December 31, 2022.

Name and address of independent public accounting firm:

Ericksen Krentel L.L.P.  
427 Canal Street  
New Orleans, LA 70119

Audit Period: January 1, 2022 – December 31, 2022

The finding from the December 31, 2022 management letter is discussed below. The finding is numbered consistently with the number assigned in the letter.

## SECTION II FINDINGS - FINANCIAL STATEMENTS AUDIT

None.

## SECTION III MANAGEMENT LETTER ITEMS

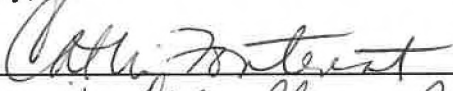
### 2022-001 Unrecorded Prior Period Contributions

Recommendation: We recommend the Alumni Association define a gift acceptance policy. Additionally, we believe that reviewing major donors including noncash donations would be beneficial to the Alumni Association.

Management's Response: Management agrees with the recommendation and will implement the change.

If there are any questions regarding this plan, please contact Dr. Cathi E. Fontenot, Secretary/Treasurer, at (504) 568-4009.

Sincerely,

  
\_\_\_\_\_  
*Associate Dean Alumni Affairs*

Signature

Title



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