LSU | ALUMNI ASSOCIATION

CONSOLIDATED FINANCIAL STATEMENTS

2023

LSU ALUMNI ASSOCIATION AND SUBSIDIARY
Baton Rouge, Louisiana

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2023

LSU ALUMNI ASSOCIATION AND SUBSIDIARY
Baton Rouge, Louisiana

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
LSU Alumni Association and Subsidiary
Baton Rouge, Louisiana

Opinion

We have audited the accompanying consolidated financial statements of the **LSU ALUMNI ASSOCIATION AND SUBSIDIARY** (collectively referred to as the "Association") (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Association as of December 31, 2023, 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 Stated of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Association 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 consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

(Continued)

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Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Association'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association'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.

(Continued)

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedule of activities, The Lod and Carole Cook Conference Center and Hotel, LLC balance sheets, and The Lod and Carole Cook Conference Center and Hotel, LLC statements of operations and changes in member's equity are presented for purpose of additional analysis and they are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited the Association's 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 6, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Faulk & Winkler, LLC

Certified Public Accountants

Baton Rouge, Louisiana
June 7, 2024

LSU ALUMNI ASSOCIATION AND SUBSIDIARY

Baton Rouge, Louisiana

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2023
(with comparative amounts for 2022)

ASSETS

	2023	2022
CURRENT:		
Cash and cash equivalents	$ 896,935	$ 868,847
Certificate of deposit	456,487	-
Accounts receivable, net	495,772	885,230
Inventory, net	78,748	94,245
Contributions receivable, net	266,872	354,356
Prepaid expenses	274,906	197,420
Total current assets	2,469,720	2,400,098
INVESTMENTS	24,187,427	22,344,740
LONG-TERM CONTRIBUTIONS RECEIVABLE, net	293,434	422,557
PROPERTY AND EQUIPMENT, net	11,390,778	12,416,155
RIGHT-OF-USE ASSETS - FINANCE LEASE, net	76,764	109,029
DEFERRED INCOME TAXES, net	669,000	712,000
OTHER ASSETS	10,318	10,318
Total assets	$ 39,097,441	$ 38,414,897

LIABILITIES AND NET ASSETS

	2023	2022
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 839,774	$ 1,080,192
Deferred revenue	157,972	102,363
Current portion of notes payable	330,039	319,658
Current portion of finance lease liabilities	28,404	34,584
Total current liabilities	1,356,189	1,536,797
NOTES PAYABLE, less current portion	1,229,575	1,558,299
FINANCE LEASE LIABILITIES, less current portion	50,665	75,498
ACCRUED VACATION PAYABLE	189,045	189,045
Total liabilities	2,825,474	3,359,639
NET ASSETS:		
Without donor restriction	13,649,924	14,486,003
With donor restriction	22,622,043	20,569,255
Total net assets	36,271,967	35,055,258
Total liabilities and net assets	$ 39,097,441	$ 38,414,897

The accompanying notes to consolidated financial statements
are an integral part of this statement.

LSU ALUMNI ASSOCIATION AND SUBSIDIARY

Baton Rouge, Louisiana

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended December 31, 2023
(with summarized comparative totals for 2022)

	2023			
	Without Donor Restrictions	With Donor Restrictions	Totals	2022 Totals
REVENUE AND SUPPORT:				
Donations	$ 1,316,566	$ 589,420	$ 1,905,986	$ 2,117,845
Earned:				
Hotel	4,297,052	-	4,297,052	4,072,868
Merchandise, sales, and trip	1,354,464	-	1,354,464	1,175,062
Rental and catering	713,611	-	713,611	702,592
Investment, net of fees	213,389	2,655,330	2,868,719	(4,608,853)
Royalties	214,587	-	214,587	234,885
Other	182,046	-	182,046	153,394
Total revenue and support	8,291,715	3,244,750	11,536,465	3,847,793
NET ASSETS RELEASED FROM RESTRICTIONS:				
Appropriations from donor endowments	1,191,962	(1,191,962)	-	-
Total revenue, support, and net assets released from restrictions	9,483,677	2,052,788	11,536,465	3,847,793
EXPENSES:				
Program:				
Alumni	3,682,734	-	3,682,734	3,635,761
The Cook Hotel	4,328,359	-	4,328,359	4,363,339
Fundraising	1,090,885	-	1,090,885	985,667
General and administrative	1,046,802	-	1,046,802	975,289
Total expenses	10,148,780	-	10,148,780	9,960,056
Change in net assets, before other income (expense) and income taxes	(665,103)	2,052,788	1,387,685	(6,112,263)
OTHER INCOME (EXPENSE):				
Interest expense	(60,236)	-	(60,236)	(73,949)
Paycheck Protection Program loan forgiveness	-	-	-	568,360
Loss on disposal of property and equipment	(67,740)	-	(67,740)	-
Total other, net	(127,976)	-	(127,976)	494,411
PROVISION FOR INCOME TAXES:				
Deferred tax (expense) benefit	(43,000)	-	(43,000)	44,000
Change in net assets	(836,079)	2,052,788	1,216,709	(5,573,852)
NET ASSETS				
Beginning of year	14,486,003	20,569,255	35,055,258	40,629,110
End of year	$ 13,649,924	$ 22,622,043	$ 36,271,967	$ 35,055,258

The accompanying notes to consolidated financial statements
are an integral part of this statement.

LSU ALUMNI ASSOCIATION AND SUBSIDIARY

Baton Rouge, Louisiana

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2023
(with comparative amounts for 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 1,216,709	$ (5,573,852)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization expense	1,136,899	1,116,231
Allowance for credit losses and doubtful accounts	68,538	-
Income tax provision (benefit)	43,000	(44,000)
Realized loss on investments, net	273,515	645,026
Unrealized (gain) loss on investments, net	(2,607,830)	4,450,057
Loss on disposal of fixed assets	67,740	-
Contributions with donor restrictions for endowment	(589,420)	(549,908)
Forgiveness of Paycheck Protection Program loan	-	(568,360)
Change in operating assets and liabilities:		
Net change in gross contribution receivable	216,607	(205,432)
Net change in other operating assets	258,931	70,783
Net change in operating liabilities	(184,809)	(29,444)
Net cash used for operating activities	(100,120)	(688,899)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(1,203,869)	(1,161,959)
Purchase of certificate of deposit	(456,487)	-
Proceeds from sale of investments	1,695,497	1,059,010
Acquisition of property and equipment	(145,994)	(190,062)
Net cash used for investing activities	(110,853)	(293,011)

(Continued)

The accompanying notes to consolidated financial statements
are an integral part of this statement.

LSU ALUMNI ASSOCIATION AND SUBSIDIARY

Baton Rouge, Louisiana

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2023
(with comparative amounts for 2022)

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions with donor restrictions into endowment	589,420	549,908
Principal payments on finance lease assets	(32,016)	(32,871)
Principal payments on note payable	(318,343)	(334,184)
Net cash provided by financing activities	239,061	182,853
Net increase (decrease) in cash and cash equivalents	28,088	(799,057)
CASH AND CASH EQUIVALENTS		
Beginning of year	868,847	1,667,904
End of year	$ 896,935	$ 868,847
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 60,236	$ 73,949
Supplemental disclosure of noncach investing activities:		
Right-of-use assets obtained through lease liabilities	$ 27,593	$ 142,953

The accompanying notes to consolidated financial statements
are an integral part of this statement.

LSU ALUMNI ASSOCIATION AND SUBSIDIARY
Baton Rouge, Louisiana

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended December 31, 2023
(with summarized comparative totals for 2022)

	Program				General and	Total	
	Alumni	The Cook Hotel	Total Program	Fundraising	Administrative	2023	2022
EXPENSES:							
Salaries and wages	$ 1,045,046	$ 901,084	$ 1,946,130	$ 261,261	$ 435,436	$ 2,642,827	$ 2,620,848
Payroll taxes and benefits	184,260	183,702	367,962	46,065	76,775	490,802	390,014
Depreciation and amortization	481,837	487,680	969,517	-	167,382	1,136,899	1,116,231
Scholarships and professorships	1,026,256	-	1,026,256	-	-	1,026,256	1,027,057
Hotel room expenses	-	658,324	658,324	-	-	658,324	747,353
Utilities	239,237	289,596	528,833	-	83,107	611,940	768,539
Special events and ticket purchases	-	65,999	65,999	469,039	-	535,038	485,399
Professional and contracted services	255,928	168,733	424,661	-	88,905	513,566	474,627
Travel and sports trips	-	375,908	375,908	74,726	-	450,634	427,424
Repairs and maintenance	135,529	174,854	310,383	-	47,080	357,463	358,934
Catering	106,204	195,880	302,084	-	-	302,084	335,347
Cost of merchandise sold	-	268,765	268,765	-	-	268,765	209,187
Insurance	62,313	130,920	193,233	-	21,647	214,880	189,213
Credit card fees	-	162,246	162,246	-	39,767	202,013	227,227
Supplies	61,459	57,167	118,626	-	21,350	139,976	96,876
Printing	-	9,273	9,273	109,659	-	118,932	132,660
Taxes	-	70,602	70,602	-	1,480	72,082	68,366
Allowance for credit losses and doubtful accounts	52,570	15,968	68,538	-	-	68,538	-
Promotional supplies	-	5,600	5,600	58,055	-	63,655	47,813
Dues, subscriptions, and conferences	-	22,686	22,686	-	29,926	52,612	36,621
Postage	-	16,132	16,132	35,865	-	51,997	51,798
Advertising	-	42,556	42,556	9,042	-	51,598	38,825
Telephone	20,248	12,789	33,037	4,092	2,942	40,071	52,949
Lease expense	-	9,433	9,433	-	27,084	36,517	21,413
Donor recognition	-	1,829	1,829	12,840	-	14,669	6,689
Other university support	11,847	-	11,847	-	-	11,847	9,959
Official functions and entertainment	-	633	633	10,241	-	10,874	13,444
Miscellaneous	-	-	-	-	3,921	3,921	5,243
Total expenses	$ 3,682,734	$ 4,328,359	$ 8,011,093	$ 1,090,885	$ 1,046,802	$ 10,148,780	$ 9,960,056

The accompanying notes to consolidated financial statements are an integral part of this statement.

LSU ALUMNI ASSOCIATION AND SUBSIDIARY
Baton Rouge, Louisiana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and operations

The LSU Alumni Association is a non-profit corporation organized to foster, protect, and promote the welfare of Louisiana State University and Agricultural and Mechanical College (the University) and to maintain a mutually beneficial relationship between the University and its alumni. The majority of the Association's revenues are derived from contributions made by individual alumni and various organizations, as well as revenues earned through the Alumni Center and Hotel. The Lod and Carole Cook Conference Center and Hotel, LLC (the Hotel), is a wholly-owned Louisiana C-corporation subsidiary that operates the for-profit activities of the Association. The Alumni Center and Hotel are located on land owned by the University.

Basis of presentation and consolidation

The consolidated financial statements of the Association have been prepared on the accrual basis of accounting. All intercompany transactions and balances have been eliminated. The significant accounting policies are described below to enhance the usefulness of the consolidated financial statements. The Association reports information regarding financial position and activities according to the two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. 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 Association's consolidated financial statements for 2022, from which the summarized information was derived.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates. Estimates are used primarily when accounting for the valuation of accounts and contributions receivable (allowances and discount to present value), inventory, depreciation, amortization, right-of-use assets, lease liabilities, prepaid expenses, deferred revenue, and deferred income taxes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional, or when cash is received. Unconditional contributions with donor restrictions are reported as increases in net assets with donor restrictions and are internally tracked as purpose restricted or held in perpetuity, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are released to net assets without donor restrictions. Contributions to certain endowment funds are restricted by the donor to be maintained in perpetuity and the related income earned is classified and expended according to the donor's stipulations.

Contributions receivable are recognized as revenue in the period the contribution or "pledge" is made. Contributions receivable are recorded at net realizable value if they are expected to be collected in one year, and discounted at an appropriate rate if they are expected to be collected in more than one year. Conditional contributions are recognized only when the conditions on which they depend are substantially met and the contributions become unconditional.

Revenues from exchange transactions primarily consist of hotel room and facility rentals, travel package sales, catering services, and merchandise sales. The Association has determined that the transaction prices related to contracts entered through exchange transactions are primarily attributable to one performance obligation (room and facility space rentals, travel package sales, catering services, merchandise sales, etc.). Payments are sometimes received in advance of providing the service and are reported as deferred revenue. The Association recognizes revenue when the performance obligation is satisfied (rooms are checked in, sport events are attended, merchandise is purchased/shipped, etc.).

Sales and other taxes the Hotel (Association) collects in conjunction with these activities are excluded from revenue. Other incidental items that are immaterial in context of the contract, along with costs incurred to obtain a contract, are expensed as incurred.

Generally, the Hotel's (Association) business does not give rise to variable consideration due to the fact that there are no significant rebates, allowances, or returns that decrease the original transaction price. Additionally, the Association has no contract assets or liabilities at December 31, 2023.

Cash and cash equivalents

For purposes of the statement of cash flows, the Association considers all demand deposits and money market accounts to be cash and cash equivalents.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions receivable

Contributions receivable are recorded net of any allowance for doubtful contributions that is based on management's estimate of collectability and discounts for contributions that are to be received in more than one year. The Association records contributions received as support with or without donor restrictions, depending on the existence and nature of any donor restrictions.

Accounts receivable

Accounts receivable are recorded at invoiced amounts, net of an allowance for credit losses. A general allowance for credit losses is based on management’s estimate of the collectability of accounts receivable according to prior experience. Management considers accounts receivable to be delinquent based on the applicable contractual terms. The Association does not require collateral for its receivables. Accounts receivable outstanding more than 90 days totaled $72,007 at December 31, 2023. See Note 3.

Allowance for credit losses

The Association’s accounts receivables are primarily derived from customers who utilize the Association’s meeting space with catering for such events and hotel room rentals. At the balance sheet date, the Association recognizes an expected allowance for credit losses. In addition, at the reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist.

Inventory

Inventory consists of merchandise for resale in the Hotel gift shop and is recorded at cost, net of an allowance for obsolescence. The Association uses the First-In-First-Out (FIFO) method to account for its inventory. The Association has a reserve for inventory obsolescence of $18,646 at December 31, 2023.

Investment valuation and income recognition

The Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements*, establishes a framework for measuring fair value which provides a fair value hierarchy that prioritizes the sources of pricing information (inputs) to valuation techniques used to measure fair value. The highest priority is given 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 ASC 820 are described as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment valuation and income recognition (Continued)

Level 2 – Inputs include:

- Quoted prices for similar assets or liabilities in active markets;
- 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;
- 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 full term of the asset or liability.

Level 3 – Inputs that are unobservable and significant to the fair value measurement.

Investments in equity securities and shares of mutual funds with readily determinable fair values and all investments in debt securities are recorded at fair value based on quoted market prices. Investments in non-exchange traded debt and equity instruments are valued using independent pricing services or by broker-dealers who actively make markets in these securities. Investments in equity securities without readily determinable fair values and that do not qualify for the practical expedient to estimate fair value are measured at cost minus impairment, if any.

Realized and unrealized gains and losses are recorded in current year operations as increases or decreases in net assets. Dividends, interest, and other investment income are recorded as an increase in net assets.

Donated investments are recorded at market value at the date of receipt, which is then treated as cost. The Association typically converts donated investments to cash as soon as possible upon receipt with the proceeds deposited into the Association's investment accounts. Realized gains and losses on dispositions are based on the net proceeds and the adjusted cost basis of the securities sold, using the specific identification cost method. These realized gains and losses are recognized in current year operations as increases or decreases in net assets.

Fair value of financial instruments

The carrying value of cash, receivables, prepaid expenses, accounts payable, accrued expenses, and deferred revenue approximate fair value due to the short-term maturity of these instruments. The carrying value of short and long-term debt approximates fair value based on the current rated offered for debt of comparable maturities and collateral requirements. Financial instruments are not held for trading purposes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment

Property and equipment are carried at cost. Additions and improvements in excess of $7,500 that extend the useful lives of assets are capitalized. Maintenance and repair expenditures are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the property and equipment, ranging from three to thirty-nine years.

The Association does not capitalize its collection at the Andonie Museum, which is located on the LSU campus. The collection consists of historical objects related to LSU sports history which have been estimated to have a market value of approximately $630,000 at the date of acquisition. There were no significant changes to the collection during 2023.

Periodically, the Association reviews fixed assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable.

Impairment is measured by comparing the carrying value of the sum of the expected future cash flows resulting from the use of the asset and its eventual disposition. The Association did not have any impairment of assets during the year ended December 31, 2023.

Right-of-use (ROU) assets

The Association determines if a contractual agreement contains a lease at inception. Leases are then classified as either operating or finance leases depending on the characteristics of the lease. Right-of-use (ROU) assets represent the Association's right to control the use of a specified asset for the lease term, and lease liabilities represent the Association's obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments; the Association uses the risk-free discount rate when the discount rate is not implicit in the lease. The lease term is the non-cancellable period of the lease, including any options to extend, purchase, or terminate the lease depending on whether the Association is reasonably certain to exercise those options.

The costs associated with operating leases are recognized on a straight-line basis over the period of the leases. Finance leases ROU assets are amortized on a straight-line basis over the shorter of the estimated useful lives or the lease terms, and interest expense incurred is on the lease liabilities is included in interest expense. If the lease transfers ownership to the Association or the Association is reasonably certain to exercise the option to purchase the underlying asset, the ROU asset is amortized to the end of the useful life of the underlying asset. Assumptions made by the Association at the commencement date are re-evaluated upon occurrence of certain events, including lease modifications when that modification is not accounted for as a separate contract.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income taxes and unrelated business income

The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code for the majority of the Association's revenues; however, the Association's subsidiary, the Hotel, is a for-profit C-corporation for income tax purposes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities, and their respective tax basis.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income during the period that includes the enactment date.

The Association follows the provisions of the FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. The Association's open audit periods are 2020 through 2023.

Deferred revenues

Prepayment of funds that are received for future lodging and sports trips, or deposits for events scheduled in the subsequent year, are recorded as deferred revenues until they are earned.

Advertising

During 2023, the Association expensed $115,253 in advertising and promotional costs as incurred.

Functional expenses

The financial statements report certain expense categories that are attributable to more than one service of support function. Therefore, these expenses require an allocation on a reasonable basis that is consistently applied. Costs not directly attributable to a function, including salaries, payroll taxes and benefits, depreciation, repairs and maintenance, supplies, professional services and telephone expenses are allocated based on level of effort.

Current accounting standards implemented

Effective January 1, 2023, the first day of fiscal 2023, the Association adopted the requirements of ASU No. 2016-13, *Financial Instruments – Credit Losses, Current Expected Credit Losses* (CECL) (Topic 326) ("ASU 2016-13") which is intended to increase transparency regarding credit risks. CECL utilizes a "expected credit loss" measurement objective for the recognition of credit losses for loans, held-to-maturity securities, and other receivables at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. CECL replaces the existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized. Implementation of this standard was not considered material to the financial statements and primarily resulted in new and enhanced disclosures only.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 financial statement presentation.

Subsequent events

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through June 7, 2024, which was the date the financial statements were available to be issued.

NOTE 2 - INVESTMENTS

Investments, at December 31, 2023, consisted of the following:

	Market	Cost
Equities:		
Stocks	$ 7,273,815	$ 5,717,605
ETFs & CEFs	5,642,977	4,505,443
Mutual funds	721,926	701,318
Fixed Income & Preferred Securities:		
ETFs & CEFs	3,471,584	3,601,168
Corporate fixed income	797,071	808,666
Government securities	991,611	1,011,588
Mutual funds	4,055,889	3,928,639
Alternatives:		
Stocks	115,735	75,948
Mutual funds	1,116,819	1,697,922
Total	$ 24,187,427	$ 22,048,297

The summary of investment return and its classification in the consolidated statement of activities for the year ended December 31, 2023 is as follows:

	Amount
Unrealized gains, net	$ 2,607,830
Interest and dividends	661,332
Realized losses, net	(273,515)
Investment fees	(126,928)
Total	$ 2,868,719

NOTE 2 - INVESTMENTS (CONTINUED)

At December 31, 2023, the fair value hierarchy of the Association's investments was as follows:

	Level 1	Level 2	Level 3	Total
Equities:				
Stocks	$ 7,273,815	$ -	$ -	$ 7,273,815
ETFs & CEFs	5,642,977	-	-	5,642,977
Mutual funds	721,926	-	-	721,926
Fixed Income & Preferred Securities:				
ETFs & CEFs	-	3,471,584	-	3,471,584
Corporate fixed income	-	797,071	-	797,071
Government securities	654,594	337,017	-	991,611
Mutual funds	4,055,889	-	-	4,055,889
Alternatives:				
Stocks	-	115,735	-	115,735
Mutual funds	-	1,116,819	-	1,116,819
Total	$ 18,349,201	$ 5,838,226	$ -	$ 24,187,427

The Association has $438,369 within its investment portfolio that is invested in cash and cash equivalents, which are excluded from the amounts reported as investments in the consolidated statement of financial position and are reported within cash and cash equivalents.

Stock in privately held company (the Company)

The Association invested in a Company that has developed a medical device to provide alternative treatment to prescribed medication for various disorders. The former Board Chairman of the Company was a board member of the Association at the time the original investment was made.

On February 2014, the Association and the Company entered into an unsecured note purchase agreement where the Association purchased a convertible promissory note in the principal amount of $2,000,000, with interest accruing at the rate of 10-percent per annum and maturing on the first to occur of: (i) two year anniversary of the note (February 2016), (ii) merger or consolidation or other reorganization of the Company, with or into one or more entities, or (iii) the liquidation or dissolution of the Company. Furthermore, if maturity of the note occurs on the provisions defined in (ii) above, the outstanding note would be converted into shares of the surviving entity.

NOTE 2 - INVESTMENTS (CONTINUED)

Stock in privately held company (the Company) (Continued)

Upon maturity of the original agreement with the Company in 2016, the Association and the Company entered into second agreement to extend the original maturity date to October 2017 and convert previously accrued interest of $434,521 on the original note into principal ($2,434,521 in principal balance) and increase the interest rate to 12-percent per annum. In 2017, the Association and the Company entered into a third agreement to extend the maturity date to April 2019 and convert previously accrued interest of $413,451 on the note into principal ($2,847,972 in principal balance). In 2019, the Association and the Company entered into a fourth agreement to extend the maturity date to June 2021 and convert previously accrued interest into principal of $569,282 on the note into principal ($3,417,254 in principal balance). In May 2021, the Association and the Company entered into a fifth agreement to extend the maturity date to June 1, 2022.

On October 14, 2021, the Association and the Company agreed to a debt conversion agreement, whereby the Association agreed to convert its outstanding note purchase agreement with the Company in the principal amount of $3,417,254 into capital stock, contingent upon the Company acquiring certain financing requirements from a third-party investor. On December 31, 2021, the Company acquired the financing, and as a result, the Association’s note purchase agreement was converted into 14,500,893 shares of capital stock of the Company. Prior to the conversion of the note receivable, the Association recorded impairment losses on the note purchase agreement of $3,417,254 and related accrued interest as of $649,278.

As of December 31, 2023, the Company’s unaudited financial statements reported cash of $36,210, assets of $695,409, stockholders’ deficit of $16,143,527, and a net loss of $9,172,178 for the year then ended. The Company is currently seeking approval from United States drug regulators for domestic sales of its product while selling its product in other countries and pursuing options to secure additional financing resources.

The outcome of the events described above are uncertain at this time. While management of the Association will continue to monitor the operations of the Company, the investment in the Company is not considered to have a readily determinable fair value. As a result, the Association measures the investment in the Company at cost minus impairment, resulting in a net book value of $-0-.

(Continued)

NOTE 3 - ACCOUNTS RECEIVABLE

At December 31, 2023, accounts receivable are as follows:

		Amount
Room rental, occupancy, and others	$	273,493
LSU Foundation		142,986
Catering, sports trips, and events		102,293
Accounts receivable, gross		518,772
Less: Allowance for credit losses		(23,000)
Accounts receivable, net	$	495,772

The change in allowance for credit losses for the year ending December 31, 2023 is as follows:

		Amount
Beginning balance	$	5,000
Provision for credit losses		18,000
Ending balance	$	23,000

NOTE 4 - CONTRIBUTIONS RECEIVABLE

Unconditional contributions receivable at December 31, 2023, are as follows:

		Amount
Contributions receivable within one year, gross	$	376,872
Contributions receivable in one to five years, gross		324,527
Total contributions receivable		701,399
Less: Allowance for uncollectible contributions		(110,000)
Less: Discount to present value for long-term contributions		(31,093)
Contributions receivable, net	$	560,306

(Continued)

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment and related service lives at December 31, 2023 were as follows:

Description	Service Life	Amount
Buildings and improvements	15 - 39 years	$ 25,126,325
Furniture and equipment	5 - 10 years	4,502,916
Automobiles	5 years	28,716
Software	3 years	130,917
		29,788,874
Less: accumulated depreciation		(18,398,096)
Property and equipment, net		$ 11,390,778

Depreciation expense was $1,103,302 for 2023.

NOTE 6 - LEASES

Right-of-use asset finance lease

The Association holds an installment right-of-use financing lease for office equipment utilized in the Alumni Center. The lease is paid in monthly payments of $829. Included in this payment is interest at a rate of 5.58%, due June 2025 and is secured by underlying equipment. The balance of this lease liability is $26,270 at December 31, 2023.

The Association holds an installment right-of-use financing lease for office equipment used in the Hotel’s facility. The lease is paid in monthly payments of $1,538. Included in this payment is interest at a rate of 1.37%, due November 2026 and is secured by underlying equipment. The balance of this lease liability is $52,799 at December 31, 2023.

Finance lease expense	Amount
Amortization of ROU assets	$ 33,597
Interest on lease liabilities	3,347

The weighted-average remaining lease term for finance leases is 2.89 years and the weighted-average discount rate is 2.58%.

Finance leased assets and related service lives at December 31, 2023 were as follows:

Description	Service Life	Amount
Equipment	5 years	$ 115,398
Less: accumulated amortization		(38,634)
Finance lease assets, net:		$ 76,764

NOTE 6 - LEASES (CONTINUED)

Current and future maturities of-right-of use financing leases at December 31, 2023, were as follows:

Year	Amount
2024	$ 28,404
2025	28,404
2026	25,207
Total undiscounted cash flows	82,015
Less: present value discount	(2,946)
Total finance lease liability	$ 79,069

NOTE 7 - NOTES PAYABLE

Construction loan

In 2016, the Hotel (Association) entered into a bank loan to fund renovations. The loan functioned as a line of credit with a limit of $3,200,000 for contractor costs. The outstanding portion of the loan was converted to a note payable collateralized by the property of the Hotel. The note requires monthly payments of $31,263 at 3.2% interest and matures in November 2027. The Hotel's outstanding balance as of December 31, 2023 is $1,559,614. The Hotel paid interest expense totaling $56,889 for the fiscal year ended December 31, 2023.

Future maturities under notes payable as of December 31, 2023, are as follows:

Year ended December 31,	Amount
2024	330,039
2025	340,756
2026	351,822
2027	536,997
Total	$ 1,559,614

NOTE 8 - PROVISION FOR INCOME TAXES

The provision for income taxes consisted of a deferred income tax expense of $43,000 for 2023, and the tax effects of temporary differences at December 31, 2023 are as follows:

Noncurrent deferred tax asset	Amount
Net operating loss carryforward	$ 739,000
Depreciation	(70,000)
	$ 669,000

NOTE 8 - PROVISION FOR INCOME TAXES (CONTINUED)

At December 31, 2023, the Hotel had a net operating loss carryforward of approximately $3.7 million. Approximately $1,781,043 of the total net operating loss carryforward is available through 2029 and $1,902,913 of the total net operating loss may be carried forward indefinitely. These amounts are reflective of the Hotel's effective tax rate of 21% for 2023. Management anticipates utilizing the net operating loss carryforwards available through 2029 prior to their expiration in addition to utilizing carryforward losses that are indefinite. Effective for the period ending December 31, 2023, and future periods, net operating loss carryforwards can offset only 80% of taxable income in the year the carryforward is used.

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purpose at December 31, 2023:

	Amount
To be held in perpetuity:	
Endowed scholarships and professorships	$ 19,772,600
Corpus of contributions not held in endowment	402,813
Total to be held in perpetuity	20,175,413
Restricted for future periods:	
Contributions receivable, net	206,205
Subject to satisfaction of purpose restrictions:	
Unendowed scholarships and professorships	1,846,237
Earnings on contributions not held in endowment - scholarships and professorships	251,202
Scholarships and professorships held at LSU Foundation	142,986
Total subject to satisfaction of purpose restrictions	2,240,425
Total net assets with donor restrictions	$ 22,622,043

During 2023, the Association released $1,191,962 from restricted net assets for program expenses related to scholarships and professorships paid to the University.

NOTE 10 - ENDOWMENT

The Association's investment policy for donor-restricted endowments stipulates that the primary investment objective of the Association's endowment is to earn an average annual real return of at least 5% per year over the long term, net of costs. Attainment of this objective will enable the Association to maintain the purchasing power of endowment assets in perpetuity and meet its spending policy. The primary objective of the Association's asset allocation policy is to provide a strategic mix of asset classes that produce a high expected investment return within a prudent risk framework.

NOTE 10 - ENDOWMENT (CONTINUED)

The Association follows the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). UPMIFA was adopted by the State of Louisiana and updates the fundamental investment principles by providing standards to establish investment policies in a prudent manner by establishing a duty to minimize cost, diversify investments, investigate facts relevant to investments of funds, consider tax consequences of investment decisions, and to ensure that investment decisions be made in consideration of the fund's entire portfolio as a part of an investment strategy having risk and return objectives reasonably suited to the fund and to the Association. UPMIFA permits the Association to accumulate an amount of an endowment fund that the Association determines to be prudent for the uses, benefits, purposes and duration for which the endowment fund is established, thereby eliminating the restriction that a fund could not be spent below its historical dollar value.

In accordance with UPMIFA, the Association considers the following factors in making a determination to appropriate or accumulate donor restricted funds:

- Duration and preservation of the endowment funds,
- The purposes of the Association and the related endowment funds,
- General economic conditions,
- Effect of inflation or deflation,
- The expected return from income and the appreciation of investments,
- Other resources of the Association, and
- The investment policy of the Association.

The endowment activity during 2023 was as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ 4,773,764	$ 19,503,287	$ 24,277,051
Interest and dividends, net of fees	31,555	502,849	534,404
Unrealized gains, net	190,691	2,417,139	2,607,830
Realized losses, net	(8,858)	(264,657)	(273,515)
Contributions and collections on pledges	464,523	652,182	1,116,705
Net assets released from restrictions:			
Appropriations from donor endowments	(378,932)	(1,191,962)	(1,570,894)
Endowment net assets, end of year	$ 5,072,743	$ 21,618,838	$ 26,691,581

Endowment without donor restrictions

Endowment net assets without donor restrictions are comprised of funds designated by the Board of Directors for operating purposes, including maintenance on buildings. Additionally, from time to time, the fair value of the assets associated with individual donor-restricted endowment funds may decline in value below the level that the donor requires the Association to retain as a fund of perpetual duration.

NOTE 10 - ENDOWMENT (CONTINUED)

Endowment with donor restrictions

Endowment with donor restrictions as of December 31, 2023, were as follows:

With donor restrictions	Amount
Endowed scholarships and professorships	$ 19,772,600
Unendowed scholarships and professorships	1,846,238
Total with donor restrictions	$ 21,618,838

The Association classifies as donor restricted net assets that are perpetual in nature (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument.

The portion of the donor-restricted endowment fund that is not classified as net assets with donor restriction - endowed is classified as net assets with donor restrictions - unendowed until those amounts are appropriated for expenditure by the Association.

The Association has a policy of appropriating 5% of the endowment fund’s market value for professorships and scholarships. Upon payment of professorships and scholarships, donor purpose restrictions are satisfied and endowments with donor restrictions are released from restrictions and reclassified as an increase in endowments without donor restrictions.

Investment objectives

The investment objective is to maintain the purchasing power of the endowment assets over the long-term while meeting current obligations. In addition, the investment program is expected to exceed a composite benchmark index comprised of market indices weighted in proportion to an asset allocation policy. Adequate liquidity shall be maintained to provide annual distributions of professorships, scholarships, and building and operating expenses.

To satisfy the long-term rate-of-return objectives, the Association relies on a return strategy in which investment returns are achieved through market appreciation (realized and unrealized), and interest and dividends. The Association uses a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

NOTE 10 - ENDOWMENT (CONTINUED)

"Underwater" Endowments

From time to time, the fair value of assets associated with donor restricted endowment funds may fall below the level that donors require the Association to retain as a fund of perpetual duration. Deficiencies of this nature sometimes occur due to market volatility and currently exist in some individual endowment funds. However, the Association maintains additional unrestricted funds within the endowment totaling $5,072,743.

		With donor restrictions			
	Without donor restrictions	Original gift amount	Accumulated gains (losses) and other	Total with donor restrictions	Total endowment
Endowed scholarships	$ -	$ 22,170,219	$ (2,397,619)	$ 19,772,600	$ 19,772,600
Unendowed scholarships	-	2,316,466	(470,228)	1,846,238	1,846,238
Without restriction	5,072,743	-	-	-	5,072,743
Total	$ 5,072,743	$ 24,486,685	$ (2,867,847)	$ 21,618,838	$ 26,691,581

NOTE 11 - DONATED SERVICES

A substantial number of unpaid volunteers have made a significant contribution of their time to develop the Association's programs, principally in fund raising activities, operations, and board participation. The value of this donated time is not reflected in these statements since the services do not meet the criteria for recognition under generally accepted accounting principles.

NOTE 12 - RETIREMENT PLAN

The Association has a 401(k)-retirement plan covering substantially all eligible employees. Employees are 100% vested in their contributions as well as discretionary Association matching and profit-sharing contributions. Employees may contribute up to 25% of their compensation limited to $22,500 annually. The Association contributed $97,682 to the plan in 2023.

NOTE 13 - CONCENTRATION OF CREDIT RISK

Financial instruments which subject the Association to concentrations of credit risk consist primarily of investments in long-term corporate and governmental fixed income instruments. Management periodically evaluates the Association's credit risk associated with its investments, which are not collateralized. Future changes in market value may make such investments less valuable. The Association typically maintains cash and cash equivalents, and temporary investments in local banks that may, at times, exceed the Federal Deposit Insurance Corporation (FDIC) limits. Management believes this risk is limited. The Association's exposure above the FDIC limit as of December 31, 2023 is $639,337.

NOTE 14 - RELATED PARTIES

During 2023, the Association paid $521,640 to the University and agencies of the University for various services and supplies. As of December 31, 2023, the Association owed the University $248,746 and is reflected in accounts payable on the consolidated statement of financial position.

The Association has funds held with the LSU Foundation totaling approximately $142,986 at December 31, 2023 and is reflected in accounts receivable on the consolidated statement of financial position.

The Association earned $958,081 of hotel revenue from various departments of the University and had $125,687 of related receivables at year end. These amounts are reflected in hotel revenue and accounts receivable on the consolidated statement of financial position and consolidated statement of activities, respectively.

The Association received $840,000 in rental income, and $180,000 in management fees from the Hotel. However, rent and management fee transactions have been eliminated in the consolidated financial statements.

NOTE 15 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Association's working capital and cash flows have seasonal variations during the year attributable to the annual cash receipts on contributions and scholarships funded in the fourth quarter of the fiscal year and a concentration of contributions received near year end.

The Association's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Financial assets:	Amount
Cash	$ 896,935
Certificate of deposit	456,487
Accounts receivable, net	495,772
Current portion of unrestricted contributions receivable	174,819
Unrestricted investments	5,072,743
Financial assets available within one year, at year-end	$ 7,096,756

SUPPLEMENTARY INFORMATION

LSU ALUMNI ASSOCIATION AND SUBSIDIARY
Baton Rouge, Louisiana

CONSOLIDATING SCHEDULE OF ACTIVITIES

For the year ended December 31, 2023
(with summarized comparative totals for 2022)

	Alumni Association	Scholarship Fund	The Cook Hotel	Total 2023	Total 2022
Revenue and support:					
Donations	$ 1,361,366	$ 544,620	$ -	$ 1,905,986	$ 2,117,845
Earned:					
Hotel	-	-	4,297,052	4,297,052	4,072,868
Merchandise, sales, and trips	336,210	-	1,018,254	1,354,464	1,175,062
Rental and catering	570,509	-	143,102	713,611	702,592
Investment income (loss), net of fees	206,912	2,655,330	6,477	2,868,719	(4,608,853)
Other:					
Royalties	214,587	-	-	214,587	234,885
Advertising sales	-	-	38,665	38,665	47,400
On campus events	62,215	-	-	62,215	25,715
Miscellaneous	57,948	-	23,218	81,166	80,279
Total revenue and support	2,809,747	3,199,950	5,526,768	11,536,465	3,847,793
Expenses:					
Occupancy:					
Depreciation and amortization	649,219	-	487,680	1,136,899	1,116,231
Utilities	322,344	-	289,596	611,940	768,539
Professional and contracted services	344,833	-	168,733	513,566	474,627
Repairs and maintenance	182,609	-	174,854	357,463	358,934
Hotel room expenses	-	-	658,324	658,324	639,856
Taxes	1,480	-	70,602	72,082	68,366
Supplies	82,809	-	57,167	139,976	204,373
Operating lease expense	27,084	-	9,433	36,517	21,413
Other	3,921	-	-	3,921	53,362
Total occupancy	1,614,299	-	1,916,389	3,530,688	3,705,701
Personnel:					
Salaries	1,741,743	-	901,084	2,642,827	2,620,848
Staff benefits	307,100	-	183,702	490,802	390,014
Total personnel	2,048,843	-	1,084,786	3,133,629	3,010,862
Promotional:					
Scholarships and professorships	-	1,026,256	-	1,026,256	1,027,057
Travel and sports trips	74,726	-	375,908	450,634	417,381
Special events ticket purchases	469,039	-	65,999	535,038	485,399
Cost of merchandise sold	-	-	268,765	268,765	210,217
Printing	109,659	-	9,273	118,932	132,660
Postage	35,865	-	16,132	51,997	51,798
Official functions and entertainment	10,241	-	633	10,874	13,444
Catering	106,204	-	195,880	302,084	335,347
Other support	-	11,847	-	11,847	9,959
Promotional supplies	58,055	-	5,600	63,655	47,813
Advertising	9,042	-	42,556	51,598	38,825
Donor recognition	12,840	-	1,829	14,669	6,689
Total promotional	885,671	1,038,103	982,575	2,906,349	2,776,589
General and Administrative:					
Fees	39,767	-	162,246	202,013	191,679
Bad debt	7,000	45,570	15,968	68,538	-
Telephone	27,282	-	12,789	40,071	52,949
Insurance	83,960	-	130,920	214,880	189,213
Dues and subscriptions	29,926	-	22,686	52,612	33,063
Total general and administrative	187,935	45,570	344,609	578,114	466,904
Total expenses	4,736,748	1,083,673	4,328,359	10,148,780	9,960,056
Change in net assets, before other income (expense) and income taxes	(1,927,001)	2,116,277	1,198,409	1,387,685	(6,112,263)
Other Income (Expense):					
Rent and management fees	1,020,000	-	(1,020,000)	-	-
Interest expense	(2,514)	-	(57,722)	(60,236)	(73,949)
Paycheck Protection Program loan forgiveness	-	-	-	-	568,360
Loss on disposal of fixed assets	(15,131)	-	(52,609)	(67,740)	-
Total other income (expense)	1,002,355	-	(1,130,331)	(127,976)	494,411
Provision for Income Taxes					
Income tax (expense) benefit	-	-	(43,000)	(43,000)	44,000
Change in net assets	$ (924,646)	$ 2,116,277	$ 25,078	$ 1,216,709	$ (5,573,852)

See Independent Auditors' Report

THE LOD AND CAROLE COOK
CONFERENCE CENTER AND HOTEL, LLC
Baton Rouge, Louisiana

BALANCE SHEETS

December 31, 2023 and 2022

	2023	2022
ASSETS		
CURRENT:		
Cash	$ 191,976	$ 681,957
Certificate of deposit	456,487	-
Accounts receivable, net	243,222	281,343
Inventory, net	78,748	94,245
Prepaid expenses	112,182	81,886
Total current assets	1,082,615	1,139,431
PROPERTY AND EQUIPMENT, net	2,488,247	2,864,377
OPERATING LEASE ASSET	-	139,976
FINANCE LEASE ASSET, net	51,471	69,638
DEFERRED INCOME TAXES, net	669,000	712,000
Total assets	$ 4,291,333	$ 4,925,422
LIABILITIES AND MEMBER'S EQUITY		
CURRENT:		
Accounts payable and accrued expenses	$ 177,395	$ 374,197
Due to Association	1,754,977	1,793,998
Deferred revenue	128,459	75,861
Operating lease liability	-	139,976
Current portion of notes payable	330,039	319,658
Current portion of finance lease liability	18,456	18,456
Total current liabilities	2,409,326	2,722,146
NOTE PAYABLE, less current portion	1,229,575	1,558,299
FINANCE LEASE LIABILITY, less current portion	34,343	51,966
ACCRUED VACATION PAYABLE	40,742	40,742
Total liabilities	3,713,986	4,373,153
MEMBER'S EQUITY	577,347	552,269
Total liabilities and member's equity	$ 4,291,333	$ 4,925,422

THE LOD AND CAROLE COOK
CONFERENCE CENTER AND HOTEL, LLC

Baton Rouge, Louisiana

STATEMENTS OF OPERATIONS AND CHANGES IN MEMBER'S EQUITY

For the years ended December 31, 2023 and 2022

	2023	2022
REVENUES:		
Rooms	$ 4,190,629	$ 3,971,840
Travel packages	552,334	531,108
Gift shop	465,920	367,084
Food, beverage, and other	174,783	171,116
Catering	143,102	157,661
Total revenues	5,526,768	5,198,809
OPERATING EXPENSES:		
Property	3,578,283	3,544,410
Travel packages	498,768	552,484
Gift shop	506,246	418,927
General and administration	765,062	867,518
Total operating expenses	5,348,359	5,383,339
Net income (loss) from operations	178,409	(184,530)
OTHER INCOME (EXPENSE):		
Interest expense	(57,722)	(73,309)
Paycheck Protection Program loan forgiveness	-	377,314
Loss on disposal of property and equipment	(52,609)	-
Total other, net	(110,331)	304,005
Net income before income taxes	68,078	119,475
PROVISION FOR INCOME TAXES:		
Deferred tax benefit (expense)	(43,000)	44,000
Net income	25,078	163,475
MEMBER'S EQUITY:		
Beginning of year	552,269	388,794
End of year	$ 577,347	$ 552,269

LSU | ALUMNI ASSOCIATION

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2023