

Southeastern Louisiana University  
Alumni Association, Inc.

STATEMENT OF FINANCIAL POSITION  
Dec. 30, 1998

ASSETS

Cash	\$ 39,684
Prepaid expenses	1,378
Assets restricted for the next fiscal year's funding	43,086
Assets restricted to Alumni Center	22,693
Property and equipment	<u>119,625</u>
	Total Assets
	<u>\$226,266</u>

LIABILITIES

Accounts payable	\$ 9,353
Long-term debt	<u>338,246</u>
	Total Liabilities
	<u>347,599</u>

NET ASSETS

Unrestricted	413,000
Temporarily restricted	<u>82,129</u>
	Total Net Assets
	<u>495,129</u>
	Total Liabilities and Net Assets
	<u>\$822,595</u>

The accompanying notes are an integral part of this statement.

Southeastern Louisiana University  
Alumni Association, Inc.

NOTES TO FINANCIAL STATEMENTS  
June 30, 1996

**NOTE I - SUPPLEMENTAL INFORMATION ABOUT CASH FLOWS**

During the current fiscal year the Association paid \$25,656 interest.

**NOTE J - FAIR VALUES OF FINANCIAL INSTRUMENTS**

The estimated fair values of the Association's financial instruments, none of which are held for trading purposes, are as follows:

	Carrying Amount	Fair Value
Financial assets:		
Cash	\$ 39,614	\$ 39,614
Assets restricted for the next fiscal year's funding -		
Cash	40,038	40,038
Assets restricted to Alumni Center -		
Cash	18,378	18,378
Receivable - Related Party	3,715	3,715
Financial liabilities:		
Long-term debt	138,246	138,246

**NOTE K - SUBSEQUENT EVENT**

Beginning July 1, 1996, Southeastern Louisiana University has agreed to place the Association's Associate Director on the University's payroll. The Associate Director's salary and payroll tax expense amounted to \$24,418 for the current year.

4345  
5989

RECEIVED  
COMMUNICATIONS SECTION  
OCT 17 1996

**OFFICIAL  
FILE COPY**  
**DO NOT REMOVE**

(When necessary)  
Remove from copy  
date and ALAF  
mark in P. 1.

**SOUTHEASTERN LOUISIANA UNIVERSITY  
ALUMNI ASSOCIATION, INC.**

Hammond, Louisiana

**FINANCIAL REPORT**

Year Ended June 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 06/10/96



Southeastern Louisiana University  
Alumni Association, Inc.

**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 1998

**UNRESTRICTED NET ASSETS**

Support -	
Membership dues and student fees	\$109,044
Special events and other	18,557
Fund-raising	7,032
Interest	1,932
Rental	<u>24,204</u>
	Total Unrestricted Support 169,179
Net assets released from restrictions -	
Restrictions satisfied by payments	7,199
Expiration of time restrictions	<u>83,050</u>
	Total Unrestricted Support and Reclassifications 185,448
Expenses	
Program services -	
Alumni Center	34,918
Special events	10,772
Chapter expenses	8,971
Supporting services -	
Management and general	61,860
Membership development expenses	<u>1,672</u>
	Total Expenses 157,863
	Increase in Unrestricted Net Assets 28,585

**TEMPORARILY RESTRICTED NET ASSETS**

Alumni Center donations	8,634
Membership dues for the next year	23,923
Credit card royalties - advance	<u>20,000</u>
Net assets released from restrictions -	
Restrictions satisfied by payments	(7,199)
Expiration of time restrictions	<u>(19,070)</u>
	Increase in Temporarily Restricted Net Assets 35,287
	Increase in Net Assets 63,842
Net Assets at Beginning of Year, as stated	<u>431,387</u>
	Net Assets at the End of Year <u>\$495,189</u>

The accompanying notes are an integral part of this statement.

Southeastern Louisiana University  
Alumni Association, Inc.

**STATEMENT OF CASH FLOWS**  
Year Ended June 30, 1998

<b>Cash Flows from Operating Activities:</b>	
Increase in net assets	\$ 63,843
Adjustments to reconcile change in assets to net cash provided by operating activities:	
Depreciation	20,362
Increase/ decrease in operating assets -	
Accounts receivable	36
Prepaid expenses	624
Funding for the next fiscal year Restricted in Alumni Center	(29,969)
(5,321)	
Increase/ decrease in operating liabilities -	
Accounts payable	(1,218)
	<u>Net Cash Provided by Operating Activities</u>
	48,357
<b>Cash Flows from Investing Activities:</b>	
Payments for property and equipment	(3,954)
	<u>Net Cash Used by Investing Activities</u>
	(3,954)
<b>Cash Flows from Financing Activities:</b>	
Retainage paid	(57,903)
Bank loan for Alumni Center	58,000
Payments on bank loan	(13,214)
	<u>Net Cash Used by Financing Activities</u>
	(13,117)
	<u>Net Increase in Cash</u>
	31,277
Cash, beginning of year	<u>4,532</u>
	<u>Cash, end of year</u>
	<u>\$ 38,814</u>

The accompanying notes are an integral part of this statement.

Southeastern Louisiana University  
Alumni Association, Inc.

NOTES TO FINANCIAL STATEMENTS  
Aug. 30, 1985

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The SLU Alumni Association, Inc. was incorporated December 5, 1948, under the provisions of Louisiana Revised Statutes 12:108-125 as a non-profit corporation.

**Basis of Accounting**

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

**Contributions**

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

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished), temporarily restricted net assets are reallocated to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

**Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reallocated to unrestricted net assets.

Southeastern Louisiana University  
Alumni Association, Inc.

**NOTES TO FINANCIAL STATEMENTS**

June 30, 1995

The Association adopted SPAS No. 106, *Accounting for Contributions Received and Contributions Made*, in 1993. In accordance with SPAS No. 106, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restriction.

**Fair Values of Financial Instruments**

The following methods and assumptions were used by the Association in estimating its fair value disclosures for financial instruments:

Cash, cash equivalents, short-term investments, promises to give, and receivables due in less than one year: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of these instruments.

Long-term debt: The fair value of the variable rate note payable to First Community Bank is based on its carrying amount.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE B - RESTRICTIONS ON NET ASSETS**

Temporarily restricted assets are available for the following purposes or periods:

For subsequent periods	\$40,016
For the Alumni Center	<u>22,060</u>
	\$62,076



Southeastern Louisiana University  
Alumni Association, Inc.

NOTES TO FINANCIAL STATEMENTS  
June 30, 1996

**NOTE C - PROPERTY AND EQUIPMENT**

Property and equipment consists of the following:

Building	\$744,914
Furniture	4,237
Office equipment	<u>1,245</u>
	750,403
Accumulated depreciation	<u>(536,778)</u>
	<u>\$213,625</u>

Depreciation of \$20,362 was charged to Program Services - Alumni Center for the fiscal year ended June 30, 1996.

**NOTE D - LONG-TERM DEBT**

Long-term debt outstanding at June 30, 1996, consists of the following:

The Association borrowed \$366,084 from First Guaranty in connection with the construction of the Alumni Center. The note bears an interest rate of 7.25% per annum until September 29, 1999, then converting to a variable interest rate of Citibank Prime plus 2% until final payment due September 29, 2008. The monthly principal and interest payments are \$3,285 each. Collateralized by the assignment of the lease on the building with Southeastern Louisiana University.

Amount outstanding at June 30, 1996: \$338,246

Principal payments on the long-term debt payable in future years are as follows:

Year Ended June 30	
1997	\$ 15,916
1998	16,978
1999	17,820
2000	19,156
2001	20,980
2002 + thereafter	<u>248,286</u>
	<u>\$338,246</u>

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 30, 1988

**NOTE E - LEASES**

**Lease**

In connection with the construction of the Alumni Center, the Association (Tenant) entered into an agreement with the Board of Trustees for State Colleges and Universities (Landlord), a political subdivision of the State of Louisiana on October 7, 1983, to lease property located in Hammond, Louisiana. The lease provided for the Tenant to construct improvements on the leased premises with an estimated cost of \$541,000. The lease contained a provision for the Landlord to reimburse the Tenant in the event the Tenant's improvements exceeded \$541,000, this reimbursement would not exceed \$20,000. The term of the lease commenced on the day of execution of the agreement for a term of 99 years. The consideration of the lease is the construction of improvements by Tenant on the leased premises. In addition, the Tenant shall pay as rent the sum of \$1.00 per year commencing from date of substantial completion of the Tenant's improvements through the remaining term of the lease. Conditions of the lease also provide that the leased premises are to be used by the Association and Southeastern Louisiana University. The Landlord agrees to assume responsibility for maintenance, repair, and replacement obligations and all obligations to pay utilities, sewer, telephone and other communication services used on the leased premises, all taxes, and insurance in amounts reasonably satisfactory to the Tenant. The agreement also provides for subleasing a portion of the premises to Southeastern Louisiana University.

**Sublease Agreement**

On October 7, 1983, the Association entered into a sublease agreement with Southeastern Louisiana University. The sublease refers to the premises leased in the preceding paragraph. The sublease provides for the Association to reserve approximately 3,000 square feet of office space together with the non-exclusive use of restrooms facilities, work area, conference room, and banquet room. The Association specifically reserves the exclusive right to sublease the banquet room. The terms of the sublease are the same as those contained in the primary lease. The consideration is for a rental amount to be calculated on a base figure of \$523,000 plus interest at a market rate amortized for a 13 year period. For years 1-5, the sum of \$3,460 per month was calculated on a principal of \$523,000 with an interest rate of 16% per annum. For years 6-13, the monthly lease payments will be adjusted annually and calculated with an amortization of the principal amount of \$523,000 together with an interest rate 3% above the New York prime interest rate. For years 16-99, the monthly lease payment will be the sum of \$1.00 per year. The actual monthly payment for years 1-5 has been calculated to be \$3,040 using an interest rate of 7.34%. This is the amount currently being received by the Association.

Southeastern Louisiana University  
Alumni Association, Inc.

NOTES TO FINANCIAL STATEMENTS  
June 30, 1996

NOTE F - RESTATEMENT OF NET ASSETS

The balance of Unrestricted Net Assets as of June 30, 1995, has been restated as follows:

Balance at 6-30-95 as originally stated	5388,277
Correction for prior period property and equipment	<u>(1,812)</u>
Balance at 6-30-95 as restated	384,465
Temporarily restricted net assets - unchanged	<u>28,842</u>
Net assets at 6-30-95 as restated	<u>\$413,307</u>

NOTE G - RELATED PARTIES

The Southeastern Development Foundation, Inc. (Foundation), a non-profit organization, occupies offices in the Alumni Center. These offices are leased from the Association by Southeastern Louisiana University (University) who provides for the use by the Foundation. The Foundation obtains donations for the University and also for the Association. At June 30, 1996, the Foundation was holding funds designated for the Association as follows:

SLU Alumni Center account	<u>\$ 3,715</u>
---------------------------	-----------------

During the fiscal year ended June 30, 1996, the Foundation received \$1,669 designated for the Association.

NOTE H - COMMITMENTS

In April 1995 the Board of Directors of the Association voted to donate \$150,000 to the Athletic Department of Southeastern Louisiana University for the Baseball Field to be named "Alumni Field." A \$50,000 donation was made during the fiscal year ended June 30, 1995, with a pledge of \$25,000 for each of the next four years.

In February 1996, Southeastern Louisiana University agreed to pay the Alumni Association's \$100,000 pledge to the University's Athletic Department for the baseball field. The Association was to pay \$25,000 per year for four years. No payments were made during the current fiscal year by either the Association or the University.

## NOTES TO FINANCIAL STATEMENTS

June 30, 1996

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

### Contributed Services

During the year ended June 30, 1996, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

### 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.

### Cash and Cash Equivalents

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

### Property and Equipment

Property and equipment is recorded at cost except for donated property. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long these donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Association reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

### Financial Statement Presentation

In 1995, the Association adopted Statements of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets based upon the existence or absence of donor-imposed restrictions.

SOUTHEASTERN LOUISIANA UNIVERSITY  
ALUMNI ASSOCIATION, INC.

FINANCIAL REPORT

Year Ended June 30, 1996

TABLE OF CONTENTS

	Page
Independent Auditor's Report .....	3
Statement of Financial Position .....	4
Statement of Activities .....	5
Statement of Cash Flows .....	6
Notes to Financial Statements .....	7