

THE LEWIS BARNETT FOUNDATION, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 1998

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net assets released from restrictions	205,400	(180,479)	(162,951)	-
Expenses:				
Faculty and staff support programs:				
Staff incentive award	1,300	-	-	1,300
Faculty performance awards	5,000	-	-	5,000
Chancellor's discretionary fund	9,700	-	-	9,700
University support programs:				
College of Business-discretionary	329	-	-	329
College of Liberal Arts-discretionary	385	-	-	385
University support programs:				
College of Continuing Education-discretionary	485	-	-	485
College of Science-discretionary	357	-	-	357
Student Affairs-discretionary	405	-	-	405
Business Affairs-discretionary	500	-	-	500
Library-discretionary	500	-	-	500
Preston-discretionary	88	-	-	88
Program administration:				
Development Office	3,965	-	-	3,965
Professional	4,400	-	-	4,400
Program administration	197	-	-	197
Direct program expenses:				
CBA College account	112	-	-	112
Distinguished professor-discretionary	95	-	-	95
Public radio station	130	-	-	130
Education-discretionary restricted	376	-	-	376
Religious studies	4	-	-	4
Biological science museum	878	-	-	878
Library-discretionary	28	-	-	28
Science-discretionary restricted	170	-	-	170
Library move	521	-	-	521
India radio-discretionary	287	-	-	287
Pioneer Heritage Auction in April	34	-	-	34
Biological science-environmental	435	-	-	435
Library fund	104	-	-	104
Library books-Heat Fund	3,297	-	-	3,297
Library books-private	185	-	-	185
Academic affairs-discretionary restricted	338	-	-	338
Assistive learning devices	314	-	-	314

The accompanying notes are an integral part of the financial statements.

7. Change in Accounting Principle - (Continued)

The Foundation also adopted SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations", in the current fiscal year. In accordance with SFAS No. 124, investments with readily determinable fair values are measured at fair value in the statement of financial position. The realized and unrealized gains and losses on investments and the investment income are reported in the statement of activities. The application of this standard increased net assets for prior years in the amount of \$46,257.

3400

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THE LSU IN SHREVEPORT FOUNDATION, INC.
FINANCIAL STATEMENTS
SHREVEPORT, LOUISIANA
JUNE 30, 1998

OFFICE OF THE LEGISLATIVE AUDITOR
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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 June 22, 1998

THE LSU IN SHREVEPORT FOUNDATION, INC.

SHREVEPORT, LOUISIANA

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TEXAS 75243

10000 N. BRADLEY, SUITE 200, DALLAS
TEXAS 75243

October 16, 1998

Board of Directors
The LSU in Shreveport Foundation, Inc.
Shreveport, Louisiana

Independent Auditor's Report

We have audited the accompanying statement of financial position of The LSU in Shreveport Foundation, Inc. at June 30, 1998, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The LSU in Shreveport Foundation, Inc. at June 30, 1998, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in Notes 2 and 7 to the financial statements, the Foundation changed its method of financial reporting and financial statement presentation, and its method of accounting for contributions in 1995.

Heard, McElroy & Ventura, LLP

Bossier City, Louisiana

THE LSU IN SHREVEPORT FOUNDATION, INC.

STATEMENT OF FINANCIAL POSITION

DATE 30, 1980

A S S E T S

Cash and cash equivalents	127,480
Certificates of deposit-Note 3	1,447,251
Accrued interest receivable	5,462
Investments-Note 3	<u>787,081</u>
Total assets	<u>2,367,274</u>

LIABILITIES AND NET ASSETS

<u>Liabilities:</u>	
Accounts payable	1,905
Due to LSU in Shreveport-Note 6	<u>454,249</u>
Total liabilities	456,154
<u>Net assets:</u>	
Unrestricted	38,318
Temporarily restricted-Note 4	373,113
Permanently restricted-Note 5	<u>1,954,843</u>
Total net assets	<u>1,986,274</u>
Total liabilities and net assets	<u>2,367,274</u>

The accompanying notes are an integral part of the financial statements.

THE LSU IN SUPPORT FOUNDATIONS, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 1996

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and revenue:				
Memberships	27,090	-	-	27,090
Temporarily restricted contributions:				
Master Environmental Science	-	2,000	-	2,000
Master Liberal Arts program	-	30	-	30
Education discretionary restricted	-	718	-	718
Religious studies	-	64	-	64
Biological science faculty travel	-	2,800	-	2,800
Pioneer Heritage Authors in April	-	2,458	-	2,458
Science discretionary restricted	-	900	-	900
Library-Need Collection-Tourist	-	30,000	-	30,000
Media studies scholarship	-	1,000	-	1,000
Meal Dine scholarship	-	12,000	-	12,000
Richard Davis scholarship	-	2,000	-	2,000
Donna Tamm/TWI scholarship	-	1,000	-	1,000
Library books-private	-	5,000	-	5,000
Japan Studies program	-	15,000	-	15,000
Marchand's Trust Fund-Pre-med scholarship	-	1,000	-	1,000
Charcotier's academic program	-	10,000	-	10,000
Business affairs-discretionary restricted	-	1,000	-	1,000
Pending restricted grant	-	60	-	60
Charcotier's discretionary restricted	-	2,025	-	2,025
Athletic baseball-discretionary	-	10,000	-	10,000
Athletic-grant in aid	-	813	-	813
Baseball scholarships	-	5,000	-	5,000
Women's basketball scholarships	-	1,579	-	1,579
Permanently restricted contributions:				
American Studies Endowed Chair	-	-	2,000	2,000
India Studies Endowed Chair	-	-	1,512	1,512
Careggi Foundation	-	-	810	810
B. E. Taberlet scholarship	-	-	9,260	9,260
Elmer M. Simon, Jr. scholarship	-	-	10,000	10,000
LSU-S Alumni Association scholarship	-	-	384	384
LSU-S Scholars Endowment	-	-	206,594	206,594
Clay Heubler memorial scholarship	-	-	11,023	11,023
Net unrealized gains on long-term investments	-	-	83,714	83,714
Investment income	2,282	11,068	63,074	75,424
Total support and revenue	29,372	123,768	206,008	544,813

The accompanying notes are an integral part of the financial statements.

THE LSW IN SHREVEPORT FOUNDATION, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 1990

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Change in net assets	(1,950)	275,113	314,394	600,850
Net assets at beginning of year	<u>31,868</u>	<u>—</u>	<u>1,238,516</u>	<u>1,270,384</u>
Net assets at end of year	<u>30,218</u>	<u>275,113</u>	<u>1,552,910</u>	<u>1,858,241</u>

The accompanying notes are an integral part of the financial statements.

THE LSU IN SHREVEPORT FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1978

1. Nature of Business.

The LSU in Shreveport Foundation, Inc. is a private, nonprofit corporation governed by a board of directors. The organization's goal is to promote the education and cultural welfare of Louisiana State University in Shreveport (LSU-S). The organization's activities include management of gifts, grants and endowments for the purpose of providing scholarships, research activities and any other such benefit for the University and its faculty and students as may be prescribed by donors to the organization.

2. Summary of Significant Accounting Policies.

1. The financial statements of the Foundation are prepared on the accrual basis, under which revenues are recorded when earned, and expenses are recorded when the liability is incurred.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations." Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets as follows:

Unrestricted net assets—Net assets that are not subject to donor-imposed stipulations. Some unrestricted net assets may be designated by the Board for specific purposes.

Temporarily restricted net assets—Net assets subject to donor-imposed stipulations that may or will be met by actions of the Foundation, and/or by the passage of time.

Permanently restricted net assets—Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, donors permit all or part of the income earned on these assets to be used for general or specific purposes.

The statement of activities presents expenses of the Foundation's operations functionally between faculty and staff support programs, University support programs, program administration, direct program expenses, and gains.

Adoption of SFAS No. 117 required an accounting change from the financial statements of the prior year. This accounting change is presented in Note 7.

2. The Foundation also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the restrictive and/or nature of any donor-imposed restrictions.

7. Summary of Significant Accounting Policies (Continued)

- c. Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.
- d. 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- e. For purposes of the statement of cash flows, the Foundation considers all highly liquid investments purchased with maturities of three months or less to be cash equivalents.
- f. The LSU in Shreveport Foundation, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the financial statements.
- g. Costs of advertising are reported as incurred.

8. Investments

As of June 30, 1996, the investments of all funds consisted of certificates of deposit and trust assets, which are recorded at market value, as detailed below:

	Interest Rate	Amount
Certificates of deposit:		
Commercial National Bank	4.15%	57,285
Commercial National Bank	3.00%	41,520
Commercial National Bank	4.50%	130,080
Hibernia National Bank	3.15%	180,080
Hibernia National Bank	3.10%	135,730
Hibernia National Bank	3.15%	485,788
Hibernia National Bank	3.00%	180,080
Hibernia National Bank	3.15%	480,080
Smith Barney Shearson	4.50%	89,080
Total certificates of deposit		<u>1,484,153</u>
	Market Value	Cost
Investments:		
The Common Fund	715,182	613,893
Stocks held by Merrill Lynch	<u>45,869</u>	<u>25,360</u>
	<u>761,051</u>	<u>639,253</u>

Unrealized gains during the year were \$83,734.

5. Permanently Restricted Assets

Permanently restricted assets consisted of the following at June 30, 1990:

	Principal	Recurring	Total
Endowment fund:			
Accounting department	6,188	8,312	14,480
Real estate	235,497	58,382	293,879
Archives and oral history	33,554	13,383	47,939
American studies-endowed chair-private	625,838	68,704	694,542
India studies	61,422	897	62,319
Carlson writer's competition	12,288	9,123	21,411
F. Kauterstein memorial scholarship	18,280	8,825	27,105
W. G. Rigby scholarship	12,286	11,980	24,266
Goldman Foundation scholarship	18,802	617	19,419
LSU-S Alumni scholarship	28,633	8,330	36,963
Traffic and transportation scholarship	14,141	4,127	18,268
CFB-S American studies scholarship	11,523	7,923	19,446
Texas Eastern Multiple scholarship	31,988	14,389	46,377
Roman Howard scholarship	88,138	27,247	115,385
Byler-Hickman-Burton scholarship	2,680	2,277	4,957
Campus beautification	1,880	585	2,465
D. E. Taberlet scholarship	9,289	980	10,269
Hauser M. Simons, Jr. scholarship	19,980	285	20,265
LSU-S Scholars Endowment	7,020	140,125	147,145
Gary Walker memorial scholarship	10,080	1,625	11,705
Total endowment fund	<u>1,166,861</u>	<u>381,299</u>	<u>1,548,160</u>

The principal portion of the endowment fund of \$1,166,861 must be used exclusively to earn funds for the operating portion. The operating portion is available for use in the restrictive manner for which the endowment was made.

6. Due to LSU in Shreveport

The amount due to LSU in Shreveport represents the state match for the American Studies-endowed chair and the India Studies-endowed chair, which is being held and invested for the University by the LSU in Shreveport Foundation. The total consists of the following:

	Principal	Recurring	Total
American Studies-Endowed Chair	406,680	33,775	440,455
India Studies-Endowed Chair	49,880	258	50,138
	<u>456,560</u>	<u>34,033</u>	<u>490,593</u>

7. Change in Accounting Principle

The Foundation previously recorded as deferred restricted revenue amounts received or receivable from donors that were in excess of qualifying expenses of programs for which those amounts were given. As a result of the adoption of SFAS 116 and SFAS 117, such amounts are required to be reported as temporarily restricted support at the time they are received. Accordingly, an adjustment of \$249,247 has been made to net assets as of June 30, 1990 to retroactively classify this deferred revenue as temporarily restricted net assets.

THE LSU IN HERITAGE FOUNDATION, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 1996

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Expenses (Continued)				
CHA discretionary restricted	798	-	-	798
Business affairs-discretionary restricted	758	-	-	758
Pending restricted grant	2,697	-	-	2,697
Executive Women Int'l scholarship	1,000	-	-	1,000
Chancellor's discretionary restricted	866	-	-	866
John Tray Bala scholarship	1,500	-	-	1,500
LSU-S Scholars award	69,388	-	-	69,388
Neal Dine scholarship	14	-	-	14
B. M. Vatoris scholarship	5,110	-	-	5,110
Alumni Association	331	-	-	331
Education scholarship	330	-	-	330
Melton Truck Lines scholarship	222	-	-	222
Gary Bradley memorial scholarship	8,210	-	-	8,210
Miscellaneous	587	-	-	587
Grants and other contributions:				
Accounting department	76	-	-	76
Latin studies	19,719	-	-	19,719
Real estate	14,407	-	-	14,407
LSU-S Scholars Endowment	66,197	-	-	66,197
Archives and oral history	1,082	-	-	1,082
American studies	3,466	-	-	3,466
Walter C. Bigby scholarship	118	-	-	118
Carlson writer's competition	119	-	-	119
Goldman Foundation scholarship	1,095	-	-	1,095
Texas Eastern-McIntire scholarship	198	-	-	198
Benson Heard scholarship	5,062	-	-	5,062
Miscellaneous	892	-	-	892
Total expenses	<u>234,902</u>	<u>-</u>	<u>-</u>	<u>234,902</u>
Increase (Decrease) in net assets before cumulative effect of changes in accounting principles	(1,535)	23,271	288,137	309,873
Cumulative effect on prior years of change in accounting principles—Note 7	-	<u>389,842</u>	<u>48,237</u>	<u>296,089</u>

The accompanying notes are an integral part of the financial statements.

4. Temporarily Restricted Assets

Temporarily restricted assets consisted of the following as of June 30, 1996:

College of Business Administration	79
College of Business Administration-college account	362
Business research-economic outlook	11
Japan Studies Program-Foundation	15,196
Master Environmental Science	4,629
Shakespeare	48
Assistive listening device	25
Biological science museum	5,981
Biological science-faculty travel	12,393
Biological Science-environmental	6,251
Observatory	531
Faculty performance awards	716
Education-discretionary restricted	1,747
Science-discretionary restricted	1,968
Library books-private	5,000
India Studies-discretionary	25
Fine Arts grant	55
Library-Nad Collection-Trust	20,255
Registrar-discretionary	49
Business affairs-discretionary restricted	489
C. Donald Smith memorial scholarship	1,794
Library books-Hust Fund	4,893
Faculty Development-Hust Fund	22,481
Tommy Harvance memorial scholarship	496
Library Fund	1,669
Pioneer Heritage Authors	29,364
MLA Program	1,071
Chancellor's discretionary restricted	1,938
Campus signature piece	366
Religious studies	19,323
S B Women's Council Nad. Assoc. Boston	779
Commercial National Bank scholarship	185
Nad Bill scholarship	13,392
Manchester Trust Fund Pre-med scholarship	1,080
Richard Davis scholarship	1,093
John Troy Bill scholarship	6,557
McBride-Cannon scholarship	943
India Studies scholarship	1,000
Chancellor's Academic Program	68,873
Improving Quality Instruction	598
Women's basketball scholarship	1,619
Admission football-discretionary	16,130
Admission-grant-in-aid	813
Health and P.E. equipment	12
Baseball scholarships	<u>3,028</u>
Total temporarily restricted assets	<u>379,113</u>