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MCNEESE STATE UNIVERSITY
ALUMNI ASSOCIATION

Financial Report

June 30, 1987

(with comparative totals for 1986)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, 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 **NOV 26 1987**

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INDEPENDENT AUDITOR'S REPORT

**Board of Directors
McNeese State University Alumni Association
Lake Charles, Louisiana**

We have audited the accompanying statement of financial position of McNeese State University Alumni Association (a nonprofit organization) as of June 30, 1997, and the related statements of activity, and cash flows for the year then ended. These financial statements are the responsibility of the Organization'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 and Government Auditing Standards, issued by the Comptroller General of the United States. Those 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 McNeese State University Alumni Association as of June 30, 1997, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Scalisi, Dennison, Myers & White (APC)

August 23, 1997

McNeese State University Alumni Association

STATEMENT OF FINANCIAL POSITION

June 30, 1997

(with comparative totals for 1996)

ASSETS

(Amounts in \$)

	1997	1996
CURRENT ASSETS		
Cash on hand	\$ 40	\$ 40
Cash in bank	89,049	71,914
Certificates of deposit	36,086	34,431
Restricted cash	20,871	28,856
Prepaid expenses	<u>2,038</u>	<u>0</u>
Total current assets	148,084	128,441
PROPERTY AND EQUIPMENT, at cost (Note B-1 and D)		
Building improvements	1,473	1,473
Office equipment	<u>48,731</u>	<u>38,651</u>
	48,731	39,937
Less accumulated depreciation	<u>23,424</u>	<u>20,168</u>
	<u>26,277</u>	<u>19,769</u>
	<u>\$174,361</u>	<u>\$148,210</u>

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

SCALISE, DENNISON, MYERS & WHITE (A/P/C)
1400 CHAPMAN COLLEGE

LIABILITIES AND NET ASSETS

	1997	1996
CURRENT LIABILITIES		
Accounts payable	\$ 2,528	\$ 30,479
Income taxes payable (Note B-2)	<u>885</u>	<u>159</u>
Total current liabilities	3,413	30,638
NET ASSETS		
Unrestricted		
Board designated	9,990	23,640
Operating	162,883	38,459
Fixed assets	<u>28,271</u>	<u>18,288</u>
Total unrestricted	199,144	180,387
Temporarily restricted (Note E)	11,537	14,613
Permanently restricted (Note F)	<u>20,871</u>	<u>20,059</u>
Total net assets	<u>221,552</u>	<u>215,059</u>
Total liabilities and net assets	<u>\$ 174,965</u>	<u>\$ 148,229</u>

Malheur State University Alumni Association

STATEMENT OF ACTIVITIES

Year Ended June 30, 1997
 With comparative totals for 1996

(Amounts in \$)

	1997			1996	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
Public Support, Revenues and Reconstitutions					
Public Support					
Contributions	\$ 41,140	\$ 21,966	\$ 381	\$ 63,487	\$ 74,362
Pass-through contribution	0	308,008	0	308,008	0
Donations	0	650	0	650	518
	<u>41,140</u>	<u>312,614</u>	<u>381</u>	<u>454,135</u>	<u>75,172</u>
Revenues and Reconstitutions					
Color machine	27	0	0	27	128
Honorsing	16,793	0	0	16,793	19,159
Interest	4,899	0	812	5,711	2,145
Liquor plain revenue	0	3,025	0	3,025	3,475
Miscellaneous income	0	0	0	0	796
Miscellaneous programs	868	50	0	1,018	1,314
Rent income	530	0	0	530	270
Sales income	289	0	0	289	671
Telephone income	1,881	1,867	0	3,748	3,486
Visa card income	17,154	0	0	17,154	11,859
Net assets released from restrictions (Note E)					
Revelation of program restrictions	0	(178,128)	0	(178,128)	(18,613)
	<u>42,327</u>	<u>134,546</u>	<u>812</u>	<u>277,685</u>	<u>18,746</u>
Total public support and revenues	<u>83,467</u>	<u>134,546</u>	<u>1,493</u>	<u>219,506</u>	<u>93,917</u>
Expenses:					
Program services:					
Alumni events	5,442	0	0	5,442	6,499
Awards	1,270	0	0	1,270	1,884
Membership	13,499	0	0	13,499	13,823
MSU donations	4,340	0	0	4,340	24,830
Chapter expenses	0	0	0	0	0
Exhibitions	0	0	900	900	900
Work grants	80	0	0	80	190
	<u>24,631</u>	<u>0</u>	<u>900</u>	<u>25,531</u>	<u>57,126</u>
Supporting services:					
General administration:					
Accounting and auditing	1,308	0	0	1,308	1,243
Auto expense	3,408	0	0	3,408	3,408

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

(Millions Only)

	1997			1996	
	Unclassified	Temporarily Restricted	Permanently Restricted	Total	Total
Supporting services - continued					
Computer expenses	2,798	0	0	2,798	0
Depreciation (Note D-1)	2,200	0	0	2,200	2,184
Donor	0	0	0	0	0
Labor	615	0	0	615	65
Legislative expense	1,814	0	0	1,814	0
Meetings	1,804	0	0	1,804	475
Miss America	0	0	0	0	214
Office	1,675	0	0	1,675	1,649
Printing	298	0	0	298	264
Promotions	5,764	0	0	5,764	5,870
Repairs	80	0	0	80	0
Rent	85	0	0	85	48
Supplies	2,841	0	0	2,841	3,646
Travel	4,636	0	0	4,636	55
	<u>28,766</u>	<u>0</u>	<u>0</u>	<u>28,766</u>	<u>20,270</u>
Fund raising	<u>18,388</u>	<u>0</u>	<u>0</u>	<u>18,388</u>	<u>7,287</u>
Total support services	<u>47,154</u>	<u>0</u>	<u>0</u>	<u>47,154</u>	<u>27,957</u>
Total expenses	<u>64,392</u>	<u>0</u>	<u>980</u>	<u>65,372</u>	<u>88,528</u>
Change in net assets before income taxes	18,648	(2,681)	588	16,555	15,417
Income taxes, various parties (Note D-1)	<u>2,792</u>	<u>180</u>	<u>0</u>	<u>2,972</u>	<u>2,809</u>
Change in net assets	15,856	(2,861)	588	13,600	12,608
Net assets beginning of year	377,887	14,613	28,654	377,887	336,272
Transfer to controlled subsidiary	<u>0</u>	<u>(112)</u>	<u>112</u>	<u>0</u>	<u>0</u>
Net assets end of year	<u>\$139,712</u>	<u>\$11,640</u>	<u>\$29,374</u>	<u>\$180,726</u>	<u>\$139,080</u>

McNeese State University Alumni Association

STATEMENT OF CASH FLOWS

Year Ended June 30, 1997
 (with comparative totals for 1996)

	1997	1996
CASH FLOWS FROM OPERATION ACTIVITIES		
Contributions and dues	\$ 84,363	\$ 68,373
Interest received	5,705	5,143
Miscellaneous revenues collected	41,454	44,648
Cash paid for program services	(84,233)	(73,402)
Cash paid for supporting services	(27,239)	(19,191)
Cash paid for fundraising	(16,346)	(7,787)
Income taxes paid	(2,280)	(2,525)
Net cash provided by operating activities (Note C)	27,399	15,230
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(9,794)	(1,382)
Net cash used in investing activities	(9,794)	(1,382)
Net increase in cash and cash equivalents	17,605	13,848
Cash and cash equivalents, beginning of period	128,441	114,593
Cash and cash equivalents, end of period	<u>\$146,046</u>	<u>\$128,441</u>

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

NOTES TO FINANCIAL STATEMENTS

June 30, 1997

NOTE A - ORGANIZATION AND NATURE OF ACTIVITIES

McNeese State University Alumni Association is a non-profit organization organized to stimulate and nurture alumni interest in McNeese State University in order to enhance the university in its mission to provide support for students in the education and training needed to participate more effectively in the intellectual, economic, social and cultural life of our society. The Association's support comes primarily from individual donor's contributions.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Property and Equipment

Property and equipment are stated at cost or fair market value at date of gift. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, which range from 5 to 10 years. Depreciation amounted to \$3,305 for the year ended June 30, 1997. The Association follows the practice of capitalizing all expenditures for property and equipment in excess of \$100.

2. Income Taxes

McNeese State University Alumni Association is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the agency has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the code. The organization is subject to income tax on unrelated business income which includes the Visa card and long distance telephone programs. Income tax amounted to \$2,955 for the year ended June 30, 1997.

3. Contributed Facilities, Supplies and Personnel

McNeese State University (the University) owns the facility that houses the McNeese State University Alumni Association (the Association). The office space is provided at no cost to the Association. The University collects a \$1 assessment from each student to supplement their cost of providing postage, supplies, etc. to the Association. The University also pays the salaries of the two full-time positions at the Association. The estimated fair value of these contributed assets is not recorded.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 1997

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's 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 these estimates.

5. Reclassifications

For comparability, amounts from the year ended June 30, 1996 have been reclassified, where appropriate, to conform with the financial presentation for the year ended June 30, 1997.

NOTE C - 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 D - CHANGES IN PROPERTY AND EQUIPMENT

Office Equipment, beginning of period	\$ 38,484
Purchases of Office Equipment - at cost	<u>9,754</u>
Office Equipment, end of period	<u>\$ 48,238</u>

McNeese State University Alumni Association

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 1997

NOTE E - TEMPORARILY RESTRICTED NET ASSETS

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

Periods after June 30, 1997	\$ 10,887
Program activities:	
Louisiana Licentiate Plans Program - Scholarships	<u> 650</u>
Total temporarily restricted net assets	<u>\$ 11,537</u>

Net assets were released from donor restrictions by incurring expenses satisfying the purpose specified by donors as follows:

Purpose restriction accomplished	
Alumni Chapters	\$ 3,262
MSU Donations	370,747
Scholarships	<u> 330</u>
	<u>\$ 378,339</u>

NOTE F - PERMANENTLY RESTRICTED NET ASSETS

Net assets were permanently restricted for the following purposes as June 30, 1997:

Endowed Scholarship	<u>\$ 20,871</u>
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Midwest State University Alumni Association

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 1997

NOTE 4 - STATEMENTS OF CASH FLOWS

Reconciliation of excess support over expenses to net cash provided by operating activities:

	<u>1997</u>	<u>1996</u>
Excess of support over expenses	\$ 33,682	\$ 11,324
Adjustments to reconcile excess of support over expenses to net cash provided by operating activities:		
Depreciation	3,203	2,394
Donations of assets	0	4,300
Irregular donations	0	(6,800)
Net (increase) decrease in:		
Prepaid expenses	(2,018)	0
Net increase (decrease) in:		
Other current liabilities	(7,450)	4,002
Net cash provided by operating activities	<u>\$ 27,399</u>	<u>\$ 13,220</u>

For purposes of the statement of cash flows, cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

SUPPLEMENTAL INFORMATION

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
McNeese State University Alumni Association
Lake Charles, Louisiana

We have audited the financial statements of McNeese State University Alumni Association (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated August 22, 1997.

We conducted our audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of McNeese State University Alumni Association is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of Missouri State University Alumni Association for the year ended June 30, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Due to the small size of MSU Alumni Association's office staff it is not possible to have segregation of duties consistent with appropriate control objectives.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the board of directors, management, and the legislative bodies. However, this report is a matter of public record, and its distribution is not limited.

Seahsi Donnison, Myers & White (PC)

August 22, 1997

SCALISI, DENNISON, MYERS & WHITE (APC)

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MEMBER OF
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Directors
McNeese State University Alumni Association
Lake Charles, Louisiana

We have audited the financial statements of McNeese State University Alumni Association (a nonprofit organization) as of and for the year ended June 30, 1997, and have issued our report thereon dated August 22, 1997.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to McNeese State University Alumni Association is the responsibility of McNeese State University Alumni Association's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of McNeese State University Alumni Association's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended for the information of the board of directors, management, and the legislative bodies. However, this report is a matter of public record, and its distribution is not limited.

Scalisi, Dennison, Myers & White (APC)

August 22, 1997

SCALESE, DENNISON, BYERS & WHITE (APC)

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Board of Directors
McNeese State University Alumni Association
Lake Charles, Louisiana

We have audited the financial statements of McNeese State University Alumni Association for the year ended June 30, 1997 and have issued our report thereon dated August 22, 1997. As part of our audit, we made a study and evaluation of the Association's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. The purpose of our study and evaluation was to determine the nature, timing and extent of the auditing procedures necessary for expressing an opinion on the Association's financial statements. Our study and evaluation were more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole.

The management of McNeese State University Alumni Association is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of the inherent limitations in any system of internal accounting control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

In our opinion, the system of internal accounting control of McNeese State University Alumni Association was sufficient to meet the objectives stated above insofar as those objectives pertain to the prevention or detection of errors or irregularities in accounts that would be material in relation to the financial statements. However, we did note several areas which we feel warrant comment.