

McNeese State University Foundation

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 1997

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUE AND SUPPORT				
Contributions	\$ -	\$ 351,211	\$ 883,650	\$ 1,234,861
Investment earnings	377	248,480	-	248,857
Gain (loss) on investments	-	1,794,044	-	1,794,044
Fees	32,608	-	-	32,608
Fundraising	77,352	-	-	77,352
Net assets release from revaluations; Satisfaction of program expenses	<u>1,542,518</u>	<u>(1,542,518)</u>	<u>-</u>	<u>-</u>
Total Revenue and Support	<u>1,552,855</u>	<u>856,197</u>	<u>883,650</u>	<u>3,292,702</u>
EXPENSES				
Grants paid to benefit McNeese State University for: Projects specified by donors	1,343,229	-	-	1,343,229
Supporting activities				
Endowment distributions	37,179	-	-	37,179
Dedicated scholarships	100,653	-	-	100,653
Professor awards	36,000	-	-	36,000
Professorship pay-out	-	-	-	-
Faculty award	523	-	-	523
Natural Honor Award	-	-	-	-
Management and general	32,505	-	-	32,505
Fund raising	<u>31,658</u>	<u>-</u>	<u>-</u>	<u>31,658</u>
Total expenses	<u>1,576,727</u>	<u>-</u>	<u>-</u>	<u>1,576,727</u>
CHANGE IN NET ASSETS	(2,872)	856,197	883,650	1,736,975
NET ASSETS AT BEGINNING OF PERIOD	<u>181,618</u>	<u>1,131,731</u>	<u>7,853,612</u>	<u>9,166,961</u>
NET ASSETS AT END OF PERIOD	<u>\$ 178,746</u>	<u>\$ 2,087,928</u>	<u>\$ 8,837,262</u>	<u>\$ 11,103,936</u>

The accompanying notes are an integral part of this statement.

McNeese State University Foundation

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 1997

CASH FLOWS FROM OPERATING ACTIVITIES

Contributions received	\$ 251,271
Unconditional promises to give received	22,824
Mortgage principal receivable	2,275
Fund-raising contributions received	13,552
Interest and dividends received	249,857
Rent received	12,400
Grants paid to benefit McNeese State University	(1,243,279)
Cash paid for supporting services	(1,235,489)
Net cash used by operating activities	(1,522,139)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(2,908,574)
Proceeds from sale of investments	3,473,318
Purchase of certificates of deposits	(1,889,176)
Net cash used by investing activities	(1,324,432)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from contributions restricted for:	
Investment in endowment	882,671
Other financing activities:	
Increase in funds held in custody (net)	158,773
Net cash provided by financing activities	1,041,444

NET INCREASE IN CASH 178,876

CASH AT BEGINNING OF PERIOD 189,712

CASH AT END OF PERIOD **\$ 368,588**

The accompanying notes are an integral part of this statement.

McNeese State University Foundation

STATEMENT OF CASH FLOWS - (Continued)

For the Year Ended June 30, 1997

RECONCILIATION OF CHANGE IN NET
ASSETS TO NET CASH PROVIDED BY
OPERATING ACTIVITIES

Change in net assets	\$ 1,732,048
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
(Gain) loss on sale of investments	(1,394,844)
Contributions restricted for long-term use	(883,871)
Changes in:	
Mortgage receivable	1,275
Unconditional promises to give	22,124
Net cash used by operating activities	\$ (1,523,128)

The accompanying notes are an integral part of this statement.

McNeese State University Foundation

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The McNeese State University Foundation (the Foundation) is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Foundation was formed to promote the educational and cultural welfare of McNeese State University by accepting gifts for the purpose of providing scholarships for students, and professorships for educational research, or such other designated projects for the benefit of the University.

Basis of Accounting

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

Fund Accounting

To ensure observance of limitations and restrictions placed on the uses of resources available to the Foundation, the accounting system is organized and operated on a fund basis. The assets, liabilities, and net assets of the Foundation are reported in three self-balancing fund groups as follows:

1. Unrestricted funds represent the portion of funds available for support of Foundation supporting services and also amounts which have been expended for property acquisitions.
2. Temporarily restricted funds represent expendable funds with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are transferred to unrestricted funds and related expenses are shown as unrestricted.
3. Permanently restricted funds represent funds that are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity and the income only be used. Expendable income derived from the endowment funds is accounted for as revenue in the current funds.

Promises To Give

Unconditional promises to give are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Missouri State University Foundation
NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies - (Continued)

Cash and Cash Equivalents

For accounting and reporting purposes, cash and cash equivalents includes, as it is based, cash in bank, and all highly liquid investments with original maturities of less than three months.

Investments

As directed by the Board of Directors, all investments are considered to be either permanently restricted or temporarily restricted regardless of the absence of any donor requests. Investments are stated at market value.

Donated Property

Donated property is reflected as contributions in the accompanying statements at their estimated value, at date of receipt.

Grant Commitments

The Foundation considers all state matching funds and unexpended income from these funds as funds held in custody. (See Note 6)

Estimates

The preparation of financial statements requires management estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates.

2. Unconditional Promises to Give

The total amount of unconditional promises to give at June 30, 1997 are expected to be collected as follows:

Less than one year	\$ 43,291
One to five years	79,370
More than five years	13,758
	<u>\$ 136,419</u>

Uncollectible promises to give are expected to be insignificant.

McNeese State University Foundation

NOTES TO FINANCIAL STATEMENTS

3. Investments - Short-Term

At June 30, 1997 the Foundation's short-term investments consisted of the following:

	Market Value
U.S. Treasury Bills	\$ 2,014,676
Property at Highway 171 and Madson Street, Lake Charles, Louisiana	95,000
Cash value - life insurance	2,400
Cash value - annuities	2,871
Mortgage receivable	____16,000
Total short-term investments	\$ 2,130,947

The property shown above in the amount of \$95,000 is being shown as short-term based on the fact that it is currently on the market to be sold.

4. Investments - Long-Term

At June 30, 1997 the Foundation's long-term investments consisted of the following:

	Market Value
Regular Accounts:	
Miller, Anderson, & Sherrard	Fixed Income
Miller, Anderson, & Sherrard	International Equity
Miller, Anderson, & Sherrard	Equity
Total regular accounts	\$ 3,217,002
	805,814
	4,814,436
	8,837,252
Other stock holdings and investments:	
Property at 1608 Saragosa St., Woodlake	120,000
First Commerce Corp shares	132,572
HFC Industries, Inc.	12,644
Energy	2,251
Enron	2,876
Sandell, Inc.	18,622
Woodworth	250
KN Pharmaceuticals	1,467
Timberland	1,671
Fidelity Money Market	____8,783
Total other stock holdings and investments	____388,118
Total long-term investments	\$ 8,995,500

McNeese State University Foundation
NOTES TO FINANCIAL STATEMENTS

5. Conditional Promises to Give

The total amount of conditional promises to give is \$1,129,884 at June 30, 1997. All of the promises are conditional upon the death of the individual making the promise in their will.

6. Funds Held in Custody

The funds being held at June 30, 1997 are as follows:

State matching funds managed for McNeese State University	\$ 816,600
Principal	—
Interest	179,787
	\$1,016,387

7. Net Assets Released From Donor Restrictions

Net assets were released from donor restrictions by incurring the following expenses satisfying the restricted purposes or by occurrence of other events specified by donors for the year ended June 30, 1997:

Chairs and professorships	\$ 12,654
Scholarships	136,655
Operations and supplies	1,383,729
	\$1,533,038

8. Net Assets

Temporarily restricted net assets are available for grants to support McNeese State University in the following general areas:

- *Chairs and professorships
- *Scholarships
- *Operations and supplies

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable to support the above activities.

9. Off-Balance Sheet Risk

The Foundation's primary source of support is concentrated in the Lake Charles area.

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FINANCIAL REPORT
MCNEESE STATE UNIVERSITY FOUNDATION
(a Non-Profit Corporation)
June 30, 1963

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INDEPENDENT AUDITORS' REPORT

Board of Directors
McNeese State University Foundation
Lake Charles, Louisiana

We have audited the accompanying statement of financial position of the McNeese State University Foundation, a non-profit corporation, as of June 30, 1997, and the related statements of activities and cash flows for the year then ended. These statements are the responsibility of the management of the McNeese State University Foundation. Our responsibility is to express an opinion on these 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 from 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the McNeese State University Foundation, at June 30, 1997, and the results of its activities and cash flows for the year then ended in conformity with generally accepted accounting principles.

November 19, 1997
Lake Charles, LA

New York State University Foundation
STATEMENT OF FINANCIAL POSITION

June 30, 1997

ASSETS

ASSETS

Cash and cash equivalents	\$ 346,718
Certificates of deposits	483,178
Unconditional promises to give	136,598
Donated property	18,000
Investments:	
Short-term	2,171,609
Long-term	8,865,180
Total Assets	\$12,840,425

LIABILITIES AND NET ASSETS

LIABILITIES

Funds held in custody	\$ 1,031,207
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NET ASSETS

Unrestricted	189,207
Temporarily restricted	2,084,908
Permanently restricted	8,837,413
Total net assets	11,091,128
Total Liabilities and Net Assets	\$12,840,425

The accompanying notes are an integral part of this statement.