



SOUTHEASTERN LOUISIANA UNIVERSITY  
ALUMNI ASSOCIATION, INC.

Hammond, Louisiana

FINANCIAL REPORT

Year Ended June 30, 1963

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 by and other appropriate public officials. The report is available for public inspection at the State Comptroller of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Printing Date: 1963 2 4 1963

SOUTHEASTERN LOUISIANA UNIVERSITY  
ALUMNI ASSOCIATION, INC.

FINANCIAL REPORT

Year Ended June 30, 1997

TABLE OF CONTENTS

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

**L E E D R A Y**  
CERTIFIED PUBLIC ACCOUNTANT  
500 COLUMBUS DRIVE  
P. O. BOX 588  
MONTE, LOUISIANA 70401

MEMBER  
AMERICAN INSTITUTE OF CHARTERED  
ACCOUNTANTS OF LOUISIANA STATE

PHONE (504) 735-5511  
FAX (504) 735-5511

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
Southeastern Louisiana University  
Alumni Association, Inc.  
500 W. Columbus Drive  
Hammond, Louisiana 70401

I have audited the accompanying statement of financial position of Southeastern Louisiana University Alumni Association, Inc. (a nonprofit organization) as of June 30, 1997, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. These standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southeastern Louisiana University Alumni Association, Inc. as of June 30, 1997, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

  
Certified Public Accountant

October 1, 1997

Southeastern Louisiana University  
Alumni Association, Inc.

STATEMENT OF FINANCIAL POSITION  
June 30, 1993

**ASSETS**

Cash	\$ 43,626
Accounts receivable	4,544
Prepaid expenses	2,132
Assets restricted for the next fiscal year's funding	7,441
Assets restricted to Alumni Center	11,882
Property and equipment	<u>658,923</u>
	Total Assets
	<u>\$728,508</u>

**LIABILITIES**

Accounts payable	\$ 1,503
Long-term debt	<u>332,149</u>
	Total Liabilities
	<u>333,652</u>

**NET ASSETS**

Unrestricted	425,554
Temporarily restricted	<u>10,333</u>
	Total Net Assets
	<u>435,887</u>
	Total Liabilities and Net Assets
	<u>\$728,508</u>

The accompanying notes are an integral part of this statement.

Southern Louisiana University  
Alumni Association, Inc.

**STATEMENT OF ACTIVITIES**  
Year Ended June 30, 1997

**UNRESTRICTED NET ASSETS**

Support -	
Membership dues and student fees	\$ 95,841
Special events and other	64,364
Fund-raising	2,463
Interest	2,304
Rental	<u>37,284</u>
Total Unrestricted Support	199,256
Net assets released from restrictions -	
Restrictions satisfied by payments	11,089
Expiration of time restrictions	<u>33,044</u>
Total Unrestricted Support and Reclamifications	243,389
Expenses	
Program services -	
Alumni Center	72,137
Alumni field donation	30,000
Special events	37,143
Chapter expenses	3,741
Supporting services -	
Management and general	38,569
Membership development expenses	<u>139</u>
Total Expenses	182,729
Increase in Unrestricted Net Assets	<u>60,660</u>

**TEMPORARILY RESTRICTED NET ASSETS**

Alumni Center donations	800
Membership dues for the next year	2,439
Net assets released from restrictions -	
Restrictions satisfied by payments	(11,899)
Expiration of time restrictions	<u>(35,044)</u>
Decrease in Temporarily Restricted Net Assets	(44,714)
Decrease in Net Assets	(28,237)
Net Assets at Beginning of Year	<u>475,149</u>
Net Assets at the End of Year	<u>446,912</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, 1997

Cash Flows from Operating Activities:	
Decrease in net assets	\$(34,292)
Adjustments to reconcile change in assets to	
net cash provided by operating activities:	
Depreciation	20,448
(Increase) decrease in operating assets -	
Accounts receivable	(4,540)
Prepaid expenses	(135)
Funding for the next fiscal year	32,594
Restricted to Alumni Center	10,201
Increase (decrease) in operating liabilities -	
Accounts payable	(5,849)
<b>Net Cash Provided by</b>	
<b>Operating Activities</b>	<u>20,862</u>
Cash Flows from Investing Activities:	
Payments for property and equipment	(756)
<b>Net Cash Used by</b>	
<b>Investing Activities</b>	<u>(756)</u>
Cash Flows from Financing Activities:	
Payments on bank loans	(16,097)
<b>Net Cash Used by</b>	
<b>Financing Activities</b>	<u>(16,097)</u>
<b>Net Increase in Cash</b>	4,012
Cash, beginning of year	28,614
<b>Cash, end of year</b>	<u>\$32,626</u>

The accompanying notes are an integral part of this statement.

Southeastern Louisiana University  
Alumni Association, Inc.

NOTES TO FINANCIAL STATEMENTS  
June 30, 1992

**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 12:184-195 as a non-profit corporation.

**Basic 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 reclassified 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 reclassified to unrestricted net assets.

**Southeastern Louisiana University**  
**Alumni Association, Inc.**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 1997**

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, 1997, 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 these 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 expiration 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.

**NOTES TO FINANCIAL STATEMENTS**

June 30, 1997

The Association adopted SPAS No. 116, *Accounting for Contributions Received and Contributions Made*, in 1993. In accordance with SPAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

**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 Security 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	\$ 7,449
For the Alumni Center	11,800
	<u>\$19,249</u>

Southeastern Louisiana University  
Alumni Association, Inc.

NOTES TO FINANCIAL STATEMENTS  
June 30, 1997

**NOTE C - PROPERTY AND EQUIPMENT**

Property and equipment consists of the following:

Building	\$746,000
Furniture	4,598
Office equipment	3,150
	<u>753,748</u>
Accumulated depreciation	<u>(432,726)</u>
	<u>\$321,022</u>

Depreciation of \$30,448 was charged to Program Services - Alumni Center for the fiscal year ended June 30, 1997.

**NOTE D - LONG-TERM DEBT**

Long-term debt outstanding at June 30, 1997, consists of the following:

The Association borrowed \$326,084 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, 2009. The monthly principal and interest payments are \$3,286 each. Collateralized by the assignment of the lease on the building with Southeastern Louisiana University.

Amount outstanding at June 30, 1997 \$322,142

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

<u>Year Ended June 30</u>	
1998	\$ 16,484
1999	17,837
2000	19,158
2001	20,634
2002	22,180
2003 + thereafter	<u>233,759</u>
	<u>\$322,142</u>

NOTES TO FINANCIAL STATEMENTS

June 30, 1987

**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, 1980, 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 \$241,000. The lease contained a provision for the Landlord to reimburse the Tenant in the event the Tenant's improvements exceeded \$241,000, 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 \$8.00 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, 1985, 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 rooms, and banquet rooms. The Association specifically reserves the exclusive right to sublease the banquet rooms. 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 lease figure of \$325,000 plus interest at a market rate amortized for a 15 year period. For years 1-5, the sum of \$5,460 per month was calculated on a principal of \$325,000 with an interest rate of 10% per annum. For years 6-15, the monthly lease payments will be adjusted annually and calculated with an amortization of the principal amount of \$325,000 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 \$5,848 using an interest rate of 7.541%. This is the amount currently being received by the Association.

Southeastern Louisiana University  
Alumni Association, Inc.

NOTES TO FINANCIAL STATEMENTS  
June 30, 1997

**NOTE F - 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.

During the fiscal year ended June 30, 1997, the Foundation received \$3,180 designated for the Association.

**NOTE G - 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 \$300,000 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 fiscal year ended June 30, 1996, by either the Association or the University.

In December 1996, the Alumni Association was informed that Southeastern Louisiana University could not pay off the remaining \$100,000 Alumni Field debt. The Louisiana Board of Trustees for Universities and Colleges would not approve the University assuming this debt. During the current fiscal year, the Alumni Association paid \$38,000. This was for the prior and current year obligations.

The Alumni Association as of June 30, 1997, owes \$20,000. The Association will pay \$25,000 per year for the next two years.

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

During the current fiscal year the Association paid \$23,897 interest.

Southeastern Louisiana University  
Alumni Association, Inc.

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1997

**NOTE 1 - 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	\$43,636	\$43,636
Assets restricted for the next fiscal year's funding - Cash	7,441	7,441
Assets restricted to Alumni Center - Cash	11,892	11,892
Financial liabilities:		
Long-term debt	322,149	322,149