



**LOUISIANA STATE UNIVERSITY AND AGRICULTURAL
AND MECHANICAL COLLEGE ALUMNI ASSOCIATION**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1996



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Postlethwaite & Netterville

A Professional Accounting Corporation
CERTIFIED PUBLIC ACCOUNTANTS

8888 LANTANA PLACE (SUITE 100) • BAYTOWN, LOUISIANA 70017 • TELEPHONE (504) 822-9888 • FAX (504) 822-4811

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Louisiana State University and Agricultural
and Mechanical College Alumni Association
Baton Rouge, Louisiana

We have audited the statement of assets, liabilities, and fund balance (modified cash basis) of Louisiana State University and Agricultural and Mechanical College Alumni Association as of December 31, 1996, and the related modified cash basis statements of support, revenues, expenses and changes in fund balance and cash flows for the year then ended. These financial statements are the responsibility of the Association'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. 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.

As described in Note 1, these financial statements were prepared on the modified cash basis of accounting and are not intended to be presented in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balance of Louisiana State University and Agricultural & Mechanical College Alumni Association as of December 31, 1996, and its support, revenues, expenses and changes in fund balance and its cash flows for the year then ended, on the basis of accounting described in Note 1.

Our audit was made for the purpose of forming an opinion on the modified cash basis financial statements taken as a whole. The supplemental information on pages 13 - 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the modified cash basis financial statements; and, in our opinion, such information is fairly stated in all material respects in relation to the basic modified cash basis financial statements taken as a whole.

Postlethwaite & Netterville

Baton Rouge, Louisiana
August 1, 1997

**LOUISIANA STATE UNIVERSITY AND AGRICULTURAL
AND MECHANICAL COLLEGE ALUMNI ASSOCIATION
BATON ROUGE, LOUISIANA**

**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
(MODIFIED CASH BASIS)
DECEMBER 31, 2020**

ASSETS

	<u>Unrestricted</u>				
	<u>Annual Operating Fund</u>	<u>Unrelated Business Income Fund</u>	<u>Fundicial Fund</u>	<u>Endowed Fund</u>	<u>Led Cook Building Fund</u>
Cash	\$ 1,085,508	\$ 17,417	\$ 17,928	\$ -	\$ 82,624
Receivable - other	95,784	-	-	126,728	-
Merchandise inventory	-	100,120	-	-	-
Investments	61,481	-	1,701,632	4,126,628	-
Contributed property	6,580	-	-	-	-
Property and equipment					
Building	-	-	-	-	4,840,828
Automobiles	181,218	-	-	-	-
Equipment	420,832	36,717	-	-	482,070
Other	-	-	-	-	11,589
	<u>522,151</u>	<u>36,717</u>	<u>-</u>	<u>-</u>	<u>5,334,487</u>
Less: Accumulated depreciation	(277,731)	(22,488)	-	-	(590,807)
	<u>244,420</u>	<u>14,229</u>	<u>-</u>	<u>-</u>	<u>4,743,680</u>
Interfund receivable (payable)	592,342	(480,025)	64,841	104,722	(648,631)
Total assets	\$ 2,461,941	\$ 348,727	\$ 1,774,092	\$ 4,349,651	\$ 4,734,342

The accompanying notes are an integral part of this statement.



Total All Funds	
(Memorandum Only)	
1996	1995
\$ 1,170,287	\$ 149,304
<u>177,602</u>	<u>80,784</u>
<u>196,128</u>	<u>89,084</u>
<u>5,479,723</u>	<u>5,251,150</u>
<u>6,900</u>	<u>6,900</u>
4,840,829	4,921,718
191,319	188,218
938,118	789,977
<u>11,908</u>	<u>11,588</u>
<u>5,969,175</u>	<u>5,732,643</u>
(820,870)	(586,432)
<u>5,071,729</u>	<u>5,146,211</u>
<u>\$ 11,601,451</u>	<u>\$ 10,681,643</u>

**LOUISIANA STATE UNIVERSITY AND AGRICULTURAL
AND MECHANICAL COLLEGE ALUMNI ASSOCIATION
BATON ROUGE, LOUISIANA**

**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
(MODIFIED CASH BASIS)
DECEMBER 31, 1986**

LIABILITIES AND FUND BALANCE

	<u>Unrestricted</u>				
	<u>Annual Operating Fund</u>	<u>Unrestricted Business Income Fund</u>	<u>Restricted Fund</u>	<u>Endowed Fund</u>	<u>Lod Cook Building Fund</u>
Advances	\$ 179,534	\$ 214	\$ -	\$ -	\$ 4,908
Line of credit	-	-	-	-	-
Notes payable	-	-	-	-	-
Deferred amounts	-	-	1,374,197	-	-
Due to LSU Foundation	59,362	-	-	-	-
	<u>238,896</u>	<u>214</u>	<u>1,374,197</u>	<u>-</u>	<u>4,908</u>
Fund balance (deficit):					
Unrestricted	3,137,091	(348,241)	-	-	-
Restricted	-	-	-	4,345,651	-
Net investment - plant	-	-	-	-	4,218,232
	<u>3,137,091</u>	<u>(348,241)</u>	<u>-</u>	<u>4,345,651</u>	<u>4,218,232</u>
Total liabilities and fund balance	<u>\$ 2,395,892</u>	<u>(\$ 348,027)</u>	<u>\$ 1,374,197</u>	<u>\$ 4,345,651</u>	<u>\$ 4,218,140</u>

The accompanying notes are an integral part of this statement.



Total All Funds	
Management Fees	
1995	1994
\$ 185,856	\$ 323,948
-	359,838
-	284,901
1,574,197	1,318,296
<u>90,562</u>	<u>-</u>
<u>1,664,715</u>	<u>2,187,013</u>
1,888,150	154,187
4,548,651	3,969,182
<u>4,738,725</u>	<u>4,342,380</u>
<u>13,582,036</u>	<u>8,505,622</u>

\$ 12,601,451 \$ 10,652,742

**LOUISIANA STATE UNIVERSITY AND AGRICULTURAL
AND MECHANICAL COLLEGE ALUMNI ASSOCIATION
BATON ROUGE, LOUISIANA**

**STATEMENT OF SUPPORT, REVENUES, EXPENSES, AND
CHANGES IN FUND BALANCE (MODIFIED CASH BASIS)
YEAR ENDED DECEMBER 31, 1999**

	<u>Functional</u>				
	Annual Operating Fund	Undeclared Business Income Fund	Restricted Fund	Endowed Fund	Lafayette Building Fund
SUPPORT AND REVENUES					
Credits card income	\$ 1,718,604	\$ -	\$ -	\$ -	\$ -
Donations	1,858,332	-	147,466	212,334	362,715
Sales and trip income		730,151	-	-	-
Dividend and interest income	443	-	326,839	-	-
Gain (Loss) on sale of assets - net	-	-	(4,790)	-	-
Other income	212,482	-	-	-	18,816
	<u>3,591,921</u>	<u>730,151</u>	<u>468,717</u>	<u>212,334</u>	<u>379,529</u>
EXPENSES	<u>1,964,185</u>	<u>781,853</u>	<u>302,527</u>	<u>-</u>	<u>373,684</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	1,627,735	(51,692)	166,185	212,334	(114,125)
FUND BALANCE (DEFICIT), BEGINNING OF PERIOD	519,346	(321,249)	-	3,989,132	4,342,393
TRANSFERS	-	-	(954,185)	164,185	-
FUND BALANCE (DEFICIT), END OF PERIOD	<u>\$ 2,147,081</u>	<u>(372,941)</u>	<u>\$ -</u>	<u>\$ 4,145,651</u>	<u>\$ 4,228,215</u>

The accompanying notes are an integral part of this statement.

Total All Funds	
(Memorandum Only)	
<u>1995</u>	<u>1995</u>
\$ 1,719,864	\$ -
2,363,847	2,148,232
779,121	409,515
325,482	179,444
(6,793)	97,485
<u>290,296</u>	<u>434,785</u>
<u>5,200,647</u>	<u>5,292,500</u>
3,444,240	5,025,085
1,856,407	227,424
8,581,629	8,278,159
<u>-</u>	<u>-</u>
<u>\$ 10,381,026</u>	<u>\$ 8,503,629</u>

**LOUISIANA STATE UNIVERSITY AND AGRICULTURAL
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BATON ROUGE, LOUISIANA**

**STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 1999**

	1999 <u>All Funds</u>	1998 <u>All Funds</u> <u>(Memorandum</u> <u>Only)</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses - modified cash basis	\$ 1,876,407	\$ 227,474
Adjustments to reconcile deficit of revenues over expenses to net cash provided by operations:		
Depreciation	241,443	281,628
Loss (gain) on sale of assets	6,793	(94,482)
Net change in operating assets	(138,254)	(17,130)
Net change in operating liabilities	<u>25,081</u>	<u>406,362</u>
Net cash provided by operating activities	<u>2,009,270</u>	<u>763,842</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(167,603)	(71,786)
Purchases of investments	(2,833,943)	(4,868,891)
Sale of investments	<u>2,644,152</u>	<u>4,379,572</u>
Net cash (used in) investment activities	<u>(357,394)</u>	<u>(551,095)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit and advances	1,908	300,000
Proceeds of borrowings on notes payable	-	-
Principal payments on notes payable	<u>(648,760)</u>	<u>(517,024)</u>
Net cash (used in) financing activities	<u>(646,852)</u>	<u>(217,024)</u>
Net increase (decrease) in cash	1,605,873	(124,181)
Cash at beginning of year	<u>149,314</u>	<u>273,493</u>
Cash at end of year	<u>\$ 1,171,287</u>	<u>\$ 149,314</u>

The accompanying notes are an integral part of this statement.



NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization

The Louisiana State University and Agricultural and Mechanical College Alumni Association (the Association) is a non-profit corporation organized to finance, protect, and promote the welfare of Louisiana State University and Agricultural and Mechanical College (the University) and maintains a mutually beneficial relationship between the University and its alumni. The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code for the majority of the Association's revenues. Most of the Association's revenues are derived from contributions made by individual alumni and various organizations.

Modified Cash Basis

The Association's policy is to prepare its financial statements on the modified cash basis of accounting. This basis differs from generally accepted accounting principles primarily because the Association does not include prepaid receivables, accounts payable to vendors, and their related effects on changes in fund balance. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred. Certain contributions of property and other items are not recorded until proceeds are realized.

Inventory

Inventory is stated at the lower of cost (first-in, first-out method) or market.

Investments

Investments consist of U.S. Government and Agency issues and equity securities. The U.S. Government and Agency issues are stated at cost and the equity securities are stated at lower of cost or market. The Association intends to hold all investments to maturity.

Property and Equipment

Property and equipment is carried at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the property, ranging from four to forty years.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of resources available to the Association, the accounts of the Association are maintained in accordance with the principles of fund accounting. That is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purposes. Separate accounts are maintained for each fund.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Fund Accounting (continued)

The assets, liabilities and fund balances of the Association are reported in five self-balancing fund groups as follows:

- The Annual Operating fund, which includes unrestricted and restricted resources, represents the portion of expendable funds that are available for support of Alumni operations.
- Unrelated Business Income fund represents funds from the gift shop and other special events.
- Restricted funds represents funds restricted by outside sources and may only be utilized in accordance with the purposes established by the sources of such funds.
- Endowment funds represent funds that are subject to restrictions of gift instruments requiring that the principal be maintained in perpetuity and interest and only the income be used.
- The Led Cook Building fund represents resources restricted for property and equipment acquisitions and funds expended for property and equipment and building operations.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers all demand deposits and money market accounts purchased with an original maturity of three months or less to be cash or cash equivalents.

Functional Expenses

The Annual Operating Fund expends funds on scholarships, other program services and management and general expenses. The restricted funds expend funds on scholarships, professorships, and trust management fees. The Led Cook Building Fund expends funds on fund raising and operating costs of the building.

Deferred Revenue

Deferred revenue in the restricted fund results from contributions, grants and other income which has been restricted by the donor for a specific purpose and has not yet been applied to that purpose.

Unrelated Business Income

The Association's operations include activities which are considered taxable under the Internal Revenue Code, because they are unrelated to the exempt purposes of the organization. These activities include merchandise sales, sports trips, affinity credit cards, phone directory sales and building rental income.

LOUISIANA STATE UNIVERSITY AND AGRICULTURAL
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BATON ROUGE, LOUISIANA

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NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Donated Property

Donated property is carried at fair market value as determined on the date of donation.

Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk

The Company maintains its cash in bank deposit accounts at various financial institutions. The balances, at times, may exceed federally insured limits. At December 31, 1996, the Company exceeded the insured limit by approximately \$196,000.

2. Related Parties

The Association is covered by insurance under the State of Louisiana Office of Risk Management.

During the year ended December 31, 1996, the Association paid approximately \$141,296 to agencies of the University for various services and supplies. In addition, the Association reimbursed the University approximately \$338,800 for salaries and other related expenses.

3. Investments

Investments consist primarily of U.S. Government and Agency issues. These investments are recorded at cost. Equity securities are recorded at the lower of cost or market. Fair values were determined using quoted market prices.

	<u>Cost</u>	<u>Fair Value</u>
U.S. Government and Agency Issues	\$ 3,247,518	\$ 3,154,216
Corporate Bonds	608,486	648,432
Equity Securities	578,843	578,842
Fixed Income Funds	399,348	393,266
Liquid Assets	<u>290,529</u>	<u>301,535</u>
	<u>\$ 4,473,724</u>	<u>\$ 4,366,091</u>

LOUISIANA STATE UNIVERSITY AND AGRICULTURAL
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BATON ROUGE, LOUISIANA

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NOTES TO FINANCIAL STATEMENTS

4. Lines of Credit and Advances

The Association had available a renewable line of credit which expired on July 29, 1997 in the amount of \$300,000 at an interest rate of 7.25%. At December 31, 1996, the entire line of credit was available.

The Association received \$200,000 in a previous year as an advance on credit card income for future years. The advance is being earned at \$3,000 per month. The balance of the advance at December 31, 1996 was \$140,500.

5. Deferred Amounts

Balance at December 31, 1995	\$ 1,318,296
Additions:	
Contributions and bequests	287,172
Investment income	<u>523,582</u>
	642,754
Deductions:	
Funds expended during the year	<u>(526,130)</u>
Balance at December 31, 1996	<u>\$ 1,354,922</u>

6. Unrelated Business Income Taxes

At December 31, 1996, the Association had a net operating loss carry forward of \$1,127,090 expiring in the years 2000 - 2007 from the unrelated business income fund operations. For the year ended December 31, 1996, no deferred tax asset related to the net operating loss carryforward has been recorded due to the uncertainty of realizing this benefit.

7. Rent Expense

Total rent and lease expense incurred for the year ended December 31, 1996 was \$8,358. These rentals and leases are short term and cancellable by either party.

The Association has entered into a 99 year lease with the Louisiana State University for the Lod Cook Alumni Center land. The annual rent expense associated with this lease is nominal.

8. Credit Card Income

The Association received \$1,652,898 from a financial institution for handling the LSU Alumni Center credit card services for the next five years. Additionally, the Alumni Center paid \$487,500 during 1997 to terminate their previous credit card contract from a financial institution.

**LOUISIANA STATE UNIVERSITY AND AGRICULTURAL
AND MECHANICAL COLLEGE ALUMNI ASSOCIATION
BATON ROUGE, LOUISIANA**

**SCHEDULE OF EXPENSES (MODIFIED-CASH BASIS)
YEAR ENDED DECEMBER 31, 1998**

	<u>Unrestricted</u>				
	<u>Annual Operating Fund</u>	<u>Unrelated Business Income Fund</u>	<u>Restricted Fund</u>	<u>Endowed Fund</u>	<u>Lod Cook Building Fund</u>
EXPENSES					
Cost of merchandise sold	\$ -	\$ 191,237	\$ -	\$ -	\$ -
Data processing	21	-	-	-	-
Depreciation	58,178	2,990	-	-	197,753
Deis and subscriptions	2,874	585	-	-	-
Fund raising expense	-	-	-	-	24,143
Gifts of appreciation	22,800	-	-	-	-
Insurance	18,705	-	-	-	-
Interest expense	23,237	13,089	-	-	18,754
Investment management and trustee fees	-	-	14,732	-	-
Miscellaneous operating services	2,366	9,182	31,892	-	14,833
Official functions and entertainment	9,048	-	-	-	-
Other support	11,136	-	-	-	-
Repairs and maintenance	46,773	11,648	-	-	18,289
Postage	124,385	12,831	-	-	30
Printing	256,689	8,235	-	-	25
Professorships and academic awards	38,472	-	-	-	-
Professional and contracted services	46,151	1,711	-	-	-
Promotional supplies	48,976	-	-	-	249
Rent	6,123	1,777	-	-	286
Salaries	601,899	179,143	-	-	28,683
Scholarships	180,311	-	282,900	-	-
Special events ticket purchases	132,891	74,332	-	-	-
Staff benefits	183,214	22,693	-	-	3,789
Supplies	123,753	25,341	-	-	8,682
Telephone	44,833	16,448	-	-	-
Travel and sports trips	86,865	211,323	-	-	88
Utilities	-	-	-	-	15,824
	<u>\$ 1,864,036</u>	<u>\$ 783,943</u>	<u>\$ 302,732</u>	<u>\$ -</u>	<u>\$ 391,681</u>

Total All Funds		Memorandum Only	
		1996	1995
\$	190,217	\$	104,157
	31		1,497
	293,863		241,630
	3,229		5,173
	38,147		37,167
	22,387		20,422
	95,799		3,502
	53,076		92,443
	14,732		13,986
	57,493		185,212
	8,648		33,238
	21,138		26,728
	76,717		90,028
	147,248		128,142
	236,379		202,744
	38,472		47,817
	47,862		41,892
	49,225		68,859
	8,188		7,949
	819,781		672,649
	416,214		402,718
	208,224		142,886
	131,658		79,425
	134,798		104,549
	41,533		48,539
	288,376		272,041
	<u>83,694</u>		<u>96,283</u>
\$	<u>3,444,340</u>	\$	<u>3,015,085</u>