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NORTHEAST LOUISIANA UNIVERSITY FOUNDATION

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Release Date _____

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 1996

LUFFEY, HUFFMAN & MONROE

Certified Public Accountants

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Board of Directors

Northeast Louisiana University Foundation

In planning and performing our audit of the financial statements of Northeast Louisiana University Foundation (the Foundation) as of and for the year ended June 30, 1996, we considered its internal control structure in order to determine our auditing procedures for the purposes of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of certain matters that are opportunities for strengthening internal controls. This letter will summarize our comments and suggestions regarding those matters. This letter does not affect our report dated January 28, 1997, on the financial statements of the Foundation.

Accounts Coding & Account Descriptions

Finding

Currently all four LEQSF bank trust accounts are grouped under the same general ledger subcode 1201. Also, certain account descriptions no longer reflect the transactions recorded in the accounts. For example, gifts or loss on asset disposal was recorded in subcode 6484 which is "License Plate Income".

We recommend that new subcodes for individual LEQSF trust bank accounts be set up. The descriptions of general ledger accounts, control, sub-ledger accounts, and subcodes should be reviewed and updated periodically to better describe the transactions that are recorded in them.

Management's Response:

New subcodes have been created for the LEQSF investment accounts as follows:
1203 - Board of Regents - Investments - Hibernia
1202 - Board of Regents - Investments - Bank One
1203 - Board of Regents - Investments - Regions Bank
1204 - Board of Regents - Investments - Central Bank

We are reviewing other subcode accounts. We cannot change the account

descriptions on the general ledger because the SLU controller's office uses the same ledger accounts. We have talked to the accounting office about creating a new list of subcodes for the Foundation's use.

New Professorships Investment Trust Accounts

Finding

During the fiscal year, four new endowed professorship bank trusts were set up with local banks. However, no corresponding sub-ledger accounts were set up for these investment trusts. We recommend that all new endowed professorship bank trusts be set up with sub-ledger accounts.

Management's Response

In the future, it will be a standard procedure (in Foundation accounting) that each time a new endowed professorship is set up, there will be a sub-ledger account also set up on the Foundation's books. The four endowed professorship bank trusts established in the year '95-'96 have had sub-ledger accounts set up.

Separation of Endowment Principal and Endowment Income

Finding

In reviewing contributions to endowment funds, we realized that on a few occasions donations to endowment income were recorded as donations to endowment principal, and vice versa.

We recommend that subcode 0902 "Contributions - Restricted" which is for non-principal contributions not be used for endowment principal funds, and the subcode 0903 which is "Endowment Principal Contributions" not be used for endowment operating funds.

Management's Response

The Foundation accountants have an understanding of the subcodes 0902 and 0903 and will use them accordingly in the future.

Documentation of Operating Procedures

Finding

During our audit, we realized on several occasions that some documents could not be located. Additionally, the service charges that the unrestricted fund charges for managing income producing funds are supposed to be computed quarterly however,

there is a lack of documentation as to how to calculate the fees. There are other instances where supporting documents to journal entries could not be located. These are likely to be the results of personnel turnover during the fiscal year and a lack of documentation of operating procedures.

We recommend that accounting personnel begin documenting and updating operating procedures. Procedures such as investment income distribution and service charges calculations, if documented, can be followed consistently.

Management's Response:

We have started documenting the procedures that are done in the accounting office to the best of our ability. We hope to have a procedures manual completed within the next 6 months.

Reconciliation of Trust Statements & Bank Accounts to Bank Accounts

Finding:

The Foundation's bank account was not reconciled to the general ledger for several months during the fiscal year. Also, there were several instances where investment trust statements did not agree to the Foundation books. This is due mainly to the turnover of personnel during the year. We recommend that the Foundation reconcile the bank account to the general ledger on a monthly basis and reconcile the trust statements to the general ledger in a timely manner whenever the trust statements are received.

Management's Response:

The bank statements will be reconciled monthly. (They are up to date now.) The bank trust statements will be reconciled quarterly to the Foundation's books.

Distributions of Investment Income and Investment Gains and Losses

Finding:

While reviewing individual endowment balances, we noticed that certain endowments have deficit balances in their funds available amounts. Upon further investigation, we realized that during the year when earnings were distributed, the calculations were incomplete, in that all funds were not allocated a share of the earnings. We believe that as time went by and additional funds were added to the Foundation, the computer program which distributes the earnings was not updated to include all funds in the calculations. We have not been able to ascertain as to when the problem began. This is due to the fact that some of the printouts reflecting the distribution calculations could not be located.

Management's Response:

All fund accounts have been added to the allocation list; therefore, all should now receive their share of earnings. Any addition of fund accounts in the future will be added to the computer program. Corrections for the earnings to the various accounts that had not received earnings in 1995-96 were done in February 1997.

* * * * *

We have already discussed their comments and suggestions with various Foundation personnel, and we will be pleased to discuss them in further detail at your convenience.

Ruffin, Hoffmann & Moore

January 28, 1997

NORTHEAST LOUISIANA UNIVERSITY FOUNDATION

JUNE 30, 1994

INDEX

	Page
Independent Auditors' Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5
Schedule 1 - Analysis of Endowment Funds	15
Schedule 2 - Analysis of Restricted Funds	25
Schedule 3 - Loan Funds	27

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INDEPENDENT AUDITORS' REPORT

**Board of Directors
Northeast Louisiana University Foundation**

We have audited the accompanying statement of financial position of Northeast Louisiana University Foundation (the Foundation) as of June 30, 1996, 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 Foundation as of June 30, 1996, and the changes in net assets and cash flows for the year then ended, in conformity with generally accepted accounting principles.

As discussed in Note 1 to the financial statements, effective July 1, 1995 the Foundation changed its method of accounting for contributions and its method of financial reporting and financial statement presentation.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules 1 through 3 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Luffey, Huffman & Monroe

January 28, 1996

NORTHERN LOUISIANA UNIVERSITY FUNDATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1998

	Temporarily Restricted				Total
	Unrestricted	Endowment & Scholarships	Loans	Endowment	
ASSETS					
Cash and Short-Term Investments					
Cash	\$ 1,648	\$ 200	\$ 0	\$ 0	\$ 1,848
Certificates of Deposit	10,000	0	0	0	10,000
Short-Term Investments	5,000	0	0	0	5,000
Total Cash and Short-Term Investments	<u>16,648</u>	<u>200</u>	<u>0</u>	<u>0</u>	<u>16,848</u>
Receivables					
Accounts Receivable	2,000	5,000	0	5,000	12,000
Notes Receivable	0	0	15,000	0	15,000
Accounts Receivable	10,000	0	0	5,000	15,000
Gifts Pending Receipt	0	0	0	10,000	10,000
Contributions Receivable from Children	0	1,000,000	0	0	1,000,000
Total Receivables	<u>12,000</u>	<u>1,005,000</u>	<u>15,000</u>	<u>15,000</u>	<u>1,037,000</u>
Property and Equipment					
Land	1,000,000	0	0	1,000,000	1,000,000
Office and Other Equipment	10,000	0	0	0	10,000
Buildings	17,000	50,000	0	0	67,000
Gifts Accumulated Depreciation	(17,000)	(50,000)	0	0	(67,000)
Total Property and Equipment	<u>1,000,000</u>	<u>0</u>	<u>0</u>	<u>1,000,000</u>	<u>1,000,000</u>
Investments Held by Trustees					
Bank Deposits	100,000	500	0	10,000	110,500
State & Local Government	0	0	0	2,700,000	2,700,000
Other Investments	1,000,000	0	0	0	1,000,000
Total Investments Held by Trustees	<u>1,100,000</u>	<u>500</u>	<u>0</u>	<u>2,710,000</u>	<u>3,810,500</u>
Other Assets					
Investments in State Endowment Funds	0	0	0	0	0
(Net of 2000 restricted income received)	0	0	0	0	0
Accounts Payable	1,000	0	0	0	1,000
Liabilities Arising	10,000	0	0	0	10,000
TOTAL ASSETS	<u>\$ 3,118,648</u>	<u>\$ 1,005,700</u>	<u>\$ 15,000</u>	<u>\$ 2,710,000</u>	<u>\$ 6,849,348</u>

LIABILITIES AND NET ASSETS

Liabilities					
Accounts Payable	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 10,000
Deferred Pensions (Contributions)	7,000,000	(1,000,000)	(5,000)	(1,000,000)	0
Notes Held As Agmt	0	0	0	1,000,000	1,000,000
Total Liabilities	<u>7,010,000</u>	<u>(1,000,000)</u>	<u>(5,000)</u>	<u>1,000,000</u>	<u>1,000,000</u>
Net Assets					
Unrestricted	1,000,000	0	0	0	1,000,000
Temporarily Restricted	0	1,000,000	15,000	1,000,000	2,015,000
Permanently Restricted	0	0	0	1,700,000	1,700,000
Total Net Assets	<u>1,000,000</u>	<u>1,000,000</u>	<u>15,000</u>	<u>1,700,000</u>	<u>3,715,000</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,010,000</u>	<u>\$ 1,005,700</u>	<u>\$ 15,000</u>	<u>\$ 2,710,000</u>	<u>\$ 6,849,348</u>

† Supplementary schedule is subpart of the financial statements.

NORTHEAST LOUISIANA UNIVERSITY FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 1976

	Unrestricted	Temporarily Restricted			Permanently Restricted	Total
		Endowment & Scholarships	Loans	Endowment Income		
SUPPORT, REVENUES AND GAINS						
Support						
Cash Contributions	\$ 287,528	\$ 61,827	\$ 1,250	\$ 25,667	\$ 376,272	\$ 1,312,933
Requests/Contributions	72,487	20,871	0	0	93,358	81,238
Total Support	360,015	82,698	1,250	25,667	469,630	1,394,171
Revenues and Gains						
Interest, Dividends, and Royalties	364,558	82,411	0	566,544	0	933,513
Fines Received	0	14,478	0	0	0	14,478
Gains on Investments	104,850	21,173	1,134	450,148	14,629	682,934
Other	258,725	1247	781	0	0	260,753
Net Assets Released From Restrictions						
Restrictions Initiated by Payments	2,728,024	(1,855,776)	(499)	(422,026)	0	0
Total Revenues and Gains	2,742,817	(1,839,765)	582	(421,482)	14,629	1,586,731
TOTAL SUPPORT, REVENUES AND GAINS	3,102,832	(1,757,067)	1,862	394,184	146,259	1,731,070
EXPENSES						
Program Services						
General Scholarship	\$ 116,027	\$ 0	\$ 0	\$ 0	\$ 0	\$ 116,027
Academic Scholarship	225,488	0	0	0	0	225,488
Academic Support	396,674	0	0	0	0	396,674
Departmental Expenses (note 12)	2,094,394	0	0	0	0	2,094,394
Folio Expenses	118,497	0	0	0	0	118,497
Total Program Services	3,151,079	0	0	0	0	3,151,079
Supporting Services Expenses						
Fund Raising and Promotions	266,775	0	0	0	0	266,775
Management and General	98,768	0	0	0	0	98,768
Other	58,882	0	0	0	0	58,882
Total Supporting Services Expenses	424,425	0	0	0	0	424,425
TOTAL EXPENSES	3,575,504	0	0	0	0	3,575,504
Change in Net Assets	(462,672)	(1,080,997)	1,260	(27,298)	(383,360)	(1,843,067)
Net Assets at Beginning of Year, as Restated	4,098,582	4,281,838	6,609	881,768	12,869,667	21,477,406
Transfer In	0	22,876	0	0	152,225	275,101
Transfer Out	(27,871)	(15,088)	0	(64,872)	0	(107,831)
NET ASSETS AT END OF YEAR	\$ 3,848,040	\$ 3,889,626	\$ 6,769	\$ 1,207,696	\$ 12,981,532	\$ 21,532,563

The accompanying notes are an integral part of this financial statement.

NORTHEAST LOUISIANA UNIVERSITY FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1996

Cash Flows from Operating Activities	
Decrease in Net Assets	\$ (194,627)
Adjustment to Reconcile Change in Net Assets for the Year to Net	
Cash Used by Operating Activities	
Depreciation and Depletion	63,800
Gain on Sale of Property & Equipment	(25,100)
Asset Impairment Costs	5,000
Gain on Sale of Livestock	(14,265)
Monetary Contributions in Balance Sheet	(45,000)
Increase in Accounts Receivable	(6,875)
Increase in Interest Receivable	(487,210)
Decrease in Accounts Payable	(91,265)
State Matching Funds Transferred In	160,000
Proceeds from Sales of Livestock	<u>81,000</u>
Total Adjustments	<u>(171,811)</u>
Net Cash (Used) by Operating Activities	(126,844)
Cash Flows from Investing Activities	
Purchase of Property & Equipment	(21,140)
Proceeds from Sales of Property and Equipment	828,712
Increase in Investments in Lease	(15,200)
Increase in Bank Deposits	(359,538)
Increase in Notes Receivable	<u>15,685</u>
Net Cash Provided by Investing Activities	438,419
Cash Flows from Financing Activities	160,561
Net Decrease in Cash and Cash Equivalents	(58,864)
Cash and Cash Equivalents at Beginning of Year	<u>584,121</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 525,257
CASH AND CASH EQUIVALENTS INCLUDED PER STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 1996	
Cash	\$ 145,668
Bank Deposits	<u>379,589</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 525,257

Accompanying notes are an integral part of this financial statement.

Northeast Louisiana University Foundation
Notes to Financial Statements

Year Ended June 30, 1996

Note 1 - Summary of Significant Accounting Policies

Organization

Northeast Louisiana University Foundation (the Foundation) is a legally autonomous fund-raising foundation that raises funds for the benefit of Northeast Louisiana University (the University), its faculty and its students. Support is received through gifts, grants, and bequests, and may include cash, real property and personal property. Funds may be invested by the Foundation in accordance with its investment policy subject to any restrictions imposed by the donor. Disbursements are made for scholarships, loans, and departmental funding. The Foundation is a nonprofit corporation exempted from Federal income taxes as other than a private foundation under Section 501(c)(3) of the Internal Revenue Code.

Basis of Presentation

The financial statements have been prepared on an accrual basis and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its *Audit Guide for Not-For-Profit Organizations*.

Accounting Pronouncements

In June 1993, the Financial Accounting Standards Board (the FASB) issued *Statements of Financial Accounting Standards (SFAS) No. 116, Accounting for Contributions Received and Contributions Made and No. 117, Financial Statements of Not-for-Profit Organizations*. As of July 1, 1995, the Foundation adopted both of these pronouncements.

General practice is advised concerning the interpretation of agency transactions for university foundations. The Foundation's financial statements do not reflect the strict interpretation of the agency transactions by the Financial Accounting Standards Board as addressed in SFAS No. 116 and No. 117 presented in the above paragraph.

SFAS No. 116 establishes accounting standards for contributions and generally requires unconditional promises to give - including multiyear promises - be recognized at fair value in the period the promise is made. Conditional promises to give are recognized when they become unconditional.

SFAS No. 117 will change the focus of the Foundation's financial statements from

Northeast Louisiana University Foundation
Notes to Financial Statements

Year Ended June 30, 1994

disaggregated reporting by fund groups to reporting on the organization as a whole. The statement requires the Foundation 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. In addition, the Foundation is required to present a statement of cash flows. The Foundation has continued to use fund accounting as described below.

The effect of the adoption of SFAS No. 117 resulted in a reclassification of beginning net assets. Under the pronouncement, the assets held by the Kitty DeGree Charitable Remainder Trust are required to be classified as temporarily restricted assets. The reclassification resulted in an increase in the beginning temporarily restricted net assets and a decrease in the beginning unrestricted net assets for \$1,000,000. Additionally, the adoption of SFAS No. 117 resulted in a decrease in the beginning endowment net assets and an increase in funds held as agent (liability) of \$1,000,000.

In November 1993, the FASB issued SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. The statement is effective for fiscal years beginning after December 15, 1993. The Foundation will adopt these standards effective July 1, 1994. The statement is expected to have material impact on the Foundation's financial statements.

Financial Statement Classifications

The assets, liabilities, and net assets of the Foundation are reported in three classes as follows:

1. **Unrestricted** - includes all resources to be used in support of the Foundation's operations at the sole discretion of the Foundation.
2. **Temporarily Restricted** - includes amounts that have been donated for the use of specific University departments, organizations or other beneficiaries. The donations and earnings, if any, are held by the Foundation until requested by the applicable department, organization or beneficiaries and may not be spent at the discretion of the Foundation. The Kitty F. DeGree Charitable Remainder Trust is included in this group since the assets of the Trust will not be bequeathed to the Foundation until the death of Kitty DeGree and, at that time, can be used for purposes determined by the Foundation's Board of Directors. Also included are funds to provide interest-free loans to pharmacy students and persons with medical careers.

Northeast Louisiana University Foundation
Notes to Financial Statements

Year Ended June 30, 1996

1. **Permanently Restricted** - represents amounts contributed to the Foundation that are subject to restrictions imposed by the gift instruments. Contributions to endowment funds are not available for use during the term of the applicable trust agreement. However, the earnings from such funds are available for scholarships or for expenses of designated departments of the University as specified by the individual agreements. Unspent earnings are reflected under **Temporarily Restricted Assets** in the Statement of Financial Position and under the **Endowment Income** column in the Statement of Activities.

Contributions

In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor-imposed restrictions. Contributions are recognized as support when received or when an unconditional promise to give is received.

Donated Services and Materials

Newest donations include both materials and services. These donations are recorded at their fair market value on the date of donation. In accordance with SFAS No. 116, donated services are recognized only when they create or enhance a nonfinancial asset, or when they are specialized skills provided by entities or persons possessing those skills that would be purchased if they were not donated. For the year ended June 30, 1996, the Foundation received various professional services in the amount of \$8,817 which enhanced the Foundation as a whole.

Investment Income

Investment income includes interest and dividends. These revenues are reported net of fees of \$58,443.

Allocation of Expenses

The costs of providing the various programs and other activities have been summarized between Program and Supporting Services in the Statement of Activities. Program services expenses are those directly related to the various programs. Supporting services expenses reflect other expenses incurred in operating the programs.

Northeast Louisiana University Foundation
Notes to Financial Statements

Year Ended June 30, 1996

Property and Equipment

Property and equipment are recorded at cost on the date of purchase or fair market value on the date of donation. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. The Foundation utilizes estimated useful lives of 5 to 7 years for farm equipment and office equipment and 20 years for buildings.

Oil and Gas Reserves

The Foundation owns certain oil and gas interests from which oil and gas income is expected to be recovered over an eight-year period. Depletion is recorded based on average annual production over the eight-year period.

Cash Flows

For statement of cash flows purposes, the Foundation considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affected 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 period. Actual results could differ from these estimates.

Note 2 - Real Estate

The majority of unrestricted fund real estate is the Helen Spyer Estate, which consists of farmland, timberland, and oil and gas reserves. At June 30, 1996, unrestricted fund real estate consisted of:

Northeast Louisiana University Foundation
Notes to Financial Statements

Year Ended June 30, 1996

Land	\$2,380,000
Oil and gas mineral interests	100,000
Less: Accumulated depletion	(81,250)
Total Helen Spjaker Estate	2,318,750
Land - Johnson Property (18th and Louisville Avenue)	100,000
Land - Ambrose T. Wood, Jr. Property	25,000
Land - Hanna Spjaker Estate	25,000
Total unallocated land real estate	\$2,468,750

In April 1995, approximately 3.83 acres of land with building improvements was donated to the Foundation. The land and buildings had a fair market value of \$750,000 but the Foundation had to purchase the existing leases for \$74,400. The land was allocated \$700,000 of the total fair market value. During 1996, approximately eighty-five percent of the land was sold for \$780,000 resulting in a gain of \$80,000.

In April 1991, the Foundation entered into an agricultural lease with a purchase option on its 371 acres of land in Morehouse Parish, received as part of the Hanna Spjaker Estate. The Foundation received and recognized \$28,000 per year as rental payments. The property was recorded on the books in 1991 at its fair market value of \$165,000. The lease expired February 1, 1996 and the lessee exercised the option to purchase the land from the Foundation for \$181,274. This sale resulted in a recognized loss of \$64,126.

Endowment Fund real estate is comprised of the Cleveland Shamsoutal Farm which was donated to the Foundation in December, 1984. The Foundation is required to use the majority of the farm acreage for agricultural and educational purposes until 2018.

Note 3 - Livestock

During the fiscal year the Foundation sold all of its livestock inventory to the University for \$85,000. The Foundation realized a gain on sale of \$14,205.

Note 4 - Kitty P. DeGrey Unitrust

In 1984, the Kitty P. DeGrey Charitable Remainder Unitrust was established naming the Foundation as beneficiary. The Trust is administered by a local financial institution. Kitty P. DeGrey is its receiver from the Unitrust an annual

Northeast Louisiana University Foundation
Notes to Financial Statements

Year Ended June 30, 1996

sum is the amount of the lesser of the Unitrust income for the year or 10% of the net fair market value of the assets. These annual payments are required by the rest of her life. The assets are valued at the end of each calendar year, and the Foundation adjusts the carrying value of the Unitrust based on this valuation. The Unitrust is comprised of the following assets:

	Carrying Value	Market Value
Notes Receivable	\$ 1,567,982	\$ 1,567,982
Charitable Remainder Trust	382,426	294,888
Checking Account	135,749	135,749
Less Liability to Kitty DeGree	(6,187)	(6,187)
Total	\$ 2,069,980	\$ 1,992,432

Note 5 - Bank Trusts

Investments maintained by bank trusts are stated at cost except for non-cash gifts which are recorded at the market value on the date of receipt. The Robert Layton, Jr. Trust includes bonds, notes receivable, oil and gas interests, and real estate, including the Layton Farm property. Market values and unrealized appreciation at June 30, 1996, are summarized as follows:

	Market Value	Book Value	Unrealized Appreciation
Total bank trusts	\$18,318,443	\$14,984,899	\$ 3,333,544

Note 6 - Art and Collectibles

At June 30, 1996, art and collectibles consisted of the Dickinson Collection and a book collection with recorded values of \$85,628 and \$21,418, respectively.

Note 7 - Rental Agreements

During the fiscal year, the Foundation leased in two vehicles originally under capital leases for two vehicles under two rental agreements. The total annual rental payment on the vehicles is \$15,518. These vehicles are used by the President and Vice President of the University.

Northwest Louisiana University Foundation
Notes to Financial Statements

Year Ended June 30, 1996

Note 8 - Direct Financing Leases

The Foundation entered into direct financing lease agreements with the University on certain video/computer equipment. The initial direct cost of the equipment is \$28,823. The future minimum lease payments to be received are \$11,568 for the year ending June 30, 1997, and \$6,852 for the year ending June 30, 1998.

Note 9 - Funds Available

Included in the Endowment Fund in the statement of financial position under temporarily restricted net assets, are funds available for scholarships and academic support. These consist of earnings from invested endowment funds. Changes in funds available during the year ended June 30, 1996, were as follows:

Funds available at June 30, 1995	\$ 892,519
Earnings	995,834
Contributions	25,667
Transfers (to) principal	(82,016)
Transfers (to) other funds	(15,939)
Scholarships paid	(196,547)
Academic support and other expenses paid	(268,511)
	<u>\$ 1,397,029</u>
Funds available at June 30, 1996	<u>\$ 1,397,029</u>

Note 10 - Endowed Scholar and Endowed Professorship Programs

In 1983, the Louisiana Legislature enacted R.S.17:3386 to establish the Louisiana Endowment Trust Fund for Endowed Scholars. Under the direction of the Board of Regents, funds are allocated to each university on a two-thirds matching basis. At June 30, 1996, the Foundation had the following eminent scholars accounts included in the Endowment Fund which includes the funds available for expenditures:

Bledsohn Eminent Scholars Chair in Gerontology	\$ 1,226,737
Eminent Scholars Chair of Construction	1,159,130
Kitty DeGree Eminent Scholars - Toxicology	1,109,918
Hanna Saylor Eminent Scholars - Education	1,294,075
	<u>\$ 4,789,859</u>
Total eminent scholars accounts	<u>\$ 4,789,859</u>

Northeast Louisiana University Foundation
Notes to Financial Statements

Year Ended June 30, 1996

In 1989, the Louisiana Legislature enacted R.S.17:3128.5 to establish the Louisiana Faculty Incentive Fund for providing faculty incentive grants. Under the direction of the Board of Regents, matching grants are made by the state on a two-thirds basis. At June 30, 1996, the Foundation had the following endowed professorships included in the Endowment Fund which includes the funds available for expenditures:

NLU Endowed Professorship in Communicative Disorders	\$	115,247
Kitty DeGore Professorship in Computer Science		128,482
Association of General Contractors Professorship In Construction		111,768
Association of General Contractors Professorship In Construction		111,776
Kitty DeGore Endowed Professorship in Education		113,288
NLU Endowed Professorship in Education Administration		127,841
NLU Endowed Professorship in Entrepreneurship		154,794
NLU Endowed Professorship in Geology		119,513
NLU Endowed Professorship in Gerontology		114,685
State Farm Professorship in Insurance		125,631
NLU Endowed Professorship in Liberal Arts		189,847
NLU Endowed Professorship in Nursing		116,681
Sister Ligand Loretta Professorship in Nursing		112,588
Sister Anne Marie Twobig Professorship in Nursing		125,881
Glenwood Endowed Professorship in Nursing		112,334
Cowley Professorship in Nursing		139,685
Florie B.J. Robinson Professorship		118,925
Scott Endowment in Agriculture		118,772
Scott Endowment in Teaching		113,773
Clarke Williams Professorship		118,312
Waste Management Professorship in Toxicology		118,566
John Laffey Professorship - Accounting		198,873
DeGore Professorship - Occupational Therapy		104,658
Emmy Lou Bledsoe Professorship - Music		105,848
Abell Professorship - Entrepreneurship		185,837

Total endowed professorships	\$ 2,841,264
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During the 1992 regular session of the Louisiana Legislature, R.S.17:5384 and R.S.17:3128.5 were amended and corrected to enable nonprofit organizations of a type described in Section 491(c)(3) of the Internal Revenue Code to enter into a contract with a public institution of higher education to act as a depository for

Northwest Louisiana University Foundation
Notes to Financial Statements

Year Ended June 30, 1996

Endowment Scholars and Faculty Incentive Funds derived from state matching funds. As a result, for the year ended June 30, 1996, the Foundation recognized \$158,000 in state matching funds. Total matching funds from the state as of June 30, 1996 were \$2,400,000 and are reflected under funds held in trust on the statement of financial position.

Note 11 - Financial Instruments

The Foundation maintains its deposits in two local financial institutions. At June 30, 1996, these accounts totaled \$327,364. The uninsured portion of these accounts was \$208,788.

The Foundation generally does not require collateral or other security for its accounts receivable and notes receivable. Unrestricted fund notes receivable consist of a single note with a pulp and paper processor. There were no other significant concentrations of receivables with individual entities.

Note 12 - Library Construction Cost

The Foundation provided \$1,818,780 as the total share of the new NLU Library construction costs. The local funding includes \$769,299 from sales of properties, \$501,780 from DeGree Library Enhancement Fund, and \$604,781 from Library Conference Center Fund. These expenses are recorded as Departmental Expenses.

Note 13 - Commitments and Contingencies

The Clerical Stipendial Plan was donated to the Foundation in December 1984, with the requirement that the donor be paid an annuity of \$50,000 for the rest of her life. The Foundation was required to place \$327,096 in trust and to pledge the stock of Clerical Stipendial Plan, Inc., as security for payment of the annuity. Income from the trust is paid to the Foundation. Should invasion of the trust principal be required to make the annuity payments, earnings shall remain in a bank trust for the benefit of the donor for her lifetime. At the time of the donation, an annuity payable was recorded based on the donor's life expectancy. During fiscal year 1994, this liability became fully paid, and the Foundation began expensing the payments as they were incurred.

Northeast Louisiana University Foundation
Notes to Financial Statements

Year Ended June 30, 1996

During fiscal year 1994, the Foundation was named as a defendant in a lawsuit resulting from a personal injury on property adjacent to Foundation property. The lawsuit is being handled by the insurance carrier. In the event of an unfavorable outcome, the potential claims against the Foundation should be fully covered by insurance.

The Foundation received certain property in April 1995, which included a gas station with underground gasoline tanks. The clean up costs of the tank site is the gas station owner's responsibility. The previous owner of the gas station registered the underground tanks with the Louisiana Department of Environmental Protection and paid annual tank registration fees. Therefore, the clean up costs should be covered by the Louisiana Motor Fuel Underground Storage Tank Trust Fund.

Schedule 1 Date of Issue	Event Details				Interest to 1/1/2015 (100%)
	Category	Subcategory	Number of Mortgages Issued	Outstanding Balance	
001	000	0	0	0	000
002	000	0	0	000	000
003	000	0	0	000	000
004	000	0	0	000	000
005	000	0	0	000	000
006	000	0	0	000	000
007	000	0	0	000	000
008	000	0	0	000	000
009	000	0	0	000	000
010	000	0	0	000	000
011	000	0	0	000	000
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014	000	0	0	000	000
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Continued

Northwest Louisiana University Foundation
Analysis of Endowment Funds
 Year Ended June 30, 1999

Autonomous and Other Endowments	Endowment Growth					Balance at June 30, 1999
	Balance at June 30, 1998	Investment Gains/Loss	Contributions	Other Receipts	Withdrawals and Other Payments	
1) ALL ENDOWMENTS	18,558	0	0	0	0	18,558
2) FUND FOR THE ENDOWMENT	17,588	0	0	0	0	17,588
3) FUND FOR 1999	9,968	0	0	0	0	9,968
4) FUND FOR 2000 TO 2001	1,177	0	0	0	0	1,177
5) FUND FOR 2002 TO 2003	44,175	0	0	0	0	44,175
6) FUND FOR 2004 TO 2005	10,171	0	0	0	0	10,171
7) FUND FOR 2006 TO 2007	0	0	9,800	0	0	9,800
8) FUND FOR 2008 TO 2009	22,872	0	0	0	0	22,872
9) FUND FOR 2010 TO 2011	2,800	0	0	0	0	2,800
10) FUND FOR 2012 TO 2013	10,000	0	100	0	0	10,100
11) FUND FOR 2014 TO 2015	100,000	0	0	0	0	100,000
	214,002	0	9,900	0	0	223,902

Northwest Louisiana University Foundation
 Analysis of Restricted Funds
 For Year Ended June 30, 1998

Account Funds	Balance at June 30, 1997	Revenues	Contributions
ACCOUNTING	14,190	1,433	9,545
BIOLOGY	8,899	1,380	3,998
BOY OF BLSG COHORT	17,600	821	8,717
COLLEGE OF BUSINESS	76,800	8,889	26,828
COMPUTER CENTER	49,823	4,493	0
DANCE & REHEARSAL	17,911	1,914	1,000
DEPT BUS & COACHES	12,081	1,081	6,848
CLINICAL PHARM PRACT	9,816	806	3,895
COLLEGE OF EDUCATION	7,209	1,287	11,388
COMPUTER SCIENCE	12,882	128	1,800
GRAND LIBRARY BLDG	490,210	14,844	29,549
DEGREE LIVR HOME FUN	226,888	24,283	0
FINR ENRICHMENT AC	8,680	1,028	3,288
FACULTY ACAD ENRICH	22,474	4,287	19,800
FACULTY ENRICHMENT	170,220	20,848	0
SETS OF REPEATS/CDN	8,999	880	81
LAMP-BLANKS	14,820	523	12,890
LIBRARY CONFERENCE	580,126	18,040	0
LIBRARY CTR BLDG	88,224	8,248	19,881
LIBRARY BUS SERVICES	16,200	1,808	288
MATHEMATICS DEPT	438	1,220	20,818
MUS CONCERTS	8,240	900	888
MUS PROGRAMS	5,879	890	1,288
NOVIO MORNING PROJ FN	14,868	1,847	62,808
PHARMACOLOGY	0	488	8,208
PROGRAM F AGENCY FD	8,408	418	88,095
PUBLIC PRINC	88,748	8,821	26,877
PRIN- SUMMER TRIP PROJ	0	1,890	8,000
RAAC CAT (P) PROJ/ SOC	121,188	11,578	0
RUNE & APP SOC	11,988	781	841
RESEARCH/CD/ EDUC PROJ	19,747	658	27,195
SCHOOL OF MUSIC	19,875	1,708	8,888
SD4 MUSIC BLSG GROUP	4,887	718	800
TOXICOLOGY PROJ	6,881	1,087	8,000
HORSE REHABILITATION	76,824	188	300
RITR1 DEGREE LAMP BLDG	2,800,000	0	0
OTR/CD PROJ/ BLDG/ F UNDR	88,432	8,298	175,888
OTHER RESEARCH- SCHOLARSH	23,888	0	100,187
LAYTON PARK	11,488	14,288	0
TOTAL	4,243,810	188,979	949,228

Schedule D

Transfers From Other Other Funds	Scholarships	Other Expenses	Balance at June 30, 1995
(4,200)	(500)	82,979	12,027
0	0	22,708	8,597
0	0	87,649	(1,000)
(8,200)	(5,000)	93,336	18,624
0	0	(200)	44,887
0	0	(1,000)	18,500
0	0	(6,400)	6,600
0	0	(4,787)	8,248
0	0	(7,079)	12,087
0	0	(2,754)	8,891
0	0	(21,000)	0
0	0	(500)	258,323
0	0	(6,400)	8,237
0	0	(970)	54,400
0	0	(20,000)	158,000
0	0	(1,000)	8,887
0	0	(24,000)	0,888
0	0	(204,770)	0
(2,000)	0	(29,700)	(4,152)
0	0	(2,000)	(17,800)
0	0	(2,000)	18,788
0	0	(8,000)	1,078
0	0	(2,000)	7,684
0	0	(18,677)	8,473
0	0	(800)	50,800
0	0	(24,448)	767
0	0	(88,770)	24,728
0	0	(78)	8,798
0	0	(47,700)	100,557
0	0	(2,000)	1,286
0	0	(21,888)	8,888
0	(1,400)	(1,000)	18,242
0	0	(200)	3,370
0	0	3,888	11,000
0	0	(2,000)	9,000
0	0	0	2,880,000
2,000	(500)	(82,111)	184,907
(8,000)	(2,100)	(2,377)	71,242
50,878	0	(18,000)	0
(8,200)	(5,500)	(2,700,484)	5,180,000

**Northeast Louisiana University Foundation
 Analysis of Loan Funds
 For Year Ended June 30, 1996**

Loan Funds:

BURBONDIS WELCOME LOAN FUND
 IRELAND EMER LOAN FUND
 LA REXALL LOAN FUND
 MED TECH REY LOAN FUND
 NE LA CRITICAL CARE
 NO MONROE COMM HOSP.

	Balance at June 30, 1995	Revenue	Contributions
	9,285	1,811	0
	480	33	0
	1,169	137	0
	1,872	300	1,250
	481	32	0
	3,374	368	0
	16,661	1,921	1,250

Schedule 3

Transfers From (To) Other Funds	Scholarships	Other Expenses	Balance at June 30, 1996
0	0	(47)	18,249
0	0	(2)	541
0	0	(6)	1,284
0	0	(415)	3,037
0	0	(2)	331
0	0	(38)	3,724
0	0	(483)	19,346