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LSU SHREVEPORT ALUMNI ASSOCIATION

FINANCIAL STATEMENTS

JUNE 30, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity 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 DEC 16 1998 4

LSU SHREVEPORT ALUMNI ASSOCIATION

SHREVEPORT, LOUISIANA

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September 30, 1998

The Board of Directors
LSU Shreveport Alumni Association
One University Place
Shreveport, Louisiana 71115

Independent Auditors' Report

We have audited the accompanying statement of financial position of LSU Shreveport Alumni Association as of June 30, 1998, 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. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of LSU Shreveport Alumni Association as of June 30, 1998, and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

Heard, McElroy + Vestal, LLP

LSU SHREVEPORT ALUMNI ASSOCIATION

STATEMENT OF FINANCIAL POSITION

JUNE 30, 1998

A S S E T S

Current assets:

Cash 6,071

Fixed assets:

Computer equipment, less accumulated
depreciation of \$1,339 649

Total assets 6,720

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable 2,745

Net assets:

Unrestricted 2,970

Temporarily restricted:

Alumni Association Scholarship Fund 1,005

Total net assets 3,975

Total liabilities and net assets 6,720

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

LSU SHREVEPORT ALUMNI ASSOCIATION

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 1998

| | <u>Unrestricted</u> | <u>Temporarily Restricted</u> | <u>Total</u> |
|--|---------------------|-----------------------------------|----------------|
| <u>Revenue:</u> | | | |
| Public support: | | | |
| Contributions | - | 5,040 | 5,040 |
| Special events and fundraising | <u>8,248</u> | <u>5,265</u> | <u>13,513</u> |
| Total public support | 8,248 | 10,305 | 18,553 |
| Other revenue: | | | |
| Membership dues | 6,377 | - | 6,377 |
| Interest | <u>24</u> | <u>249</u> | <u>273</u> |
| Total other revenue | <u>6,401</u> | <u>249</u> | <u>6,650</u> |
| Total revenue | 14,649 | 10,554 | 25,203 |
| <u>Net assets released from restrictions</u> | 30,495 | (30,495) | - |
| <u>Expenses:</u> | | | |
| Program services: | | | |
| Special events and fundraising | 5,187 | - | 5,187 |
| Scholarships | 28,943 | - | 28,943 |
| Newsletter | <u>2,073</u> | <u>-</u> | <u>2,073</u> |
| Total program services | 36,203 | - | 36,203 |
| Supporting services: | | | |
| Depreciation | 398 | - | 398 |
| Postage | 2,946 | - | 2,946 |
| Supplies | 1,268 | - | 1,268 |
| Professional fees | 1,200 | - | 1,200 |
| Miscellaneous | <u>1,077</u> | <u>-</u> | <u>1,077</u> |
| Total supporting services | <u>6,889</u> | <u>-</u> | <u>6,889</u> |
| Total expenses | <u>43,092</u> | <u>-</u> | <u>43,092</u> |
| <u>Change in net assets</u> | 2,052 | (19,941) | (17,889) |
| <u>Net assets, June 30, 1997</u> | 2,868 | 20,946 | 23,814 |
| <u>Prior period adjustment-Note 4</u> | <u>(1,950)</u> | <u>-</u> | <u>(1,950)</u> |
| <u>Net assets, June 30, 1998</u> | <u>2,970</u> | <u>1,005</u> | <u>3,975</u> |

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

LSU SHREVEPORT ALUMNI ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 1998

| | |
|--|---------------|
| <u>Cash flows from operating activities:</u> | |
| Change in net assets | (17,889) |
| Adjustments to reconcile change in net assets to net cash (used) by operating activities: | |
| Depreciation | 398 |
| Prior period adjustment | (1,950) |
| Increase in accounts payable | <u>2,745</u> |
| Total adjustments | <u>1,193</u> |
| Net cash (used) by operating activities | (16,696) |
| | |
| <u>Cash and cash equivalents-beginning of year</u> | <u>22,767</u> |
| | |
| <u>Cash and cash equivalents-end of year</u> | <u>6,071</u> |

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

LSU SHREVEPORT ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1998

1. Summary of Significant Accounting Policies

a. General

The accompanying financial statements of the LSU Shreveport Alumni Association (the Association) have been prepared on the accrual basis of accounting.

The Association is an exempt organization for federal income tax purposes under Section 501(c)(3) of the Internal Revenue Code.

b. Financial statement presentation

The Association has adopted Statement 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 based on the absence or existence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

Unrestricted net assets-Net assets that are not subject to donor-imposed stipulations. Some unrestricted net assets may be designated by the Board for specific purposes.

Temporarily restricted net assets-Net assets subject to donor-imposed stipulations that may or will be met by actions of the Association, and/or by the passage of time.

Permanently restricted net assets-Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. Generally, donors permit all or part of the income earned on these assets to be used for general or specific purposes. There were no permanently restricted net assets of the Association for the year.

The Association has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor-imposed restrictions. 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.

1. Summary of Significant Accounting Policies (Continued)

c. 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 those estimates.

d. Cash equivalents

For purposes of the statement of cash flows, the Association considers all highly liquid investments purchased with maturities of three months or less to be cash equivalents.

2. Description of Programs

Membership Drive - Conducted annually, this program encourages those qualified to join or renew membership in the Association.

Campus Events - The Association sells beverages at major campus events.

Red River Revel - The Association sold LemonChill beverages at this event.

Scholarships - The Association provides scholarship funds for eligible students.

3. Contributed Services

The Association does not recognize any support, revenue or expense from services contributed by volunteers. If any support, revenue or expense were recorded it would be determined based on the difference of any amount paid to an individual and the comparable compensation which would be paid to an individual if they were to occupy these paid positions.

4. Prior Period Adjustment

Certain errors in reporting commissions earned from university license plates in the prior year were corrected this year. This resulted in a decrease in net assets of \$1,950.