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LSU LAW ALUMNI ASSOCIATION

(A Non-profit Organization)

FINANCIAL STATEMENTS

For the Year Ended December 31, 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 MAY 26 1999

William E. DeLoach
Certified Public Accountant

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Independent Auditor's Report

To the Officers and Board of Directors
LSU Law Alumni Association
Baton Rouge, Louisiana

I have audited the accompanying statements of assets and net assets-cash basis of the LSU Law Alumni Association (a non-profit organization) as of December 31, 1998, and the related statements of revenues, expenses, and changes in net assets-cash basis 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. Those 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 statements presentation. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 1, the Association prepares its financial statements on the cash basis. Accordingly, the financial statements are not intended to be presented in conformity with generally accepted accounting principles.

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets and net assets of the LSU Law Alumni Association as of December 31, 1998, and its revenues, and expenses, and the changes in its net assets for the year then ended, in conformity with the basis of accounting described in Note 1.

May 17, 1999


Certified Public Accountant

LSU Law Alumni Association
 Baton Rouge, Louisiana
 A Non-profit Organization

Statement of Assets and Net Assets - Cash Basis
 December 31, 1998

ASSETS	Unrestricted	Permanently Restricted	Total
Current Assets			
Checking	\$ 13,419	\$	\$ 13,419
Savings - Paul M. Hebert Fund		4,453	4,453
Savings - Class of 1931 Fund		695	695
Savings - Agency	671		671
Total Current Assets	<u>14,090</u>	<u>5,148</u>	<u>19,238</u>
Long Term Investments			
Certificates of Deposit		45,500	45,500
Total Long Term Investments		<u>45,500</u>	<u>45,500</u>
Total Assets	<u>\$ 14,090</u>	<u>\$ 50,648</u>	<u>\$ 64,738</u>
NET ASSETS			
Net Assets			
Unrestricted	\$ 14,090	\$	\$ 14,090
Permanently Restricted		50,648	50,648
Total Net Assets	<u>\$ 14,090</u>	<u>\$ 50,648</u>	<u>\$ 64,738</u>

See accompanying footnote disclosures

LSU Law Alumni Association
 Baton Rouge, Louisiana
 A Non-profit Organization

Statement of Revenues, Expenses, and Changes in Net Assets
 Cash Basis
 For the Year Ended December 31, 1998

	Unrestricted	Permanently Restricted	Total
Support & Revenues			
Donations	\$ 20,935	\$	\$ 20,935
Student Fees	880		880
Interest Income	109	2,770	2,879
Net Assets Released from Restrictions	4,691	(4,691)	0
Total Support & Revenues	26,615	(1,921)	24,694
Expenses			
Postage and Printing	8,272		8,272
Dean Hebert Scholarships	2,000		2,000
Class of '31 Scholarships	500		500
LSU Alumni Scholarships	5,000		5,000
Moot Court Awards	725		725
Donation-LSU Foundation		3,471	3,471
Receptions	11,771		11,771
Administrative	1,749		1,749
Portraits	2,495		2,495
Total Expenses	32,512	3,471	35,983
Excess of Expenses over Revenues	(5,897)	(5,392)	(11,289)
Net Assets, Beginning of the Year	19,987	56,040	76,027
Net Assets, End of the Year	\$ 14,090	\$ 50,648	\$ 64,738

See accompanying footnote disclosures

LSU Law Alumni Association
(A Non-profit Organization)

NOTES TO FINANCIAL STATEMENTS

December 31, 1998

Note 1. Summary of Significant Accounting Policies

The financial statements of the LSU Law Alumni Association have been prepared on the cash basis; consequently, certain revenues are recognized when received rather than when earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation

The Association has adopted Statement of Financial Accounting Standards 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.

Income Taxes

The Association is exempt from taxation under Section 501(3) of the Internal Revenue Code and is not a private foundation. There is no provision for federal and state income taxes.

Sources of Revenues & Support

The Association's main source of revenue is from donations. Support received with donor restrictions are recorded as such. Interest income from Association savings accounts, certificates of deposit, and a foreign bond are also reported as permanently restricted. The Association also receives funds from law students as a part of their graduation fees. All revenues are recognized as income in the period collected.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and net assets as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Donated Services

No amounts have been reflected in the financial statements for donated and volunteer services.

Note 2. Donor Restricted Assets

Assets and earnings from those assets listed in the financial statements as permanently restricted by donors are for the purpose of providing scholarships to deserving students.

Note 3. Investments

The Association's investments consist of interest bearing instruments including savings accounts, certificates of deposit, and a foreign bond. All investments are stated at fair market value which is not significantly different from the original cost.

Note 4. Awarding of Scholarships

Funds to award scholarships are transferred from the appropriate permanently restricted accounts to the Association's operating account and then disbursed to the students. Funds awarded in excess of permanently restricted earnings are liquidated from the appropriate restricted accounts and are shown as being released from permanently restricted assets.

Note 4. Concentration Risk

The Association depends upon donations as a major source of revenue which can vary significantly from year to year.

Note 5. Organization and Operation

The purposes and objectives of the Association shall be to foster a spirit of loyalty and fraternalism among the graduates, students, and friends of the Louisiana State University Law Center and to achieve unity of purpose and action among them in promoting the best interests of the Law Center, including, but not limited to, awarding scholarships to deserving students at the Law Center.
