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**LOUISIANA TECH UNIVERSITY
ALUMNI ASSOCIATION, INC.**

FINANCIAL REPORT

JUNE 30, 2003

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 6-16-04

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

FINANCIAL REPORT

JUNE 30, 2003

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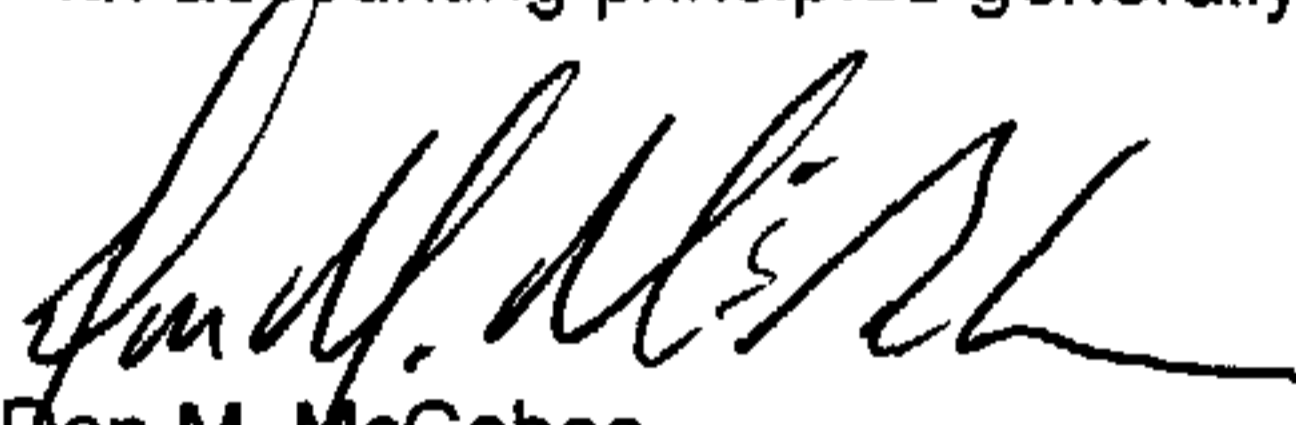
INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Louisiana Tech University Alumni Association, Inc.
T.S. Box 3183
Ruston, Louisiana 71272-0001

I have audited the accompanying statements of financial position of Louisiana Tech University Alumni Association, Inc. as of June 30, 2003 and June 30, 2002, and the related statements of activities and cash flows for the years 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 audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. 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 statement presentation. I believe that my audits provide 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 Louisiana Tech University Alumni Association, Inc. as of June 30, 2003 and June 30, 2002, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the the United States of America.


Don M. McGehee
Certified Public Accountant

December 11, 2003

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.**STATEMENTS OF FINANCIAL POSITION**

AS OF JUNE 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 7,968	\$ 6,487
Investments	82,826	76,458
Prepaid Expenses	<u>10,819</u>	<u>2,254</u>
TOTAL CURRENT ASSETS	101,613	85,199
Equipment - Net of Accumulated Depreciation	<u>26,618</u>	<u>35,417</u>
TOTAL ASSETS	<u>\$ 128,231</u>	<u>\$ 120,616</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 6,829	\$ 9,257
Refundable Advance	<u>0</u>	<u>4,978</u>
TOTAL CURRENT LIABILITIES	<u>6,829</u>	<u>14,235</u>
TOTAL LIABILITIES	<u>6,829</u>	<u>14,235</u>
NET ASSETS		
Unrestricted	120,027	106,381
Temporarily Restricted by Donors for Scholarships	<u>1,375</u>	<u>0</u>
TOTAL NET ASSETS	<u>121,402</u>	<u>106,381</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 128,231</u>	<u>\$ 120,616</u>

See accompanying notes to financial statements.

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
CHANGES IN NET ASSETS:		
UNRESTRICTED NET ASSETS		
Revenues, Support, and Gains		
Alumni Activities and Events	\$ 81,484	\$ 180,253
Contributions	15,875	4,522
Print and Frame Sales	2,090	461
Gain on Trade-In of Asset	0	656
Investment Dividends and Interest	2,932	2,571
Interest Income	236	539
Merchandise and Catalog Sales	15,571	4,541
Membership Dues	106,090	99,898
Lifetime Membership Dues	20,200	16,200
Other Income	120	0
Royalties	1,815	1,766
University Support	205,994	146,316
Unrealized Gains	<u>3,759</u>	<u>0</u>
Total Unrestricted Revenues, Support, and Gains	<u>456,166</u>	<u>457,723</u>
Expenses		
Program Services		
Alumni Activities and Events	265,741	338,329
Alumni News	43,883	81
Billboards	16,924	0
Hall of Distinguished Alumni	56	196
Scholarships	12,750	15,750
Student Activity Promotions	2,728	2,848
Supporting Services		
Administrative Services		
Accounting	4,000	4,000
Building Use	15,360	15,360
Computer Use and Maintenance	15,051	14,723
Office Supplies	1,439	3,027
Other	292	388
Salaries and Benefits	24,960	24,286
Alumni Promotions and Souvenirs	9,308	10,680
Membership Mail Out	14,185	17,039
Cost of Merchandise and Catalog Sales	14,295	3,944
Cost of Print and Frame Sales	1,476	375
Loss on Sale of Asset	72	13
Unrealized Losses	<u>0</u>	<u>5,989</u>
Total Expenses	<u>442,520</u>	<u>457,028</u>
TOTAL INCREASE IN UNRESTRICTED NET ASSETS	<u>13,646</u>	<u>695</u>
TEMPORARILY RESTRICTED NET ASSETS		
Contributions for Scholarships	<u>1,375</u>	<u>0</u>
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	<u>1,375</u>	<u>0</u>
TOTAL INCREASE IN NET ASSETS	15,021	695
NET ASSETS - BEGINNING OF YEAR	<u>106,381</u>	<u>105,686</u>
NET ASSETS - END OF YEAR	\$ <u>121,402</u>	\$ <u>106,381</u>

See accompanying notes to financial statements.

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Members and Others	\$ 239,643	\$ 308,299
Interest Income Received	3,168	3,110
Cash Payments for Goods and Services	<u>(238,648)</u>	<u>(296,345)</u>
Net Cash Provided by Operating Activities	<u>4,163</u>	<u>15,064</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	0	(20,727)
Purchase of Investments	(2,932)	(17,571)
Proceeds from Sale of Investments	<u>250</u>	<u>250</u>
Net Cash Used by Investing Activities	<u>(2,682)</u>	<u>(38,048)</u>
NET INCREASE (DECREASE) IN CASH	1,481	(22,984)
CASH AT BEGINNING OF YEAR	<u>6,487</u>	<u>29,471</u>
CASH AT END OF YEAR	<u>\$ 7,968</u>	<u>\$ 6,487</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Change in Net Assets	\$ 15,021	\$ 695
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	8,800	9,483
(Gain) Loss on Sale/Transfer of Asset	72	(643)
Unrealized (Gain) Loss on Investments	(3,759)	5,989
(Increase) Decrease in Prepaid Expenses	(8,565)	(2,036)
Increase (Decrease) in Accounts Payable	(2,428)	918
Increase (Decrease) in Refundable Advance	<u>(4,978)</u>	<u>658</u>
Total Adjustments	<u>(10,858)</u>	<u>14,369</u>
Net Cash Provided by Operating Activities	<u>\$ 4,163</u>	<u>\$ 15,064</u>

See accompanying notes to financial statements.

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

The Louisiana Tech University Alumni Association, Inc. (Association) is a Louisiana nonprofit corporation chartered on January 10, 1986. This corporation is organized to operate for the following purposes: (a) to advance and strengthen the ties of the alumni to Louisiana Tech University; (b) to encourage attendance, interest, and improvements to Louisiana Tech University; (c) to maintain and administer scholarships, fellowships, and grants to enhance the prestige of the institution, its staff, faculty, and student body; (d) to promote the educational and cultural welfare of the institution and to expand and improve the facilities thereof; and (e) to solicit and accept contributions, grants, bequests, and property for the purpose of carrying out these purposes. The Association is exempt from federal income tax as an organization described in Section 501 (c) (3) of the Internal Revenue Code.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF REVENUE RECOGNITION

The Association recognizes membership dues and lifetime memberships in the period received. Interest income, royalties, service fees, and other income are recognized on the accrual basis. Support and contributions are measured at their fair values. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as a change 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 restricted or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

REFUNDABLE ADVANCE

A refundable advance results from amounts received from sponsors in the current period to offset expenses for a specific event to take place in the next period. The sponsor will be refunded his contribution if the event is canceled. These amounts are considered to have a donor-imposed condition and are accounted for as a refundable advance until the condition is met.

DONATED GOODS, SERVICES, COMPUTERS, AND FACILITIES

A number of volunteers have donated their time to the Association's program services and to the fund-raising campaigns during the year; however, these donated services are not reflected in the financial statements since the services do not require specialized skills. Donated professional services, goods, use of computers, and use of facilities are reflected in the statement of activities at their fair values.

EQUIPMENT AND DEPRECIATION

Equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which is three to five years.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on hand, cash held in checking and savings accounts, and certificates of deposit with maturities of less than 90 days. Management believes the Association is not exposed to any significant credit risk on cash and cash equivalents.

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2003

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS

The Association has adopted SFAS No.124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are reflected in the Statement of Activities.

ADVERTISING COSTS

Advertising costs for the year ended June 30, 2003 and 2002 were \$3,663 and \$4,158, respectively, which were expensed as incurred.

COMPARATIVE DATA

Certain amounts for 2002 have been reclassified/restated to conform to the 2003 presentation.

NOTE 2 - CASH

At June 30, 2003 and 2002, the Association has cash totaling \$7,968 and \$6,487, respectively, as follows:

	<u>June 30, 2003</u>	<u>June 30, 2002</u>
Cash on Hand	\$ 3,041	\$ 300
Interest-Bearing Demand Deposits	<u>4,927</u>	<u>6,187</u>
Total	<u>\$ 7,968</u>	<u>\$ 6,487</u>

Deposits are carried at cost which approximates market value. At June 30, 2003 and 2002, the Association has \$14,099 and \$12,414, respectively, in deposits (collected bank balances). The entire June 30, 2003 and 2002 bank balances are secured from risk by federal depository insurance.

NOTE 3 - INVESTMENTS

The following summarizes the Association's investments as of:

	<u>June 30, 2003</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Mutual Funds-Fixed Income	\$ 45,235	\$ 50,170	\$ 50,170
Mutual Funds-Equity	<u>38,927</u>	<u>32,656</u>	<u>32,656</u>
Total	<u>\$ 84,162</u>	<u>\$ 82,826</u>	<u>\$ 82,826</u>
		<u>June 30, 2002</u>	
		<u>Fair Value</u>	<u>Carrying Value</u>
	<u>Cost</u>		
Mutual Funds-Fixed Income	\$ 42,796	\$ 43,602	\$ 43,602
Mutual Funds-Equity	<u>38,757</u>	<u>32,856</u>	<u>32,856</u>
Total	<u>\$ 81,553</u>	<u>\$ 76,458</u>	<u>\$ 76,458</u>

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2003

NOTE 3 - INVESTMENTS (continued)

The following schedule summarizes the investment return on the Association's investments for the years ended:

	June 30, 2003	June 30, 2002
	<u>Unrestricted</u>	<u>Unrestricted</u>
Interest and Dividends	\$ 2,932	\$ 2,571
Realized Gains/(Losses)	(72)	(13)
Unrealized Gains/(Losses)	3,759	(5,989)
Net Investment Return	<u>\$ 6,619</u>	<u>\$ (3,431)</u>

NOTE 4 - EQUIPMENT

At June 30, 2003 and 2002, the costs and related accumulated depreciation of equipment consisted of the following:

	DEPRECIATION <u>LIFE RANGE</u>	<u>2003</u>	<u>2002</u>
Furniture and Equipment	5 - 10 Yrs.	\$ 54,851	\$ 54,852
Less: Accumulated Depreciation		<u>(28,234)</u>	<u>(19,434)</u>
Net		<u>\$ 26,617</u>	<u>\$ 35,418</u>

NOTE 5 - UNIVERSITY SUPPORT

Louisiana Tech University does not charge the Association for the use of facilities, the use of computer equipment, goods provided, and services provided to meet the Association's operating needs because of the benefits they receive from the Association. The Association reflects the fair value of these donated items and services requiring specialized skills in its financial statements as both support and expense. The following schedule summarizes the donated goods, services, computers and facilities for the years ended:

	June 30, 2003	June 30, 2002
Alumni News	\$ 39,643	\$ 0
Scholarships	12,000	0
Program Salaries and Benefits	105,103	97,742
Computer Usage	8,928	8,928
Building Usage	15,360	15,360
Support Salaries and Benefits	24,960	24,286
Total	<u>\$ 205,994</u>	<u>\$ 146,316</u>

NOTE 6 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain expenses have been allocated among the programs and supporting services benefited.