

NICHOLLS STATE UNIVERSITY



ALUMNI FEDERATION

Financial Statements

And

Independent Auditor's Report

June 30, 2004

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 10 - 15 - 04

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Nicholls State University Alumni Federation

**Financial Statements
and
Independent Auditor's Report**

June 30, 2004

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Nicholls State University Alumni Federation

We have audited the accompanying statement of assets, liabilities & net assets - cash basis of the Nicholls State University Alumni Federation as of June 30, 2004, and the related statement of support, revenue, expenses, and changes in net assets - cash basis for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities & net assets of the Nicholls State University Alumni Federation as of June 30, 2004, and its support, revenue, expenses, and changes in its net assets during the year then ended, on the basis of accounting described in Note 1.

Our audit was performed for the purpose of forming an opinion on the financial statements of the Nicholls State University Alumni Federation, taken as a whole. The accompanying graphs, listed as supplemental information in the table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. This accompanying supplemental information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects, in relation to the financial statements taken as a whole.

September 2, 2004

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
STATEMENT OF ASSETS, LIABILITIES, & NET ASSETS
- CASH BASIS
June 30, 2004

ASSETS

CURRENT ASSETS

Cash & cash equivalents	\$ 342,295.42
Cash & cash equivalents - designated	<u>47,313.50</u>
Total Current Assets	<u>\$ 389,611.92</u>

NON-CURRENT ASSETS

Furniture, equipment, & improvements net of accumulated depreciation	<u>\$ 11,198.68</u>
Total Non-Current Assets	<u>\$ 11,198.68</u>

TOTAL ASSETS **\$ 400,800.60**

LIABILITIES AND NET ASSETS

LIABILITIES

Total liabilities **\$ 0.00**

NET ASSETS

Unrestricted:	
Undesignated	\$ 353,487.10
Designated for a specific purpose	<u>47,313.50</u>
Total Net Assets	<u>\$ 400,800.60</u>

TOTAL LIABILITIES AND NET ASSETS **\$ 400,800.60**

See accompanying notes to the financial statements.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
STATEMENT OF REVENUE, SUPPORT, EXPENSES AND
CHANGES IN NET ASSETS - CASH BASIS

For the Year Ended June 30, 2004

UNRESTRICTED NET ASSETS

REVENUE & OTHER SUPPORT

Membership dues	\$ 51,887.81
Colonel's Cabinet dues	2,005.00
Homecoming	5,154.00
Annual Business Meeting	8,060.00
Scholarship-donations	2,350.00
Donated services	70,365.57
Donated occupancy	11,000.00
Student assessments	15,821.45
Interest	<u>3,770.62</u>
Total revenue & other support	<u>\$ 174,424.65</u>

EXPENSES

PROGRAM SERVICES

Director - travel & entertain	\$ 2,667.00
Salaries	70,365.57
Public relations & goodwill	10,257.17
Scholarships - Cliff Gresham	1,600.00
Scholarships - Smitty Knobloch	700.00
Scholarships - Alumni	6,400.00
Scholarships - Top scholar	4,800.00
Student activities	5,400.20
Homecoming	7,821.82
Annual business meeting	3,004.58
Annual meeting awards	3,408.00
Printing - Colonel	4,827.12
Postage - Colonel	7,574.50
Coffee & refreshments	839.09
Donations - campus organizations	3,000.00
Dues & subscriptions	<u>239.64</u>
Total program services	<u>\$ 138,778.13</u>

See accompanying notes to the financial statements.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
STATEMENT OF REVENUE, SUPPORT, EXPENSES AND
CHANGES IN NET ASSETS - CASH BASIS
For the Year Ended June 30, 2004

SUPPORTING SERVICES
GENERAL & ADMINISTRATIVE

Casual labor	\$ 300.00
Office supplies & maintenance	1,305.43
Alumni house supplies & maint.	1,075.43
Telephone	270.32
Professional fees	2,215.00
Advertising	89.00
Insurance	3,715.05
Bank & VISA fees	1,115.21
Miscellaneous expenses	59.00
Depreciation	3,267.00
Occupancy expenses	11,000.00

MEMBERSHIP DEVELOPMENT

Printing & postage - Dues	<u>13,913.78</u>
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Total supporting services \$ 38,436.67

Total expenses \$ 177,215.00

Change in net assets \$ (2,799.33)

NET ASSETS AT JUNE 30, 2003 \$ 400,590.65

NET ASSETS AT JUNE 30, 2004 \$ 400,890.60

See accompanying notes to the financial statements.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2004

NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of organization:

The Nicholls State University Alumni Federation (the Alumni Federation) was organized as a non-profit corporation as defined by Revised Statutes of Louisiana Title 12, Section 101 and is duly inscribed in Book of Charters and Articles of Incorporation No. 4, Page 636, Entry No. 185266. Its object and purpose is to foster, protect, and promote the welfare of Nicholls State University and its alumni.

The significant accounting policies are as follows:

Method of accounting:

In accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations", the Alumni Federation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and Permanently restricted. Because the financial statements are presented on the cash basis of accounting, the Alumni Federation is not required to present a statement of cash flows.

Basis of accounting:

The Alumni Federation's policy is to prepare its financial statements on the cash basis. Using this basis, Revenues and other support are recognized when collected rather than when earned or receivable, and expenses are recognized when paid rather than when incurred. Consequently, the financial statements do not include revenue receivable, amounts due vendors, prepaid expenses, net liabilities for accrued expenses.

Contributions:

In accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made", contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the substance and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

Use of estimates:

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

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2004

NOTE 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES
(continued)

Furniture, equipment, & improvements:

Furniture, equipment, & improvements are carried at historical cost. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. Assets costing more than \$100 are capitalized.

Income tax status:

The Alumni Federation is exempt from income tax under section 501(c)(3) of the Internal Revenue Code.

NOTE 2. CASH AND CASH EQUIVALENTS

In addition to bank accounts, this classification includes all short term investments such as savings accounts, certificates of deposit maturing in one year or less, and money market accounts. These investments are stated at cost which approximate market.

A schedule of cash and cash equivalents follows:

Hibernia Bank

Hibernia Checking - general (interest bearing)	\$ 11,993.94
Hibernia Checking - student (interest bearing)	24,177.31
Hibernia Tower Gold Savings (interest bearing)	184,038.72
Certificates of Deposit	93,141.00

Whitney Bank

Whitney Bank - 8 Knotloch (interest bearing)	7,500.00
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Union Planters Bank

Union Planters - Colonel's Cab (interest bearing)	710.73
Certificate of Deposit - Student Assessment	13,035.50

Berylle Bank

Certificate of Deposit	54,440.00
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\$ 389,511.92

These deposits are stated at cost, which approximates market.

Statement of Financial Accounting Standards No. 105 identifies deposits maintained at financial institutions in excess of federally insured limits as a concentration of credit risk requiring disclosure, regardless of the degree of risk. At June 30, 2004, the Alumni has \$338,757.89 in deposits (collected bank balance). \$127,289.89 of these deposits are secured from risk by FDIC federal deposit insurance. \$211,418.00 of these deposits are not

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2004

NOTE 2. CASH AND CASH EQUIVALENTS (continued)

secured from risk because it exceeds the \$100,000 FDIC limit at Hibernia Bank and there are no pledge of securities owned by the fiscal agent bank.

NOTE 3. FURNITURE, EQUIPMENT, & IMPROVEMENTS

Furniture, equipment and improvements consist of the following:

	Balance 6/30/2003	Additions	Deletions	Balance 6/30/2004
Furniture & Fixtures	\$ 24,127.47	\$ -	\$ -	\$ 24,127.47
Equipment	11,276.99	1,290.06	-	12,566.97
Leasehold Improvements	33,818.80	-	-	33,818.80
	<u>69,223.26</u>	<u>1,290.06</u>	<u>-</u>	<u>70,513.32</u>
Less: Accumulated Depreciation	(58,055.90)	(3,267.00)	-	(61,322.90)
	<u>\$ 13,167.36</u>	<u>\$ (1,976.94)</u>	<u>\$ -</u>	<u>\$ 11,190.42</u>

NOTE 4. UNRESTRICTED NET ASSETS DESIGNATED FOR A SPECIFIC PURPOSE

The Board voluntarily designated all assets obtained through student self assessment to be used exclusively for scholarships and student activities. The Board also voluntarily designated all assets obtained through donations to the Snitty Knobloch account and by Floyd and Susan Lawson to be used exclusively for scholarships. Unrestricted net assets designated for a specific purpose are available for the following purposes at June 30, 2004:

Student Self-Assessment Account - Scholarships and student activities	\$ 37,612.01
Snitty Knobloch Account - Scholarships	7,000.00
Floyd & Susan Lawson Scholarship	2,000.00
Total	<u>\$ 46,612.01</u>

NOTE 5. FUNCTIONAL EXPENSES

Expenses are charged directly to program services, general and administrative, or membership-development categories based on specific identification. There are no indirect expenses to be allocated.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2004

NOTE 6. DONATED SERVICES AND FACILITIES

The Alumni Federation receives donated services from Nicholls State University in the form of a full-time executive director and a full-time secretary. Nicholls State University has estimated the approximate cost of providing the donated services to be \$ 70,365.57 and it is included in contributions and expenses in the statement of activities.

The Alumni Federation also occupies office space on the campus of Nicholls State University. The Alumni Federation does not pay any rent. Nicholls State University has estimated the approximate fair value of the annual rental to be \$11,000 and it is included in contributions and expenses in the statement of activities.

NOTE 7. LITIGATION AND CLAIMS

At June 30, 2004 the Alumni Federation had no litigation or claims pending.

SUPPLEMENTAL INFORMATION

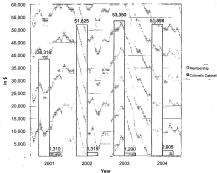
GRAPHS

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION

DUES REVENUE

For the Year Ended June 30, 2004

With Comparative Totals for the Years Ended June 30, 2001, 2003, and 2004

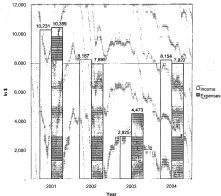


NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION

HOMECOMING INCOME & EXPENSES

For the Year Ended June 30, 2004

With Comparative Totals for the Years Ended June 30, 2001, 2002, and 2003

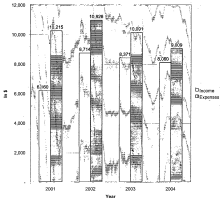


NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION

ANNUAL BUSINESS MEETING INCOME & EXPENSES

For the Year Ended June 30, 2004

With Comparative Totals for the Years Ended June 30, 2001, 2002, and 2003



See Independent Auditor's Report.