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LSU SHREVEPORT ALUMNI ASSOCIATION
FINANCIAL STATEMENTS
JUNE 30, 2004 AND 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 1-12-04

LSU SHREVEPORT ALUMNI ASSOCIATION

SHREVEPORT, LOUISIANA

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October 14, 2004

The Board of Directors
LSU Shreveport Alumni Association
One University Place
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Independent Auditors' Report

We have audited the accompanying statements of financial position of LSU Shreveport Alumni Association as of June 30, 2004 and 2003, 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. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits provide 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, 2004 and 2003, and the change in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

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LSU SHREVEPORT ALUMNI ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2004 AND 2003

| <u>ASSETS</u> | <u>2004</u> | <u>2003</u> |
|---------------------------------------|----------------|----------------|
| <u>Current assets:</u> | | |
| Cash and cash equivalents | 49,069 | 58,573 |
| Due from LSU Shreveport | 812 | - |
| Inventory | 50 | 159 |
| Prepaid expenses | <u>1,465</u> | <u>1,396</u> |
| Total current assets | 51,396 | 60,128 |
| <u>Fixed assets:</u> | | |
| Computer equipment | 1,998 | 1,998 |
| Less-accumulated depreciation | <u>(1,998)</u> | <u>(1,998)</u> |
| Net book value of fixed assets | <u>-</u> | <u>-</u> |
| Total assets | <u>51,396</u> | <u>60,128</u> |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| <u>Liabilities:</u> | | |
| Accounts payable | 23 | 8 |
| Other liabilities | <u>446</u> | <u>-</u> |
| Total liabilities | 469 | 8 |
| <u>Net assets:</u> | | |
| Unrestricted | <u>50,927</u> | <u>60,120</u> |
| Total liabilities and net assets | <u>51,396</u> | <u>60,128</u> |

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

LSU SHREVEPORT ALUMNI ASSOCIATION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2004 AND 2003

| | <u>2004</u> | <u>2003</u> |
|--|---------------|---------------|
| <u>Revenue:</u> | | |
| Public support: | | |
| Special events and fundraising | 47,966 | 43,202 |
| Special events-In Kind Donations-Note 3 | 14,739 | 12,510 |
| Contributed services-Note 3 | <u>360</u> | <u>360</u> |
| Total public support | 63,065 | 56,072 |
| Other revenue: | | |
| Membership dues | 11,766 | 9,685 |
| Miscellaneous income | <u>1,225</u> | <u>995</u> |
| Total other revenue | <u>12,991</u> | <u>10,680</u> |
| Total revenue | 76,056 | 66,752 |
| <u>Expenses:</u> | | |
| Program services: | | |
| Special events and fundraising | 30,906 | 22,376 |
| Scholarships | <u>15,000</u> | <u>6,000</u> |
| Total program services | 45,906 | 28,376 |
| Supporting services: | | |
| Website fees-Note 3 | 360 | 360 |
| Postage and mailing | 8,269 | 1,918 |
| Service charges | 454 | 342 |
| Supplies | 5,644 | 5,298 |
| Professional fees | 1,700 | 1,500 |
| Printing | 7,626 | 5,762 |
| Food and beverages for receptions and board meetings | 7,666 | 5,175 |
| Computer maintenance | 1,689 | 3,234 |
| Miscellaneous | <u>5,935</u> | <u>5,294</u> |
| Total supporting services | <u>39,343</u> | <u>28,883</u> |
| Total expenses | <u>85,249</u> | <u>57,259</u> |
| <u>Change in net assets</u> | (9,193) | 9,493 |
| <u>Net assets, June 30, 2003</u> | <u>60,120</u> | <u>50,627</u> |
| <u>Net assets, June 30, 2004</u> | <u>50,927</u> | <u>60,120</u> |

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

LSU SHREVEPORT ALUMNI ASSOCIATION

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2004 AND 2003

| | <u>2004</u> | <u>2003</u> |
|---|-------------------|-------------------|
| <u>Cash flows from operating activities:</u> | | |
| Change in net assets | (9,193) | 9,493 |
| Adjustments to reconcile change in net assets to net cash (used) provided by operating activities: | | |
| (Increase) in accounts receivable | (812) | - |
| Decrease in inventory | 109 | 427 |
| (Increase) in prepaid expenses | (69) | (1,396) |
| Increase (decrease) in accounts payable | 15 | (3,399) |
| Increase in other liabilities | <u>446</u> | <u>-</u> |
| Total adjustments | <u>(311)</u> | <u>(4,368)</u> |
| Net cash (used) provided by operating activities | (9,504) | 5,125 |
| <u>Cash and cash equivalents-beginning of year</u> | <u>58,573</u> | <u>53,448</u> |
| <u>Cash and cash equivalents-end of year</u> | <u>49,069</u> | <u>58,573</u> |

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

LSU SHREVEPORT ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2004 AND 2003

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. There were no temporarily restricted net assets of the Association as of June 30, 2004 and 2003.

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 as of June 30, 2004 and 2003.

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.

c. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

1. Summary of Significant Accounting Policies (Continued)

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.

e. Deferred revenue

Income from fund raising events not occurring prior to the financial statement date are deferred and recognized as income when the event is held.

2. Description of Programs

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

Annual Golf Classic - The Association holds a golf tournament annually.

Scholarships - The Association provides scholarship funds for eligible students.

3. Contributed Services

SFAS 116 requires recognition of revenue for contribution of services under certain conditions. During the years ended June 30, 2004 and 2003, the Association received services from ShreveNet for the maintenance of its website. Because these services met the conditions set forth in SFAS 116, the Association recognized the fair value of the services in revenue and expense in both 2004 and 2003. The fair value of these services totals \$360 for each fiscal year and includes \$30 per month for maintenance.

In addition, the Association receives in-kind donations of awards, auction items and door prizes for its annual Pilots Golf Classic and Holiday Party. The fair value of these donated items has been recorded as special events in-kind donations revenue and is included in special events and fundraising expense. Total special events in-kind donations were \$14,739 and \$12,510 for the years ended June 30, 2004 and 2003, respectively.