

UNIVERSITY OF LOUISIANA AT MONROE
ALUMNI ASSOCIATION

Financial Statements
For the Years Ended June 30, 2007 and 2006

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 10/24/07



UNIVERSITY OF LOUISIANA AT MONROE
ALUMNI ASSOCIATION
JUNE 30, 2007 AND 2006

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INDEPENDENT AUDITORS' REPORT

Board of Directors
University of Louisiana at Monroe Alumni Association
Monroe, Louisiana

We have audited the accompanying statements of financial position of the University of Louisiana at Monroe Alumni Association as of June 30, 2007 and 2006, 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 the University of Louisiana at Monroe Alumni Association as of June 30, 2007 and 2006, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Cameron, Hines & Hartt (APAC)

West Monroe, Louisiana
October 2, 2007

UNIVERSITY OF LOUISIANA AT MONROE
ALUMNI ASSOCIATION
STATEMENTS OF FINANCIAL POSITION

	<u>June 30,</u>	
	<u>2007</u>	<u>2006</u>
 <u>ASSETS</u>		
Cash and Cash Equivalents	\$ 9,599	\$ 26,934
Investments	272,252	227,177
Accounts Receivable	15,625	7,848
Property and Equipment, Net	1,111	2,467
Art and Collectibles	7,450	7,450
 <u>TOTAL ASSETS</u>	 <u>\$ 306,037</u>	 <u>\$ 271,876</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities</u>		
Accounts Payable	\$ 5,262	\$ 441
 <u>Net Assets</u>		
Unrestricted	144,387	146,568
Temporary Restricted	13,378	11,267
Board Designated Endowment	143,010	113,600
Total Net Assets	300,775	271,435
 <u>TOTAL LIABILITIES AND NET ASSETS</u>	 <u>\$ 306,037</u>	 <u>\$ 271,876</u>

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

UNIVERSITY OF LOUISIANA AT MONROE
ALUMNI ASSOCIATION
STATEMENTS OF ACTIVITIES

	Years Ended	
	June 30,	
	<u>2007</u>	<u>2006</u>
<u>Changes in Unrestricted Net Assets</u>		
Revenues and Gains:		
Contributions	\$ 7,404	\$ 3,016
Alumni Dues	74,950	70,640
Life Memberships	17,100	15,000
Student Fees	15,460	16,958
Special Events	16,559	12,781
Alumni Credit Card Royalty	30,181	33,363
Student Loan Royalty	6,000	-
Chapter Development	14,423	5,489
ULM "31"	-	11,820
Interest	8,732	5,876
Investment Gain (Loss)	19,560	10,827
Non-Cash Contributions	1,017	-
Sponsorships	400	5,200
Miscellaneous	3,182	1,830
Satisfaction of Program Restrictions	74,678	20,230
Total Unrestricted Revenues and Gains	<u>289,646</u>	<u>213,030</u>
Expenses:		
Academic Support	4,000	4,000
University and Sports Promotion and Chapter Development	144,056	100,272
Fund Raising and Promotion	86,504	51,724
Materials and Supplies	11,332	9,111
Management and General	15,169	6,099
Depreciation	1,356	5,196
Total Expenses	<u>262,417</u>	<u>176,402</u>
<u>Increase in Unrestricted Net Assets</u>	<u>27,229</u>	<u>36,628</u>
<u>Changes in Temporarily Restricted Net Assets</u>		
Student Fee Revenue	31,722	-
Sponsorships	18,420	15,388
Event Revenue	26,647	16,109
Net Assets Released From Restrictions	<u>(74,678)</u>	<u>(20,230)</u>
<u>Increase in Temporarily Restricted Assets</u>	<u>2,111</u>	<u>11,267</u>
<u>Increase in Net Assets</u>	<u>29,340</u>	<u>47,895</u>
<u>Net Assets at Beginning of Year</u>	<u>271,435</u>	<u>223,540</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 300,775</u>	<u>\$ 271,435</u>

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

UNIVERSITY OF LOUISIANA AT MONROE
ALUMNI ASSOCIATION
STATEMENTS OF CASH FLOWS

	Years Ended	
	June 30,	
	<u>2007</u>	<u>2006</u>
<u>Cash Flows From Operating Activities</u>		
Increase in Net Assets	\$ 29,340	\$ 47,895
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	1,356	5,196
Increase in Receivables	(7,777)	(114)
Increase (Decrease) in Accounts Payable	4,821	(1,167)
Total Adjustments	<u>(1,600)</u>	<u>3,915</u>
Net Cash Provided by Operating Activities	27,740	51,810
 <u>Cash Flows from Investing Activities</u>		
Increase in Investments	<u>(45,075)</u>	<u>(32,447)</u>
Net Cash Used by Investing Activities	(45,075)	(32,447)
 <u>Net Increase (Decrease) in Cash and Cash Equivalents</u>	(17,335)	19,363
 <u>Cash and Cash Equivalents - Beginning of Year</u>	<u>26,934</u>	<u>7,571</u>
 <u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u>\$ 9,599</u>	<u>\$ 26,934</u>

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

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

Note 1 - Summary of Significant Accounting Policies

A. Nature of Activities

The University of Louisiana at Monroe (ULM) Alumni Association (the Association) is a non-profit organization located in Monroe, Louisiana. The ULM Alumni Association serves to foster a spirit of loyalty and fraternalism among graduates, former students, students and friends of the University of Louisiana at Monroe and to achieve unity of purpose and action in promoting the best interests of the University.

The Association seeks to enlist the volunteer involvement of ULM alumni and friends in support for the University as a means of assisting ULM in reaching its full potential as a teaching, research and service institute of higher education in Louisiana.

The Association endeavors to provide the leadership and support services, through its financial and human resources, which will enhance the University's efforts to satisfy the economic, cultural and educational needs of the region, state, and nation.

B. Use of 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.

C. Basis of Accounting

The financial statements of the University of Louisiana at Monroe Alumni Association have been prepared on the accrual basis and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its *Audit Guide for Not-for-Profit Organizations*.

D. Accounting Pronouncement

In June 1993, the Financial Accounting Standards Board (the FASB) issued Statements of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made* and No. 117, *Financial Statements of Not-for-Profit Organizations*. As of July 1, 1996, the Association adopted both of these pronouncements.

SFAS No. 116 establishes accounting standards for contributions and generally requires unconditional promises to give – including multiyear promises – be recognized at fair value in the period the promise is made. Conditional promises to give are recognized when they become unconditional.

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

Note 1 - Summary of Significant Accounting Policies (continued)

SFAS No. 117 will change the focus of the Association's financial statements from disaggregated reporting by fund groups to reporting on the organization as a whole. The statement requires the Association 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. In addition, the Association has continued to use fund accounting as described below.

E. Financial Statement Classification

The assets, liabilities, and net assets of the Foundation are reported in one class as follows:

Unrestricted – includes all resources to be used in support of the Association's operations at the sole direction of the Association.

Temporarily Restricted -- includes resources received for Wine over Water Fundraiser and 31 Ambassadors. Donations are made specifically for the Wine over Water event and student fees are charged to go specifically to the 31 Ambassadors

Board Designated Endowment -- includes amounts for the Life Members transferred to be invested with the ULM Foundation's assets for higher returns than normally earned with certificates of deposits. The earnings from these funds are transferred from (to) the ULM Alumni Association for current operations. The original amount of the Life Member will not be invaded except through Board of Director approval.

F. Contributions

In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor-imposed restrictions. Contributions are recognized as support when received or when an unconditional promise to give is received.

G. Tax Status

The University of Louisiana at Monroe Alumni Association is a nonprofit corporation exempted from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

H. Functional Allocation of Expenses

The direct costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities. Program services expenses are those directly related to the purposes for which the Alumni Association exists. Supporting services expenses reflect other expenses incurred in operating the programs.

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

Note 1 - Summary of Significant Accounting Policies (continued)

I. Property and Equipment

Property and equipment is recorded at cost or fair market value at date of purchase or donation, respectively. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives range from 5 to 7 years.

J. Facility and Staff

The Association occupies without charge office space in the Anna Gray Noe Alumni Building, which is owned by the University of Louisiana at Monroe. No amount has been reflected in the financial statements for the value of the use of the facility. The University also provides staff for the Association's activities and operations, the cost and value of which is not reflected in these financial statements.

K. Cash Flows

For purposes of the statement of cash flows, the Alumni Association considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Note 2 - Art and Collectibles

Art and collectibles consisted of prints by Glen Gore donated to the Association by the ULM Foundation. The prints are stated at the estimated fair value at the time of donation.

Note 3 - Alumni Credit Card Program

During fiscal 2000, the Association negotiated a credit card program whereby the financial institution agreed to provide VISA and MasterCard services to ULM alumni and friends. The program provides various royalties for new accounts and for purchases made with qualifying cards. Net retail purchases range in royalties from .20% up to 1.0% of the purchase amount. The Alumni Association also receives \$1.00 in royalties for each of the accounts that are opened under the program.

The Association recognized fee income during fiscal 2007 and 2006 as follows:

<u>Income</u>	<u>2007</u>	Year Ended <u>June 30,</u>	<u>2006</u>
Alumni Credit Card Royalty	<u>\$ 30,181</u>		<u>\$ 33,363</u>

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

Note 4 - Temporary Restricted Assets

During fiscal 2006, the Association began receiving contributions and sponsorships specifically dedicated to the Wine over Water event creating the need to account for this event separate from other Alumni activities. At June 30, 2007 and 2006 there was \$10,777 and \$11,267 temporarily restricted for Wine over Water.

During fiscal 2007, the Association began receiving a student fee assessment specifically dedicated to the 31 Ambassadors. At June 30, 2007 there was \$2,601 temporarily restricted for the 31 Ambassadors.

Note 5 - Board Designated Life Member Endowment

During fiscal 1999, the Association through its Board of Directors, established a Life Membership Program. A gift of \$500 per individual qualifies as a life member. Such a member is exempt from future annual dues. At June 30, 2007 and 2006 there were 258 and 219 lifetime members, respectively.

Balance - July 1, 2006	\$ 113,600
Life Member Transfers	15,600
Investment Earnings	21,285
Transfers to Unrestricted	<u>(7,475)</u>
Balance - June 30, 2007	<u>\$ 143,010</u>

Note 6 - Reclassifications

Certain amounts in the June 30, 2006 financial statements have been reclassified to conform to the June 30, 2007 presentation.