

NICHOLLS STATE UNIVERSITY 
ALUMNI FEDERATION

Financial Statements

And

Independent Auditor's Report

June 30, 2005

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 12-28-05



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Nicholls State University Alumni Federation

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

June 30, 2005

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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, and net assets - cash basis of the Nicholls State University Alumni Federation as of June 30, 2005, 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, and net assets of the Nicholls State University Alumni Federation as of June 30, 2005, 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 referred to in the first paragraph 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. The 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.

A handwritten signature in cursive script, appearing to read "T. Kearns".

November 30, 2005

**NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS
- CASH BASIS
June 30, 2005**

ASSETS

CURRENT ASSETS

Cash & cash equivalents	\$ 329,461.64
Cash & cash equivalents - designated	<u>50,538.60</u>
Total Current Assets	<u>\$ 380,000.24</u>

NON-CURRENT ASSETS

Furniture, equipment, & improvements net of accumulated depreciation	<u>\$ 11,063.08</u>
Total Non-Current Assets	<u>\$ 11,063.08</u>

TOTAL ASSETS **\$ 391,063.32**

LIABILITIES AND NET ASSETS

LIABILITIES

Total liabilities	<u>\$ 0.00</u>
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NET ASSETS

Unrestricted:	
Undesignated	\$ 340,524.72
Designated for a specific purpose	<u>50,538.60</u>
Total Net Assets	<u>\$ 391,063.32</u>

TOTAL LIABILITIES AND NET ASSETS **\$ 391,063.32**

See accompanying notes to the financial statements.

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

For the Year Ended June 30, 2005

UNRESTRICTED NET ASSETS

REVENUE & OTHER SUPPORT

Membership dues	\$ 53,855.00
Colonel's Cabinet dues	1,350.00
Homecoming	9,144.52
Annual Business Meeting	6,710.00
Donations	4,760.26
Scholarship donations	1,050.00
Donated services	79,256.56
Donated occupancy	11,000.00
Student assessments	20,399.50
Interest	<u>4,908.00</u>
Total revenue & other support	<u>\$ 192,433.84</u>

EXPENSES

PROGRAM SERVICES

Director - travel & entertain	\$ 1,868.92
Salaries	79,256.56
Public relations & goodwill	14,343.63
Scholarship - Lawson	1,000.00
Scholarships - Cliff Gresham	800.00
Scholarships - Smitty Knobloch	700.00
Scholarships - Alumni	5,600.00
Scholarships - Top scholar	4,800.00
Student activities	3,856.16
Homecoming	9,740.36
Annual business meeting	8,020.38
Annual meeting awards	2,815.52
Printing - Colonel	5,348.16
Coffee & refreshments	1,575.68
Donations - campus organizations	3,000.00
Dues & subscriptions	409.00
Miscellaneous expense	<u>14.25</u>
Total program services	<u>\$ 143,148.62</u>

See accompanying notes to the financial statements.

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

For the Year Ended June 30, 2005

SUPPORTING SERVICES

GENERAL & ADMINISTRATIVE

Casual labor	\$ 765.27
Office supplies & maintenance	990.32
Alumni house supplies & maint	1,578.63
Telephone	194.08
Professional fees	2,215.00
Insurance	3,761.90
Bank & VISA fees	1,277.26
Depreciation	3,104.00
Occupancy expenses	11,000.00

MEMBERSHIP DEVELOPMENT

Printing & postage - Dues	<u>34,136.04</u>
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Total supporting services \$ 59,022.50

Total expenses \$ 202,171.12

Change in net assets \$ (9,737.28)

NET ASSETS AT JUNE 30, 2004 \$ 400,800.60

NET ASSETS AT JUNE 30, 2005 \$ 391,063.32

See accompanying notes to the financial statements.

**NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2005**

**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 539, Entry No. 185698. 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, nor 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 existence 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, 2005**

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

Furniture, equipment, & improvements:

Furniture, equipment, & improvements are carried at historical cost. Donated assets are valued at estimated market value at the time of donation. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. Assets costing more than \$1,000 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:

<u>Hibernia Bank</u>	
Hibernia Checking - general (interest bearing)	\$ 12,778.94
Hibernia Checking - student (interest bearing)	27,772.50
Hibernia Tower Gold Savings (interest bearing)	168,377.42
Certificates of Deposit	94,186.50
<u>Whitney Bank</u>	
Whitney Bank - S Knobloch (interest bearing)	6,857.89
<u>Regions Bank</u>	
Union Planters - Colonel's Cab (interest bearing)	711.16
Certificate of Deposit - Student Assessment	13,908.21
<u>Iberville Bank</u>	
Certificate of Deposit	55,407.62
	<u>\$ 380,000.24</u>

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, 2005, the Alumni had \$382,471.25 in deposits (collected bank balance). \$176,884.88 of these deposits are secured from risk by FDIC federal deposit insurance. \$205,586.37 of these deposits are not

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2005

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.

The cash & cash equivalents - designated amount is made up of the student assessment checking account, Smitty Knobloch account, and donations made by Floyd and Susan Lawson. An explanation of the reasons for designating these amounts can be found in Note 4.

NOTE 3. FURNITURE, EQUIPMENT, & IMPROVEMENTS

Furniture, equipment and improvements consist of the following:

	Balance 6/30/2004	Additions	Deletions	Balance 6/30/2005
Furniture & Fixtures	\$ 24,127.47	\$ 1,080.00	\$ -	\$ 25,207.47
Equipment	12,566.17	1,898.40	-	14,464.57
Leasehold Improvements	33,818.03	-	-	33,818.03
	<u>70,511.67</u>	<u>2,978.40</u>	<u>-</u>	<u>73,490.07</u>
Less: Accumulated Depreciation	(59,322.99)	(3,104.00)	-	(62,426.99)
Total	<u>\$ 11,188.68</u>	<u>\$ (125.60)</u>	<u>\$ -</u>	<u>\$ 11,063.08</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 Smitty 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, 2005:

Student Self-Assessment Account -	
Scholarships and student activities	\$ 41,680.71
Smitty Knobloch Account - Scholarships	6,857.89
Floyd & Susan Lawson Scholarship	<u>2,000.00</u>
Total	<u>\$ 50,538.60</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, 2005

NOTE 6. MEMBERSHIP DUES

The Alumni Federation charges dues to be a member of the federation. The Alumni Federation charges different amounts for the various levels of membership. The member chooses which level he or she would like to be in when paying for the dues. The various levels of membership are: single dues (\$25), dues for a married couple (\$40), dues for a recent graduate (\$15), and colonel cabinet. To be a member of the Colonel Cabinet members have to pay an extra \$50 after they pay to be a member of one of the other categories.

NOTE 7. STUDENT ASSESSMENTS

The Alumni Federation receives student assessment revenue from Nicholls State University. The University charges its students an assessment and passes the charge on to the Alumni Federation. The Alumni Federation deposits this money into a special checking account and only spends this money on things that will benefit the students such as: scholarships and other activities that the Alumni Federation sponsors on campus.

NOTE 8. PROGRAM SERVICES

The Alumni Federation provides program services that benefit both its alumni and current Nicholls State University students. The major program services that the Alumni Federation provides are: scholarships, homecoming activities, and annual business meeting.

The Alumni Federation awards scholarships to current Nicholls State University students. Some of these scholarships come from money donated to the Alumni Federation to create scholarships in the donor's name. The rest of the scholarships come from the Alumni Federation's funds that it awards to students.

Another of the Alumni Federation major programs is the homecoming activities. The activities are centered on the Nicholls State University's homecoming football game. Some of the activities that the Alumni Federation provides are the homecoming golf tournament, tennis tournament, buffet, and selling t-shirts. To participate in these activities, participants are charged fees to help offset the costs.

The Alumni Federation also provides for an annual business meeting. At this meeting, the Alumni Federation boils crawfish and its board of directors is chosen. The Alumni Federation sells tickets to attend this meeting to help offset the costs of the boiling the crawfish.

NOTE 9. 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 \$ 79,256.56 and it is included in contributions and expenses in the statement of activities.

**NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2005**

NOTE 9. DONATED SERVICES AND FACILITIES (continued)

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 10. RISK MANAGEMENT

The Alumni Federation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters. The Alumni Federation has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the Alumni Federation's insurance coverage.

NOTE 11. LITIGATION AND CLAIMS

At June 30, 2005 the Alumni Federation had no litigation or claims pending.

SUPPLEMENTAL INFORMATION

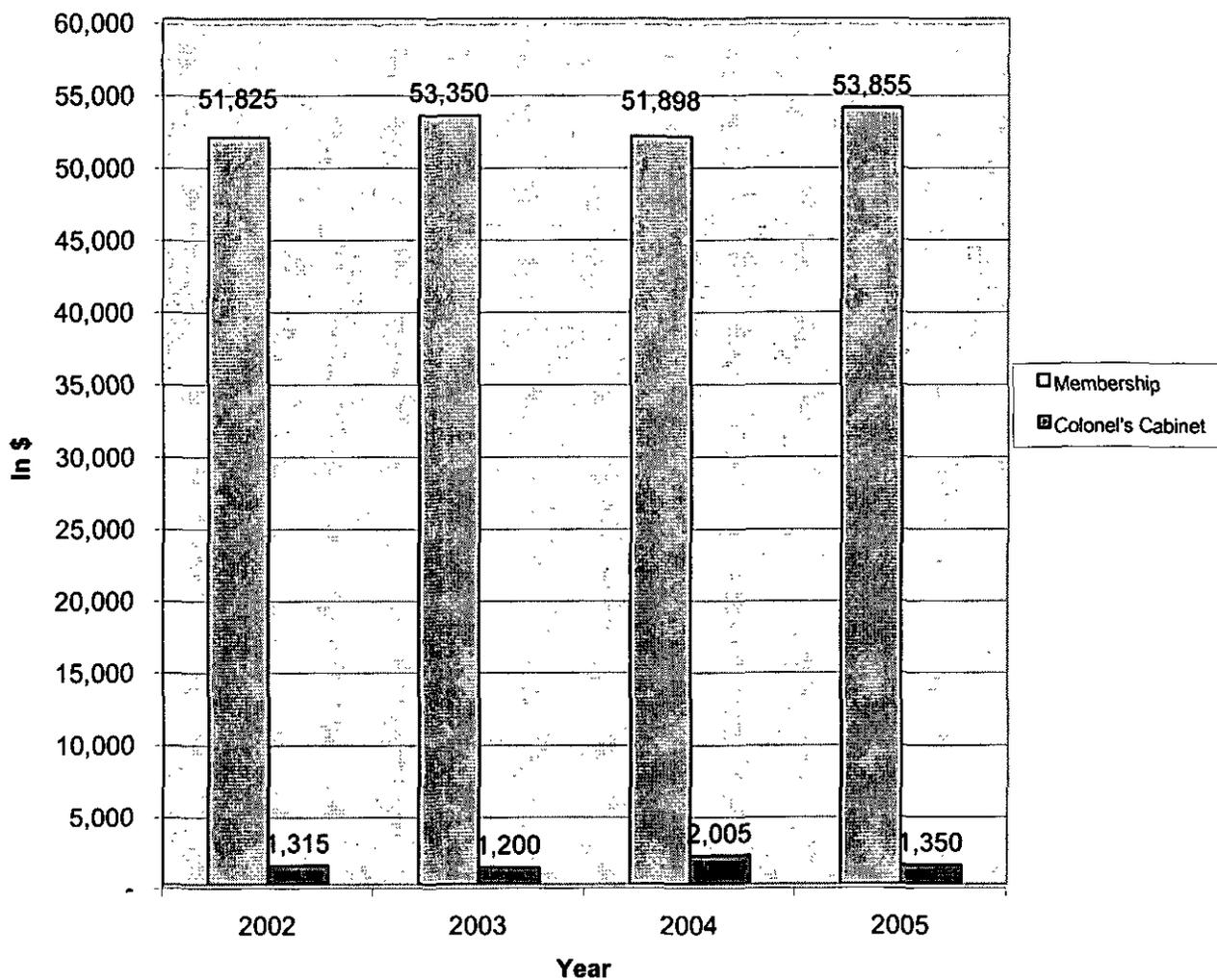
GRAPHS

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION

DUES REVENUE

For the Year Ended June 30, 2005

With Comparative Totals for the Years Ended June 30, 2002, 2003, and 2004



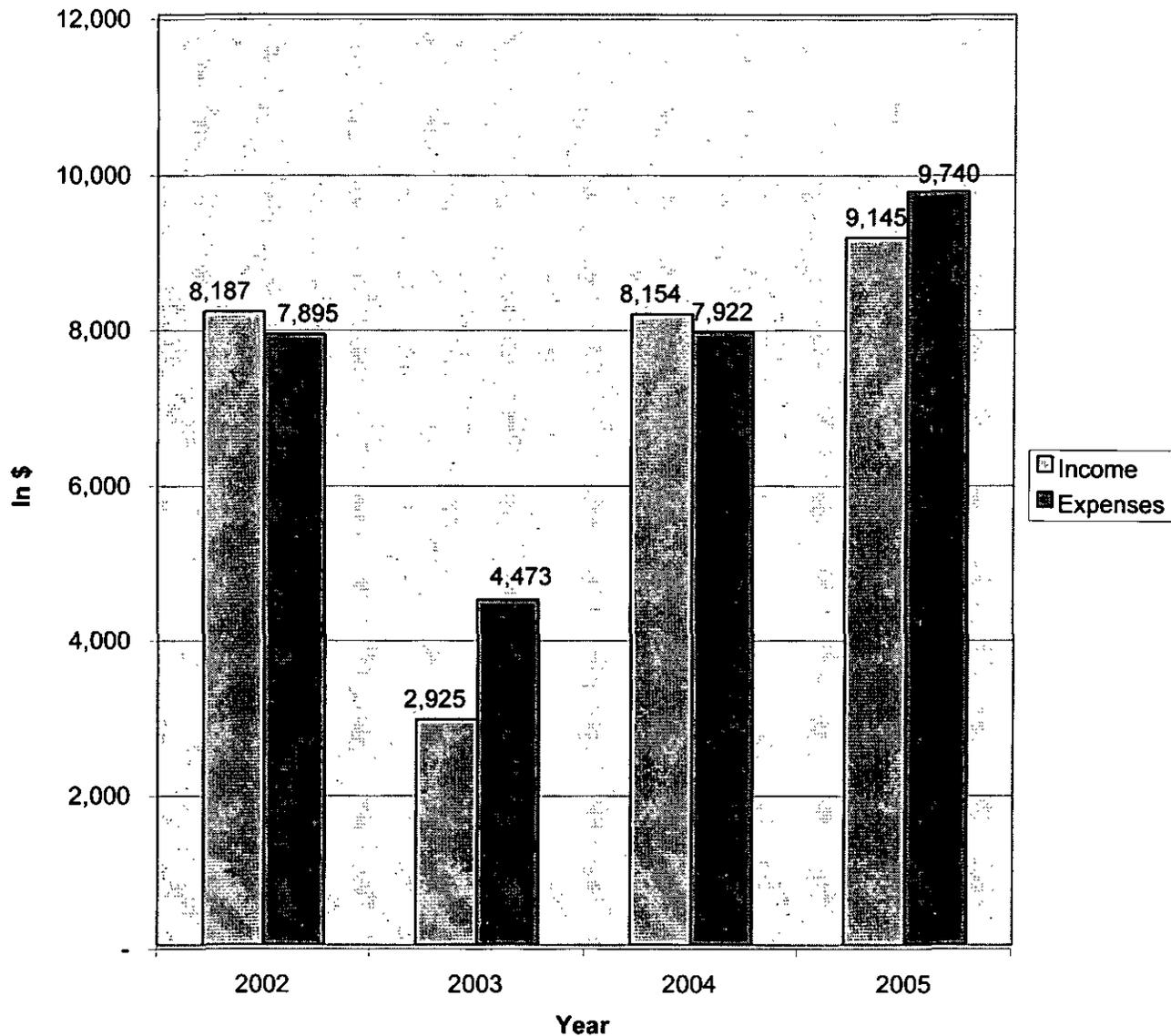
See Independent Auditor's Report.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION

HOMECOMING INCOME & EXPENSES

For the Year Ended June 30, 2005

With Comparative Totals for the Years Ended June 30, 2002, 2003, and 2004



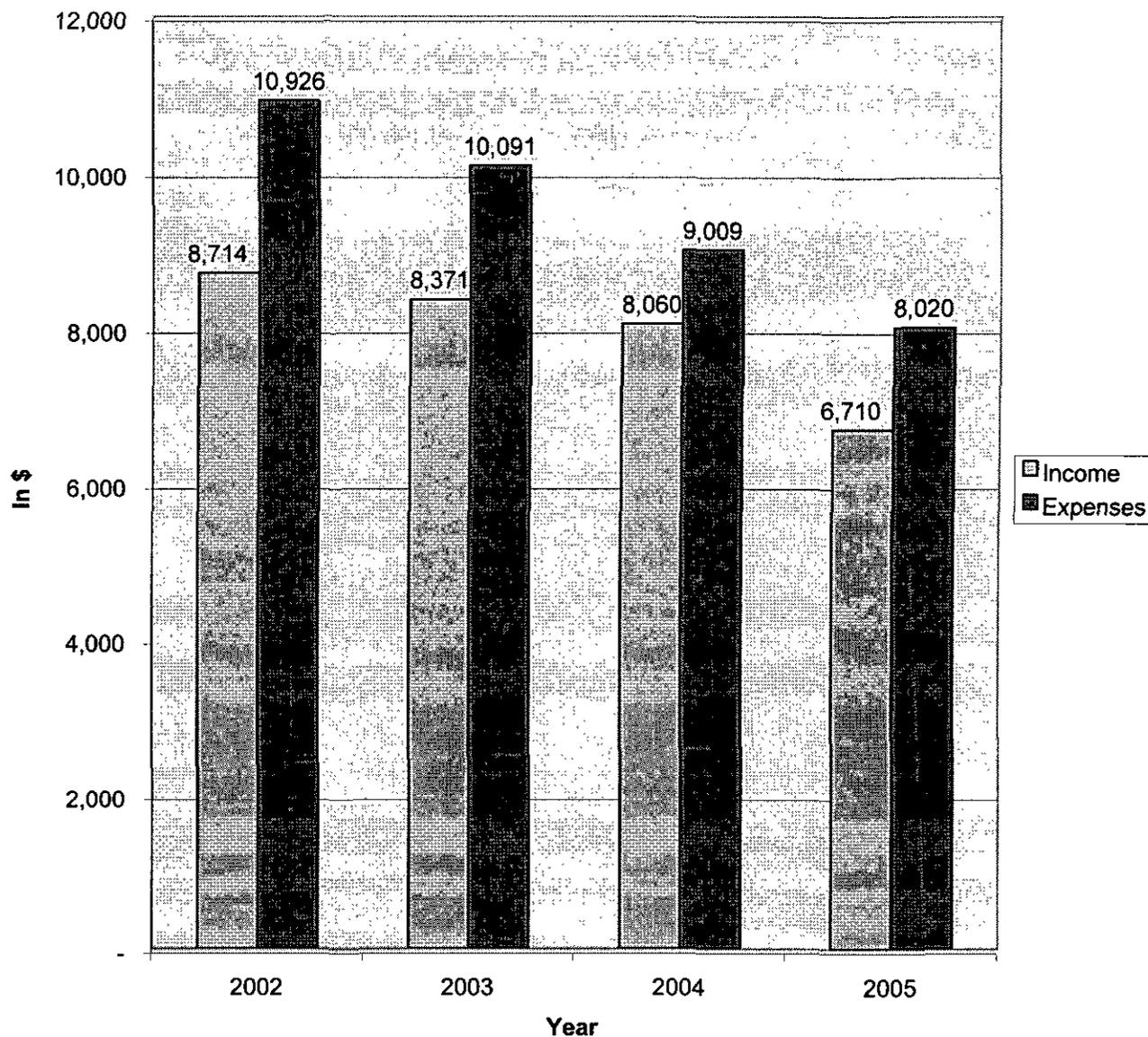
See Independent Auditor's Report.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION

ANNUAL BUSINESS MEETING INCOME & EXPENSES

For the Year Ended June 30, 2005

With Comparative Totals for the Years Ended June 30, 2002, 2003, and 2004



See Independent Auditor's Report.