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

FINANCIAL REPORT

JUNE 30, 2008

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 1/7/09

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.
FINANCIAL REPORT
JUNE 30, 2008

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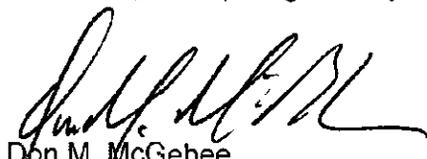
INDEPENDENT AUDITOR'S REPORT

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. (a nonprofit organization), as of June 30, 2008 and June 30, 2007, 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, 2008 and June 30, 2007, and the changes in its 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 19, 2008

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 33,441	\$ 20,154
Investments	141,979	146,166
Prepaid Expenses	<u>1,542</u>	<u>1,741</u>
TOTAL CURRENT ASSETS	176,962	168,061
FIXED ASSETS - Net of Accumulated Depreciation	<u>19,423</u>	<u>23,876</u>
TOTAL ASSETS	<u>\$ 196,385</u>	<u>\$ 191,937</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 3,616	\$ 1,403
Current Maturities of Long-Term Debt	648	7,697
Accrued Interest	5	45
Deferred Revenue	<u>2,775</u>	<u>1,920</u>
TOTAL CURRENT LIABILITIES	7,044	11,065
LONG-TERM DEBT	<u>0</u>	<u>641</u>
TOTAL LIABILITIES	<u>7,044</u>	<u>11,706</u>
NET ASSETS		
Unrestricted	<u>189,341</u>	<u>180,231</u>
TOTAL NET ASSETS	<u>189,341</u>	<u>180,231</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 196,385</u>	<u>\$ 191,937</u>

See accompanying notes to financial statements.

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	2008	2007
CHANGES IN NET ASSETS:		
Revenues, Support, and Gains		
Alumni Activities and Events	\$ 65,011	\$ 56,761
Contributions	1,148	1,145
Print and Frame Sales	973	2,864
Gain on Sale of Investments	52	0
Investment Dividends and Interest	5,070	4,719
Interest Income	1,161	1,656
Merchandise and Catalog Sales	5,707	3,779
Membership Dues	114,400	121,050
Lifetime Membership Dues	30,200	25,400
Other Income	2,594	0
Royalties	1,689	1,962
University Support	252,975	232,733
Unrealized Gains	0	12,004
Total Revenues, Support, and Gains	480,980	464,073
Expenses		
Program Services		
Alumni Activities and Events	308,649	282,267
Alumni News	28,497	30,650
Hall of Distinguished Alumni	171	356
Scholarships	16,000	16,000
Student Activity Promotions	2,116	2,792
Supporting Services		
Administrative Services		
Accounting	5,200	4,900
Building Use	15,360	15,360
Computer Use and Maintenance	11,165	12,103
Office Supplies	2,841	1,488
Other	429	215
Salaries and Benefits	33,403	29,098
Alumni Promotions and Souvenirs	15,375	14,716
Membership Mail Out	20,872	22,237
Cost of Merchandise and Catalog Sales	2,475	0
Cost of Print and Frame Sales	258	3,907
Unrealized Losses	9,059	0
Total Expenses	471,870	436,089
INCREASE IN NET ASSETS	9,110	27,984
NET ASSETS - BEGINNING OF YEAR	180,231	152,247
NET ASSETS - END OF YEAR	\$ 189,341	\$ 180,231

See accompanying notes to financial statements.

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Members and Others	\$ 222,576	\$ 214,441
Interest Income Received	6,231	6,375
Cash Payments for Goods and Services	(197,113)	(192,232)
Interest Payments	(398)	(985)
Net Cash Provided by Operating Activities	31,296	27,599
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	0	(1,174)
Purchase of Computer Software	(5,500)	0
Purchase of Investments	(5,070)	(7,370)
Proceeds from Sale of Investments	250	0
Net Cash Used by Investing Activities	(10,320)	(8,544)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Notes Payable	(7,689)	(7,102)
Net Cash Used by Financing Activities	(7,689)	(7,102)
NET INCREASE (DECREASE) IN CASH	13,287	11,953
CASH AT BEGINNING OF YEAR	20,154	8,201
CASH AT END OF YEAR	\$ 33,441	\$ 20,154
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Change in Net Assets	\$ 9,110	\$ 27,984
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	9,952	8,509
(Gain) Loss on Sale/Transfer of Asset	(52)	0
Unrealized (Gain) Loss on Investments	9,059	(12,004)
(Increase) Decrease in Prepaid Expenses	199	354
Increase (Decrease) in Accounts Payable	2,213	1,314
Increase (Decrease) in Accrued Interest Payable	(40)	(38)
Increase (Decrease) in Deferred Revenue	855	1,480
Total Adjustments	22,186	(385)
Net Cash Provided by Operating Activities	\$ 31,296	\$ 27,599

See accompanying notes to financial statements.

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

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.*

DEFERRED REVENUE

Deferred revenue results from the collection of ticket sale proceeds in the current period in which the event is to occur in the next period and from sales of merchandise in the current period which will be purchased and available for delivery in a subsequent period. These unearned amounts are reported as deferred revenue until they meet the criteria (i.e., occurrence or purchase) for revenue recognition.

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.

FIXED ASSETS AND DEPRECIATION

Fixed assets are 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, 2008

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, 2008 and 2007 were \$1,708 and \$3,282, respectively, which were expensed as incurred.

NOTE 2 - CASH

At June 30, 2008 and 2007, the Association has cash totaling \$33,441 and \$20,154, respectively, as follows:

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Cash on Hand	\$ 300	\$ 300
Interest-Bearing Demand Deposits	<u>33,141</u>	<u>19,854</u>
Total	<u>\$ 33,441</u>	<u>\$ 20,154</u>

Deposits are carried at cost which approximates market value. At June 30, 2008 and 2007, the Association has \$39,384 and \$27,033, respectively, in deposits (collected bank balances). The entire June 30, 2008 and 2007 bank balances are secured by federal depository insurance.

NOTE 3 - INVESTMENTS

The following summarizes the Association's investments as of:

	<u>June 30, 2008</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Cash Equivalents	\$ 9	\$ 9	\$ 9
Mutual Funds-Fixed Income	\$ 77,167	\$ 77,803	\$ 77,803
Mutual Funds-Equity	<u>58,965</u>	<u>64,167</u>	<u>64,167</u>
Total	<u>\$ 136,141</u>	<u>\$ 141,979</u>	<u>\$ 141,979</u>
	<u>June 30, 2007</u>		
	<u>Cost</u>	<u>Fair Value</u>	<u>Carrying Value</u>
Cash Equivalents	\$ 0	\$ 9	\$ 9
Mutual Funds-Fixed Income	\$ 73,464	\$ 71,979	\$ 71,979
Mutual Funds-Equity	<u>57,797</u>	<u>74,178</u>	<u>74,178</u>
Total	<u>\$ 131,261</u>	<u>\$ 146,166</u>	<u>\$ 146,166</u>

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 3 - INVESTMENTS (CONTINUED)

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

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
	<u>Unrestricted</u>	<u>Unrestricted</u>
Interest and Dividends	\$ 5,070	\$ 4,719
Realized Gains/(Losses)	52	0
Unrealized Gains/(Losses)	<u>(9,059)</u>	<u>12,004</u>
Net Investment Return	<u>\$ (3,937)</u>	<u>\$ 16,723</u>

NOTE 4 - FIXED ASSETS

At June 30, 2008 and 2007, the costs and related accumulated depreciation of fixed assets consisted of the following:

	<u>DEPRECIATION</u> <u>LIFE RANGE</u>	<u>2008</u>	<u>2007</u>
Furniture and Equipment	5 - 10 Yrs.	\$ 22,949	\$ 17,449
Automobile	5 Yrs.	37,440	37,440
Less: Accumulated Depreciation		<u>(40,966)</u>	<u>(31,013)</u>
Net		<u>\$ 19,423</u>	<u>\$ 23,876</u>

NOTE 5 - LONG-TERM DEBT

Long-term debt at June 30, 2008 and 2007, is as follows:

	<u>2008</u>	<u>2007</u>
A note payable to GMAC with an estimated interest rate of 7.99%, due in 36 monthly installments of \$674 (including principal and interest) to July 14, 2008, secured by security interest in the vehicle.	\$ 648	\$ 8,338
Less: Current Maturities	<u>(648)</u>	<u>(7,697)</u>
Long Term Debt, Net of Current Maturities	<u>\$ 0</u>	<u>\$ 641</u>

The annual debt service requirements for all debt outstanding as of June 30, 2008, are as follows:

	<u>Principal</u>	<u>Interest</u>
2009	\$ 648	\$ 5

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2008

NOTE 6 - 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:

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Alumni News	\$ 24,219	\$ 30,242
Program Salaries and Benefits	171,065	149,105
Computer Usage	8,928	8,928
Building Usage	15,360	15,360
Support Salaries and Benefits	<u>33,403</u>	<u>29,098</u>
Total	<u>\$ 252,975</u>	<u>\$ 232,733</u>

NOTE 7 - 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.