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LSU SHREVEPORT ALUMNI ASSOCIATION
FINANCIAL STATEMENTS
JUNE 30, 2008 AND 2007

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.

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LSU Shreveport Alumni Association
Shreveport, Louisiana

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Certified Public Accountants

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Independent Auditors' Report

To the Board of Directors
LSU Shreveport Alumni Association
Shreveport, Louisiana

We have audited the accompanying statement of financial position of the LSU Shreveport Alumni Association (a nonprofit organization) as of June 30, 2008, and the related statements of activities and cash flows for the year 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 audit. The financial statements of LSU Shreveport Alumni Association as of June 30, 2007, and for the year then ended, were audited by other Auditors whose report dated November 1, 2007, expressed an unqualified opinion on those statements.

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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the LSU Shreveport Alumni Association as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.



Cook & Morehart
Certified Public Accountants
September 23, 2008

LSU Shreveport Alumni Association
Shreveport, Louisiana
Statements of Financial Position
June 30, 2008 and 2007

	2008	2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 22,216	\$ 42,746
Accounts receivable	197	
Inventory	50	246
Prepaid expenses	1,653	1,605
Total current assets	24,116	44,597
Fixed assets:		
Furniture and fixtures	2,810	2,810
Computer equipment		590
Less: accumulated depreciation	(2,248)	(2,080)
Total net fixed assets	562	1,320
 Total Assets	 \$ 24,678	 \$ 45,917
 Liabilities and Net Assets:		
Current liabilities:		
Accounts payable	\$	\$ 58
Other liabilities	461	461
Total current liabilities	461	519
Net assets:		
Unrestricted	13,474	17,021
Temporarily restricted	10,743	28,377
Total net assets	24,217	45,398
 Total Liabilities and Net Assets	 \$ 24,678	 \$ 45,917

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

LSU Shreveport Alumni Association
Shreveport, Louisiana
Statement of Activity
For the Year Ended June 30, 2008

	Unrestricted	Temporarily Restricted	Total
Revenue and Other Support:			
Public support:			
Special events and fund raising	\$ 42,589	\$ 28,213	\$ 70,802
Special events - inkind donations	12,087		12,087
Total public support	<u>54,676</u>	<u>28,213</u>	<u>82,889</u>
Other revenue:			
Membership dues	4,775		4,775
Miscellaneous income	289		289
Total other revenue	<u>5,064</u>		<u>5,064</u>
Net assets released from restrictions:			
Restrictions satisfied by expending funds for the purpose intended	<u>45,847</u>	<u>(45,847)</u>	
Total revenues and other support	<u>105,587</u>	<u>(17,634)</u>	<u>87,953</u>
Expenses:			
Program services - scholarships	13,300		13,300
Special events and fund raising	68,495		68,495
General and administrative:			
Advertising	820		820
Printing	959		959
Software maintenance	1,936		1,936
Subscriptions and memberships	389		389
Postage and mailing	692		692
Miscellaneous	4,004		4,004
Food and beverages for receptions and board meetings	4,564		4,564
Supplies	6,642		6,642
Professional fees	6,575		6,575
Depreciation expense	758		758
Total general and administrative	<u>27,339</u>		<u>27,339</u>
Total expenses	<u>109,134</u>		<u>109,134</u>
Change to net assets	(3,547)	(17,634)	(21,181)
Net assets as of beginning of year	<u>17,021</u>	<u>28,377</u>	<u>45,398</u>
Net assets as of end of year	<u>\$ 13,474</u>	<u>\$ 10,743</u>	<u>\$ 24,217</u>

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

LSU Shreveport Alumni Association
Shreveport, Louisiana
Statement of Activity
For the Year Ended June 30, 2007

	Unrestricted	Temporarily Restricted	Total
Revenue:			
Public support:			
Special events and fund raising	\$ 61,249	\$ 67,877	\$ 129,126
Special events - inkind donations	16,971		16,971
Total public support	<u>78,220</u>	<u>67,877</u>	<u>146,097</u>
Other revenue:			
Membership dues	5,370		5,370
Miscellaneous income	482		482
Total other revenue	<u>5,852</u>		<u>5,852</u>
Net assets released from restrictions	<u>39,500</u>	<u>(39,500)</u>	
Total revenues and other support	<u>123,572</u>	<u>28,377</u>	<u>151,949</u>
Expenses:			
Program services:			
Special events and fund raising	70,156		70,156
Scholarships	20,252		20,252
Total program services	<u>90,408</u>		<u>90,408</u>
Supporting services:			
Postage and mailing	1,026		1,026
Service charges	1,024		1,024
Supplies	3,677		3,677
Professional fees	3,800		3,800
Printing	5,515		5,515
Food and beverages for receptions and board meetings	7,195		7,195
Computer maintenance and website design	12,032		12,032
Depreciation expense	759		759
Miscellaneous	11,441		11,441
Total supporting services	<u>46,469</u>		<u>46,469</u>
Total expenses	<u>136,877</u>		<u>136,877</u>
Change to net assets	(13,305)	28,377	15,072
Net assets as of beginning of year	<u>30,326</u>		<u>30,326</u>
Net assets as of end of year	<u>\$ 17,021</u>	<u>\$ 28,377</u>	<u>\$ 45,398</u>

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

LSU Shreveport Alumni Association
Shreveport, Louisiana
Statements of Cash Flows
For the Years Ended June 30, 2008 and 2007

	2008	2007
Operating Activities		
Change in net assets	\$ (21,181)	\$ 15,072
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	758	759
(Increase) decrease in operating assets:		
Accounts receivable	(197)	
Inventory	196	(166)
Prepaid expenses	(48)	(40)
Increase (decrease) in operating liabilities:		
Accounts payable	(58)	22
Net cash provided by (used in) operating activities	(20,530)	15,647
Cash and cash equivalents as of beginning of year	42,746	27,099
Cash and cash equivalents as of end of year	\$ 22,216	\$ 42,746

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

LSU Shreveport Alumni Association
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2008 and 2007

(1) Summary of Significant Accounting Policies

A. Nature of Activities

LSU Shreveport Alumni Association ("Association") is a 501(c)3 nonprofit organization incorporated under the laws of the State of Louisiana. The Association supports the mission of Louisiana State University in Shreveport ("LSUS"). The Association provides funds for scholarships, helps promote enrollment, supports the continuation and expansion of programs at LSUS, and encourages community involvement through financial contributions and cooperative events with community and civic organizations.

A description of the Association's programs are as follows:

Membership Drive – Conducted annually, to encourage those qualified to join or renew membership in the Association.

Annual Golf Classic – A golf tournament is held annually as part of the Association's fund raising efforts.

Scholarships – The Association provides funds to the LSU in Shreveport Foundation, Inc. to provide for scholarships for eligible students.

B. Basis of Accounting

The financial statements of the Association have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

C. Basis of Presentation

Financial statement presentation follows the requirements of 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.

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, 2008 and 2007.

D. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

(Continued)

LSU Shreveport Alumni Association
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2008 and 2007
(Continued)

E. Cash and Cash Equivalents

Cash equivalents, as stated for cash flow purposes, consist of non-interest bearing bank accounts and short term highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

F. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset. Minor additions and renewals are expensed in the year incurred, the estimated useful life of the assets being depreciated is as follows:

Computer equipment – 3 years
Furniture and fixtures – 5 years

Depreciation expense for the years ended June 30, 2008 and 2007 was \$758 and \$759, respectively.

G. Revenue and Support

Donations and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished) in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

H. Income Tax Status

The Association is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the organization's tax-exempt purpose is subject to taxation as unrelated business income. The Association had no such income during this audit period.

I. In-Kind Donations

The Association receives in-kind donations of noncash items as part of the fund raising activities. The estimated fair value of these donated items have been recorded as special events in-kind donations revenue and included in special events and fund raising expense. In-kind donations for the years ended June 30, 2008 and 2007 were \$12,087 and \$16,971, respectively.

(Continued)

LSU Shreveport Alumni Association
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2008 and 2007
(Continued)

(2) Concentrations of Credit Risk

Financial instruments that potentially subject the Association to concentration of credit risk consist principally of cash. The Association maintains cash balances at a local financial institution. The account at that institution is guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. There were no uninsured balances at that institution at June 30, 2008 and 2007.

(3) Circle of Excellence Plaza

As part of its 2006–2007 Annual Campaign, The LSU in Shreveport Foundation, Inc. ("Foundation") and the Louisiana State University in Shreveport Alumni Association ("Association") introduced its Circle of Excellence Plaza ("Plaza") to be located on the grounds of Louisiana State University in Shreveport ("LSUS"). On October 1, 2006, the Foundation and Association entered into a funds management agreement ("agreement") to specifically delineate the process of receiving, placing into accounts, and disbursing of contributions from donors.

The Foundation and Association secured a pledge of \$150,000 from Dr. Lacy and Edie Williams to fund the initial construction of the Plaza. As of June 30, 2007, the Foundation had received \$75,000 of this pledge with the remaining \$75,000 recorded as a contribution receivable. The remaining \$75,000 was received January 14, 2008. Both contributions were placed in a Foundation account entitled "Williams Circle of Excellence Construction Account" to be used for initial construction and infrastructure costs of the Plaza.

Contributions are received by the Association to inscribe and place bricks, benches, and other naming opportunities in the Plaza. These donations are deposited into an Association account entitled "LSUS Annual Campaign Fund". Twenty-five percent of the proceeds from these donors are directed to a Foundation endowment account entitled "Circle of Excellence Plaza Maintenance Fund" until the balance in the fund reaches \$100,000. When a donor purchases a \$15,000 founding gateway paver, \$10,000 is directed into an endowed scholarship fund based on the wishes of the donor, and \$1,250 (25% of the remaining \$5,000) is directed into the Maintenance Fund.

All remaining amounts from the sales of bricks, benches, and other naming opportunities within the Plaza, after obligations listed above are met, are placed in the LSUS Annual Campaign Fund by the Association to be distributed on an annual basis by the Association's Board of Directors for programs or projects that benefit LSUS.

Per the lease agreement date February 1, 2007 between the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College ("LSU") and the Foundation, LSU is leasing the property on which the Plaza is being constructed to the Foundation for \$100. The Foundation transferred any and all ownership interest to LSUS upon completion of construction and infrastructure of the Plaza on February 15, 2008.

For the year ended June 30, 2007, The Association received \$90,175 in donor contributions for the Plaza, of which twenty-five percent (or \$22,550) was directed to the Foundation's Plaza Maintenance Fund. Additionally, the Association transferred \$30,000 to the Foundation for Plaza construction and spent \$9,248 on annual campaign printing and postage.

For the year ended June 30, 2008, the Association received \$28,213 in donor contributions for the Plaza, of which approximately twenty-five percent (or \$7,150) was directed to the Foundation's Plaza Maintenance Fund. Also, the Association transferred \$14,859 to the Foundation's Plaza Maintenance Fund. Additionally, the Association transferred \$16,685 to the Foundation for Plaza construction and spent \$14,377 on annual campaign materials and supplies.