

UNIVERSITY OF LOUISIANA AT MONROE
ALUMNI ASSOCIATION

Financial Statements
For the Years Ended June 30, 2012 and 2011

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 JUN 05 2013



UNIVERSITY OF LOUISIANA AT MONROE
ALUMNI ASSOCIATION
JUNE 30, 2012 AND 2011

INDEX

| | <u>Page</u> |
|--|-------------|
| Independent Auditors' Report ----- | 1 |
| Statements of Financial Position ----- | 2 |
| Statements of Activities ----- | 3 |
| Statements of Cash Flows ----- | 4 |
| Notes to Financial Statements ----- | 5-9 |

CAMERON, HINES & COMPANY

(A Professional Accounting Corporation)

Certified Public Accountants

104 Regency Place

West Monroe, Louisiana 71291

Mailing Address:

P. O. Box 2474

West Monroe, LA 71294-2474

Phone (318) 323-1717

Fax (318) 322-5121

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, 2012 and 2011, 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, 2012 and 2011, and the changes 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.

Cameron, Hines & Company (APAC)

West Monroe, Louisiana
April 25, 2013

UNIVERSITY OF LOUISIANA AT MONROE
ALUMNI ASSOCIATION
STATEMENTS OF FINANCIAL POSITION

| | June 30, | |
|-----------------------------------|------------|------------|
| | 2012 | 2011 |
| <u>ASSETS</u> | | |
| Cash and Cash Equivalents | \$ 19,734 | \$ 7,691 |
| Investments | 424,823 | 372,366 |
| Prepaid Expenses | 1,500 | - |
| Property and Equipment, Net | - | - |
| Art and Collectibles | 7,450 | 7,450 |
| | \$ 453,507 | \$ 387,507 |
| <u>LIABILITIES AND NET ASSETS</u> | | |
| <u>Liabilities</u> | | |
| Accounts Payable | \$ 11,505 | \$ 5,227 |
| <u>Net Assets</u> | | |
| Unrestricted | 220,045 | 174,448 |
| Temporary Restricted | 31,180 | 26,948 |
| Permanently Restricted | - | - |
| Board Designated Endowment | 190,777 | 180,884 |
| Total Net Assets | 442,002 | 382,280 |
| | \$ 453,507 | \$ 387,507 |

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>2012</u> | <u>2011</u> |
| <u>Changes in Unrestricted Net Assets</u> | | |
| Revenues and Gains: | | |
| Contributions | \$ 69,515 | \$ 61,199 |
| Life Memberships | 11,940 | 9,950 |
| Student Fees | 12,445 | 14,107 |
| Sponsorships | 13,775 | 4,050 |
| Special Events | 12,174 | 8,740 |
| Alumni Credit Card Royalty | 45,000 | 45,000 |
| Miscellaneous Royalties | 8,364 | 8,309 |
| Chapter Development | 23,339 | 17,073 |
| Interest | 4,908 | 4,707 |
| Investment Gain (Loss) | (3,730) | 24,512 |
| Non-Cash Contributions | 528 | 242 |
| Miscellaneous | 1,048 | 2,810 |
| Satisfaction of Program Restrictions | 123,282 | 101,519 |
| Total Unrestricted Revenues and Gains | <u>322,588</u> | <u>302,218</u> |
| Expenses: | | |
| Academic Support | 4,000 | 4,000 |
| University and Sports Promotion and Chapter Development | 112,376 | 115,895 |
| Fund Raising and Promotion | 106,639 | 80,522 |
| Materials and Supplies | 31,599 | 21,889 |
| Management and General | 12,484 | 12,218 |
| Depreciation | - | - |
| Total Expenses | <u>267,098</u> | <u>234,524</u> |
| <u>Increase in Unrestricted Net Assets</u> | <u>55,490</u> | <u>67,694</u> |
| <u>Changes in Temporarily Restricted Net Assets</u> | | |
| Contributions | 300 | - |
| Student Fee Revenue | 29,503 | 36,221 |
| Sponsorships | 55,120 | 33,500 |
| Event Revenue | 42,591 | 36,170 |
| Net Assets Released From Restrictions | (123,282) | (101,519) |
| <u>Increase in Temporarily Restricted Assets</u> | <u>4,232</u> | <u>4,372</u> |
| <u>Changes in Permanently Restricted Net Assets</u> | | |
| Transfer to ULM Athletic Foundation for L-Club | - | (50,060) |
| Investment Gain (Loss) | - | - |
| <u>Increase (Decrease) in Permanently Restricted Assets</u> | <u>-</u> | <u>(50,060)</u> |
| <u>Increase in Net Assets</u> | <u>59,722</u> | <u>22,006</u> |
| <u>Net Assets at Beginning of Year</u> | <u>382,280</u> | <u>360,274</u> |
| <u>NET ASSETS AT END OF YEAR</u> | <u>\$ 442,002</u> | <u>\$ 382,280</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>2012</u> | <u>2011</u> |
| <u>Cash Flows From Operating Activities</u> | | |
| Increase in Net Assets | \$ 59,722 | \$ 22,006 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities: | | |
| Increase in Prepaid Expenses | (1,500) | - |
| Increase (Decrease) in Accounts Payable | 6,278 | (7,845) |
| Total Adjustments | <u>4,778</u> | <u>(7,845)</u> |
| Net Cash Provided by Operating Activities | <u>64,500</u> | <u>14,161</u> |
| <u>Cash Flows from Investing Activities</u> | | |
| Increase in Investments | <u>(52,457)</u> | <u>(28,636)</u> |
| Net Cash Used by Investing Activities | <u>(52,457)</u> | <u>(28,636)</u> |
| <u>Net Increase (Decrease) in Cash and Cash Equivalents</u> | 12,043 | (14,475) |
| <u>Cash and Cash Equivalents - Beginning of Year</u> | <u>7,691</u> | <u>22,166</u> |
| <u>CASH AND CASH EQUIVALENTS - END OF YEAR</u> | <u>\$ 19,734</u> | <u>\$ 7,691</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, 2012 AND 2011

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 Association serves to foster a spirit of loyalty and fraternalism among graduates, former students, students and friends of ULM 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 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**

FASB Accounting Standards Codification (ASC) section 958-205 *Not-for-Profit Entities, Presentation of Financial Statements* establishes standards for external financial reporting by not-for-profit organizations and requires the Association to report information regarding its financial reporting and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. ASC section 958-605 *Not-for-Profit Entities, Revenue Recognition* 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 became unconditional. Also, it requires that 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.

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

Note 1 - Summary of Significant Accounting Policies (continued)

E. Financial Statement Classification

The assets, liabilities, and net assets of the Association 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, 31 Ambassadors and the L-Club. Donations are made specifically for the Wine over Water event and the L-Club. Student fees are charged to go specifically to the 31 Ambassadors. The L-Club was moved to the ULM Athletic Foundation during the year ending June 30, 2011.

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 Association for current operations. The original amount of the Life Member will not be invaded except through Board of Director’s approval.

Permanently Restricted - includes amounts for the L-Club Life Members transferred to be invested with the ULM Foundation’s assets for higher returns than normally earned with certificates of deposits. The original amount of the L-Club Life Member will not be invaded except through the L-Club Board of Director’s approval. These funds were transferred to the ULM Athletic Foundation during the year ending June 30, 2011.

F. Tax Status

The Association is a nonprofit corporation exempted from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made; however, should the Association engage in activities unrelated to its exempt purpose, taxable income could result. The Association had no material unrelated business income for the years ended June 30, 2012 and 2011. The earliest income tax year that are subject to examination is June 30, 2009.

G. 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 Association exists. Supporting services expenses reflect other expenses incurred in operating the programs.

H. 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.

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

Note 1 - Summary of Significant Accounting Policies (continued)

I. Facility and Staff

The Association occupies without charge office space in the Anna Gray Noe Alumni Building, which is owned by ULM. 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.

J. Cash Flows

For purposes of the statement of cash flows, the 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 Association also receives \$1.00 in royalties for each of the accounts that are opened under the program. During the year ending June 30, 2012, the Association discontinued this program.

The Association recognized fee income during fiscal 2012 and 2011 as follows:

| | <u>2012</u> | <u>Year Ended June 30, 2011</u> |
|----------------------------|------------------|---|
| <u>Income</u> | | |
| Alumni Credit Card Royalty | <u>\$ 45,000</u> | <u>\$ 45,000</u> |

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

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 the end of the years June 30, 2012 and 2011, there remained \$0 and \$1,000, respectively, temporarily restricted for Wine over Water.

During fiscal 2007, the Association began receiving a student fee assessment specifically dedicated to the 31 Ambassadors. At the end of the years June 30, 2012 and 2011, there remained \$31,180 and \$25,948, respectively, temporarily restricted for the 31 Ambassadors.

During fiscal 2009, the Association began receiving contributions specifically dedicated to the ULM L-Club. During the year ending June 30, 2011, it was agreed to move the L-Club out of the ULM Alumni Association and into the ULM Athletic Foundation. All remaining funds temporarily restricted for the ULM L-Club were moved during the year. At the end of the years June 30, 2012 and 2011, there remained \$0 temporarily restricted for the L-Club.

Note 5 - Permanently Restricted Assets

During fiscal 2009, the ULM L-Club was transferred from the ULM Foundation to the ULM Alumni books. Funds received for Life Member contributions are considered to be permanently restricted due to fact that only action of the ULM L-Club board of directors can release them. The ULM Foundation transferred \$53,578 during the year ending June 30, 2009.

On July 1, 2010, the ULM L-Club was moved to the ULM Athletic Foundation by transferring the \$50,060 that remained in the ULM L-Club Life Member Endowment at June 30, 2010.

Note 6 - 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 contributions. Transfers are made to unrestricted from net realized earnings in the endowment. At June 30, 2012 and 2011 there were 374 and 350 lifetime members, respectively.

| | |
|----------------------------|-------------------|
| Balance - July 1, 2011 | \$ 180,884 |
| Life Member Transfers | 10,900 |
| Investment Earnings (Loss) | (1,007) |
| Transfers to Unrestricted | _____ - |
| Balance - June 30, 2012 | <u>\$ 190,777</u> |

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

Note 7 - Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

Note 8 - Subsequent Events

Subsequent events have been evaluated through April 25, 2013, which is the day the financial statements were available to be issued. During that time, the ULM L-Club has been moved back under the ULM Alumni Association. No other significant events have occurred since that date that would require disclosure in the financial statements.