

**LSU SHREVEPORT ALUMNI ASSOCIATION**  
**FINANCIAL STATEMENTS**  
**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

11/21/07

LSU SHREVEPORT ALUMNI ASSOCIATION

SHREVEPORT, LOUISIANA

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	i
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Notes to Financial Statements	5-7

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November 1, 2007

The Board of Directors  
LSU Shreveport Alumni Association  
Shreveport, Louisiana

Independent Auditor's Report

We have audited the accompanying statements of financial position of LSU Shreveport 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 LSU Shreveport Alumni Association as of June 30, 2007 and 2006, 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.

*Heard McElroy & Vestal, LLP*

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LSU SHREVEPORT ALUMNI ASSOCIATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2007 AND 2006

<u>ASSETS</u>	<u>2007</u>	<u>2006</u>
<u>Current assets:</u>		
Cash and cash equivalents	42,746	27,099
Inventory	246	80
Prepaid expenses	<u>1,605</u>	<u>1,565</u>
Total current assets	<u>44,597</u>	<u>28,744</u>
<u>Fixed assets: Note 4</u>		
Computer equipment	590	995
Furniture and fixtures	2,810	2,810
<u>Less-accumulated depreciation</u>	<u>(2,080)</u>	<u>(1,726)</u>
Net book value of fixed assets	<u>1,320</u>	<u>2,079</u>
 Total assets	 <u>45,917</u>	 <u>30,823</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities:</u>		
Accounts payable	58	36
Other liabilities	<u>461</u>	<u>461</u>
Total liabilities	<u>519</u>	<u>497</u>
<u>Net assets:</u>		
Unrestricted	17,021	30,326
Temporarily restricted	<u>28,377</u>	<u>-</u>
Total net assets	<u>45,398</u>	<u>30,326</u>
 Total liabilities and net assets	 <u>45,917</u>	 <u>30,823</u>

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

LSU SHREVEPORT ALUMNI ASSOCIATION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>			<u>2006</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>
<u>Revenue:</u>				
Public support:				
Special events and fundraising	61,249	67,877	129,126	64,285
Special events-In Kind Donations-Note 5	16,971	-	16,971	24,786
Contributed services-Note 5	-	-	-	360
Total public support	<u>78,220</u>	<u>67,877</u>	<u>146,097</u>	<u>89,431</u>
Other revenue:				
Membership dues	5,370	-	5,370	6,825
Miscellaneous income	482	-	482	441
Total other revenue	<u>5,852</u>	<u>-</u>	<u>5,852</u>	<u>7,266</u>
Total support and revenue	84,072	67,877	151,949	96,697
<u>Net assets released from restrictions-Note 6</u>	39,500	(39,500)	-	-
<u>Expenses:</u>				
Program services:				
Special events and fundraising	70,156	-	70,156	42,454
Scholarships	20,252	-	20,252	31,389
Total program services	<u>90,408</u>	<u>-</u>	<u>90,408</u>	<u>73,843</u>
Supporting services:				
Website maintenance fees-Note 5	-	-	-	360
Postage and mailing	1,026	-	1,026	6,188
Service charges	1,024	-	1,024	392
Supplies	3,677	-	3,677	8,247
Professional fees	3,800	-	3,800	3,500
Printing	5,515	-	5,515	4,054
Food and beverages for receptions and board meetings	7,195	-	7,195	5,520
Computer maintenance and website design	12,032	-	12,032	2,328
Depreciation expense	759	-	759	759
Miscellaneous	11,441	-	11,441	3,108
Total supporting services	<u>46,469</u>	<u>-</u>	<u>46,469</u>	<u>34,456</u>
Total expenses	<u>136,877</u>	<u>-</u>	<u>136,877</u>	<u>108,299</u>
<u>Change in net assets</u>	(13,305)	28,377	15,072	(11,602)
<u>Net assets at beginning of year</u>	<u>30,326</u>	<u>-</u>	<u>30,326</u>	<u>41,928</u>
<u>Net assets at end of year</u>	<u>17,021</u>	<u>28,377</u>	<u>45,398</u>	<u>30,326</u>

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

LSU SHREVEPORT ALUMNI ASSOCIATION  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>Cash flows from operating activities:</u>		
Change in net assets	15,072	(11,602)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	759	759
<i>(Increase) decrease in assets:</i>		
Inventory	(166)	25
Prepaid expenses	(40)	449
<i>Increase (decrease) in liabilities:</i>		
Accounts payable	22	(16)
Due to LSU in Shreveport	-	(397)
Total adjustments	<u>575</u>	<u>820</u>
Net cash provided (used) by operating activities	15,647	(10,782)
<u>Cash flows from investing activities:</u>		
Purchases of fixed assets	-	(590)
Net cash (used) by investing activities	<u>-</u>	<u>(590)</u>
<u>Increase (decrease) in cash and cash equivalents</u>	15,647	(11,372)
<u>Cash and cash equivalents-beginning of year</u>	<u>27,099</u>	<u>38,471</u>
<u>Cash and cash equivalents-end of year</u>	<u>42,746</u>	<u>27,099</u>

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

LSU SHREVEPORT ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007 AND 2006

1. Nature of Business

The LSU Shreveport Alumni Association ("Association") is a 501(c)(3) nonprofit organization that 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.

2. Summary of Significant Accounting Policies

- a. The financial statements of the LSU Shreveport Alumni Association are prepared on the accrual basis of accounting, under which revenues are recorded when earned, and expenses are recorded when the liability is incurred.

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, 2007 and 2006.

- b. 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-imposed restrictions. Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.
- c. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the 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.

2. Summary of Significant Accounting Policies (Continued)

- d. For purposes of the statement of cash flows, the Association considers all highly liquid investments purchased with maturities of three months or less to be cash equivalents.
- e. The LSU Shreveport Alumni Association qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the financial statements.

3. Description of Programs

*Membership Drive* - Conducted annually, this program encourages those qualified to join or renew membership in the Association.

*Annual Golf Classic* - The Association holds a golf tournament annually.

*Scholarships* - The Association provides scholarship funds for eligible students.

4. Fixed Assets

Fixed assets are depreciated using the straight-line method. Computer equipment is depreciated over 3 years and furniture and fixtures are depreciated over 5 years.

5. Contributed Services

SFAS 116 requires recognition of revenue for contribution of services under certain conditions. During the year ended June 30, 2006, the Association received services from ShreveNet for the maintenance of its website. Because these services met the conditions set forth in SFAS 116, the Association recognized the fair value of the services in revenue and expense in 2006. The fair value of these services totals \$360 for the fiscal year and includes \$30 per month for maintenance. These services were not contributed in 2007.

In addition, the Association receives in-kind donations of awards, auction items and door prizes for its annual Pilots Golf Classic and Holiday Party. The fair value of these donated items has been recorded as special events in-kind donations revenue and is included in special events and fundraising expense. Total special events in-kind donations were \$16,971 and \$24,786 for the years ended June 30, 2007 and 2006, respectively.

6. 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 contribution was placed in a Foundation account entitled "Williams Circle of Excellence Construction Account" to be used for initial construction and infrastructure costs of the Plaza.

6. Circle of Excellence Plaza (Continued)

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 \$50,000. 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 dated 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 and the Association shall transfer any and all ownership interest to LSUS upon completion of construction and infrastructure of the Plaza.

As of June 30, 2007, the Association has 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.