

UNIVERSITY OF LOUISIANA AT MONROE
ALUMNI ASSOCIATION

Financial Statements
For the Years Ended June 30, 2011 and 2010

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 13 2012



UNIVERSITY OF LOUISIANA AT MONROE
ALUMNI ASSOCIATION
JUNE 30, 2011 AND 2010

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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, 2011 and 2010, 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, 2011 and 2010, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Cameron, Hines & Hartt (APAC)

West Monroe, Louisiana
March 30, 2012

UNIVERSITY OF LOUISIANA AT MONROE
ALUMNI ASSOCIATION
STATEMENTS OF FINANCIAL POSITION

	June 30,	
	2011	2010
 <u>ASSETS</u>		
Cash and Cash Equivalents	\$ 7,691	\$ 22,166
Investments	372,366	343,730
Accounts Receivable	-	-
Property and Equipment, Net	-	-
Art and Collectibles	7,450	7,450
 <u>TOTAL ASSETS</u>	 \$ 387,507	 \$ 373,346
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities</u>		
Accounts Payable	\$ 5,227	\$ 13,072
 <u>Net Assets</u>		
Unrestricted	174,448	143,702
Temporary Restricted	26,948	22,576
Permanently Restricted	-	50,060
Board Designated Endowment	180,884	143,936
Total Net Assets	382,280	360,274
 <u>TOTAL LIABILITIES AND NET ASSETS</u>	 \$ 387,507	 \$ 373,346

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,	
	2011	2010
<u>Changes in Unrestricted Net Assets</u>		
Revenues and Gains		
Contributions	\$ 61,199	\$ 58,850
Life Memberships	9,950	8,800
Student Fees	14,107	15,004
Sponsorships	4,050	-
Special Events	8,740	8,025
Alumni Credit Card Royalty	45,000	45,000
Miscellaneous Royalties	8,309	1,350
Chapter Development	17,073	19,771
Interest	4,707	4,605
Investment Gain (Loss)	24,512	13,224
Non-Cash Contributions	242	310
Miscellaneous	2,810	1,535
Satisfaction of Program Restrictions	101,519	110,804
Total Unrestricted Revenues and Gains	302,218	287,278
Expenses		
Academic Support	4,000	6,000
University and Sports Promotion and Chapter Development	115,895	111,903
Fund Raising and Promotion	80,522	85,845
Materials and Supplies	21,889	23,363
Management and General	12,218	8,809
Depreciation	-	117
Total Expenses	234,524	236,037
<u>Increase in Unrestricted Net Assets</u>	67,694	51,241
<u>Changes in Temporarily Restricted Net Assets</u>		
Contributions	-	20,865
Student Fee Revenue	36,221	35,788
Sponsorships	33,500	32,950
Event Revenue	36,170	30,799
Net Assets Released From Restrictions	(101,519)	(110,804)
<u>Increase in Temporarily Restricted Assets</u>	4,372	9,598
<u>Changes in Permanently Restricted Net Assets</u>		
Transfer to ULM Athletic Foundation for L-Club	(50,060)	-
Contributions	-	3,000
Interest Income	-	1,064
Investment Fees	-	(699)
Investment Gain (Loss)	-	4,654
<u>Increase (Decrease) in Permanently Restricted Assets</u>	(50,060)	8,019
<u>Increase in Net Assets</u>	22,006	68,858
<u>Net Assets at Beginning of Year</u>	160,274	291,416
<u>NET ASSETS AT END OF YEAR</u>	\$ 182,280	\$ 360,274

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>2011</u>	<u>2010</u>
<u>Cash Flows From Operating Activities</u>		
Increase in Net Assets	\$ 22,006	\$ 68,858
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	-	117
Decrease in Recevables	-	-
Increase (Decrease) in Accounts Payable	(7,845)	5,110
Total Adjustments	<u>(7,845)</u>	<u>5,227</u>
Net Cash Provided by Operating Activities	14,161	74,085
 <u>Cash Flows from Investing Activities</u>		
Increase in Investments	<u>(28,636)</u>	<u>(75,951)</u>
Net Cash Used by Investing Activities	(28,636)	(75,951)
 <u>Net Decrease in Cash and Cash Equivalents</u>	(14,475)	(1,866)
 <u>Cash and Cash Equivalents - Beginning of Year</u>	<u>22,166</u>	<u>24,032</u>
 <u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u>\$ 7,691</u>	<u>\$ 22,166</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, 2011 AND 2010

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 become 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, 2011 AND 2010

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, 2011 and 2010. The earliest income tax year that are subject to examination is June 30, 2008.

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, 2011 AND 2010

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 10% of the purchase amount. The Association also receives \$1.00 in royalties for each of the accounts that are opened under the program. The Association is guaranteed a minimum of \$45,000 per year.

The Association recognized fee income during fiscal 2011 and 2010 as follows:

<u>Income</u>	<u>2011</u>	<u>Year Ended June 30, 2010</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, 2011 AND 2010

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, 2011 and 2010, there remained \$1,000 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, 2011 and 2010, there remained \$25,948 and \$17,323, 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, 2011 and 2010, there remained \$0 and \$4,253, respectively, temporarily restricted for the L-Club.

Note 5 - Permanently Restricted Assets

During fiscal 2009, the ULM L-Club was transferred from to 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, 2011 and 2010 there were 318 and 301 lifetime members, respectively.

Balance - July 1, 2010	\$ 143,936
Life Member Transfers	9,950
Investment Earnings (Loss)	26,998
Transfers to Unrestricted	_____ -
Balance - June 30, 2011	\$ 180,884

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

Note 7 - **Subsequent Events**

Subsequent events have been evaluated through March 30, 2012, which the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure