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**NORTHWESTERN STATE UNIVERSITY
NATCHITOCHE'S, LOUISIANA
FINANCIAL STATEMENTS
JUNE 30, 2004**

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 10/27/04

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American Institute of Certified Public Accountants - Society of Louisiana Certified Public Accountants

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**NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHE, LOUISIANA
FINANCIAL STATEMENTS
JUNE 30, 2004**

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHEES, LOUISIANA
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JUNE 30, 2004

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Northwestern State University Foundation
Natchitoches, Louisiana

We have audited the accompanying statement of financial position of Northwestern State University Foundation (a non-profit organization), as of June 30, 2004, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 Northwestern State University Foundation, as of June 30, 2004, 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Northwestern State University Foundation taken as a whole. The accompanying supplemental schedule listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Hines, Jackson & Hines
Natchitoches, Louisiana
September 16, 2004

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHES, LOUISIANA
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2004

ASSETS	
Current Assets	
Cash and cash equivalents	\$ 1,151,857
Investments	5,702,452
Other current assets	<u>7,709</u>
Total Current Assets	6,862,018
Other assets	<u>214,232</u>
Total Assets	<u>\$ 7,076,250</u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable	\$ 742,566
Current portion of long-term debt	<u>65,200</u>
Total Current Liabilities	807,766
Long-term Liabilities	
Notes payable, net of current portion	<u>145,395</u>
Total Liabilities	953,161
Net Assets	
Unrestricted	287,301
Temporarily restricted	1,291,916
Permanently restricted	<u>4,543,872</u>
Total Net Assets	<u>6,123,089</u>
Total Liabilities and Net Assets	<u>\$ 7,076,250</u>

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

OPERATING REVENUES	
Student tuition and fees	\$ 12,806
Federal appropriations	0
Federal grants and contracts	0
State and local grants and contracts	0
Non-governmental grants and contracts	0
Sales and services of education departments	0
Hospital income	0
Auxiliary enterprises revenue	0
Other operating revenue	0
Total Operating Revenue	<u>12,806</u>
OPERATING EXPENSES	
Educational and general:	
Instruction	0
Research	0
Public service	0
Academic support	0
Student service	73,265
Institutional support	0
Operations and maintenance of plant	0
Depreciation	0
Scholarships and fellowships	184,362
Auxiliary enterprises - NSU Athletics	476,408
Hospital	0
Other operating expenses	650,224
Total Operating Expenses	<u>1,384,259</u>
Operating Income/(Loss)	(1,371,453)
NON-OPERATING REVENUES/(EXPENSES)	
State appropriations	0
Gifts - contributions	1,608,521
Net investment income/(loss)	520,930
Interest expense	(14,570)
Other non-operating revenues	917,090
Net Non-operating Revenue/(Expenses)	<u>3,031,971</u>
Income/(Loss) before other Revenue, Expenses, Gains and Losses	1,660,518
Capital appropriations	0
Capital grants and gifts	0
Transfers (to)/from NSU	(220,000)
Other additions, net	0
Increase/(Decrease) in Net Assets	<u>1,440,518</u>
Net Assets, Beginning of the year	<u>4,682,571</u>
Net Assets, End of the year	<u>\$ 6,123,089</u>

The accompanying notes are an integral part of this statement.

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHE, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004

CASH FLOWS PROVIDED BY/(USED IN) OPERATING ACTIVITIES	
Change in net assets	\$ 1,440,518
Cash provided by operating activities:	
(Increase)/decrease in operating assets	
Other current assets	11,910
Other assets	(43,728)
Increase/(decrease) in operating liabilities	
Accounts payable	(316,819)
Current maturities of notes payable	<u>(72,025)</u>
Net Cash Provided By/(Used In) Operating Activities	1,019,856
CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES	
Purchase of investments	(809,580)
CASH FLOWS PROVIDED BY/(USED IN) FINANCING ACTIVITIES	
Increase/(decrease) in long-term maturities of notes payable	<u>(59,083)</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	151,193
CASH IN CASH EQUIVALENTS, Beginning of year	<u>1,000,664</u>
CASH IN CASH EQUIVALENTS, End of year	<u>\$ 1,151,857</u>

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHEES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2004

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Northwestern State University Foundation (the Foundation) is a non-profit corporation formed in 1960. Its purpose is to promote the educational and cultural welfare of Northwestern State University (the University) and to aid students in their studies at the University and to solicit and accept funds to achieve the foregoing objectives. The Foundation serves as an umbrella organization for the Northwestern State University Alumni Association and the Northwestern State University Athletic Association, each of which has its own board of directors. Funds for each of these organizations are combined with funds of the Foundation for presentation in these financial statements.

The Foundation qualifies as a tax-exempt organization (an "other than private foundation") under Section 501 (c)(3) of the Internal Revenue Code.

B. Public Support and Revenue

Annual campaign contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor. Unconditional promises to give are recorded as received. Unconditional promises to give, due in the next year, are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. The majority of the promises to give are received from a broad base of contributors as a result of the annual campaign. There are two multi year promises to give recorded. The promise to give year conforms to the fiscal year; therefore, uncollected promises to give at the end of the fiscal year are regarded as uncollectible.

Contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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.

Endowment contributions and investments are permanently restricted by the donor. Investment earnings available for distribution are recorded as unrestricted net assets.

C. Basis of Accounting

The Foundation maintains its accounting records on the accrual basis.

D. Cash and Cash Equivalents

The Foundation considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

E. Investments

Investments are presented in the financial statements at market value. Securities are available for sale.

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHEs, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Contributed Services

The University pays all personnel costs and also provides office space, some furniture and equipment, utilities and telephone charges for the Foundation. The value of these items is not recorded in the financial statements.

G. Collections

Collections consist of non-cash donations of Southern History Journals and Salvador Dali paintings. These items are not recorded in the financial statements.

H. Fixed Assets

The Foundation policy is to expense fixed assets when purchased because the assets are given to Northwestern State University. The University adds the items to their records and maintains the insurance.

I. Estimates

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 2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are summarized as follows:

Interest bearing checking accounts	\$ 229,021
Regular checking accounts	369,887
Money market accounts	<u>552,949</u>
Total	<u>\$ 1,151,857</u>

As of June 30, 2004, the Foundation had \$663,011 in bank deposits. These deposits are secured from risk by \$200,000 of federal deposit insurance (FDIC).

Money market accounts are invested with brokerage firms, and are not secured by FDIC insurance, rather the institution will generally guarantee a purchase at market or bid price. The Foundation uses Edward Jones, AG Edwards, Sunamerica, Bank One Securities, Mainstay Family of Funds, Smith Barney Citigroup, Merrill Lynch, and Hibernia National Bank.

NOTE 3 INVESTMENTS

Investments include certificates of deposits with banks and brokerage firms, mutual funds, U.S. Government Securities, stocks and bonds.

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHEES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

NOTE 3 INVESTMENTS (CONTINUED)

It is estimated that \$150,787 of the amounts invested in certificates of deposit are not covered by FDIC insurance. The Foundation has not had to cash in CD's early, and it is estimated the difference between market value and cost, if any, is not material.

Mutual funds, U.S. Government securities, stocks and bonds are recorded at market value with the exception of Valley Farmers Coop Preferred Stock, which is recorded at cost of \$2,500 since this is not a public traded stock and market is unknown.

A summary follows:

	<u>ALUMNI</u> <u>ASSOCIATION</u>	<u>ATHLETIC</u> <u>ASSOCIATION</u>	<u>NSU</u> <u>FOUNDATION</u>	<u>TOTAL</u>
Certificates of deposit	\$ 56,934	\$ 0	\$ 910,837	\$ 967,771
Mutual Funds				
A.G. Edwards	0	0	697	697
Bank One Securities	0	0	33,421	33,421
Edward Jones	0	63,877	652,718	716,595
Hibernia Nat'l Bank	0	0	442,138	442,138
Sunamerica	<u>99,492</u>	<u>263,161</u>	<u>2,160,736</u>	<u>2,523,389</u>
	99,492	327,038	3,289,710	3,716,240
U.S. Government securities				
Van Kampen - U.S. Gov't Fund	0	0	63,886	63,886
Mainstay Gov't Fund B	0	0	166,765	166,765
Hibernia - U.S. Gov't Fund	<u>0</u>	<u>0</u>	<u>629,124</u>	<u>629,124</u>
	0	0	859,775	859,775
Stocks and Bonds				
Valley Farmers Coop - Preferred Stock, at cost market unknown	0	0	2,500	2,500
Series EE Bonds	0	0	354	354
Ford Motor Credit 7.25%	<u>0</u>	<u>0</u>	<u>155,812</u>	<u>155,812</u>
	0	0	158,666	158,666
Total	<u>\$ 156,426</u>	<u>\$ 327,038</u>	<u>\$ 5,218,988</u>	<u>\$ 5,702,452</u>

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHEs, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

NOTE 4 OTHER CURRENT ASSETS

Other current assets are as follows:

	<u>ALUMNI ASSOCIATION</u>	<u>ATHLETIC ASSOCIATION</u>	<u>NSU FOUNDATION</u>	<u>TOTAL</u>
Interest receivable	\$ 592	\$ 0	\$ 4,235	\$ 4,827
Commissions receivable	<u>2,882</u>	<u>0</u>	<u>0</u>	<u>2,882</u>
Total	<u>\$ 3,474</u>	<u>\$ 0</u>	<u>\$ 4,235</u>	<u>\$ 7,709</u>

NOTE 5 OTHER ASSETS

Other assets are as follows:

Cash value of life insurance (3 policies)	\$ 29,232
Condominiums (Sabine Parish) - recorded at appraised value at time of donation - June 15, 2000.	150,000
Promises to give - multi-year	<u>35,000</u>
Total	<u>\$ 214,232</u>

NOTE 6 ACCOUNTS PAYABLE

Accounts payable consists of trade accounts payable, accrued expenses and endowed professorships and chairs which the Foundation is holding until matching funds are received by the University. The endowed funds will be forwarded to the University at that time.

A summary follows:

	<u>ALUMNI ASSOCIATION</u>	<u>ATHLETIC ASSOCIATION</u>	<u>NSU FOUNDATION</u>	<u>TOTAL</u>
Accounts payable	\$ 0	\$ 22,271	\$ 295	\$ 22,566
Endowed funds				
Ragus Endowed Chair	0	0	400,000	400,000
Schlieder Endowed Chair	0	0	200,000	200,000
Chase Endowed Professorship	0	0	60,000	60,000
Coypu Endowed Professorship	<u>0</u>	<u>0</u>	<u>60,000</u>	<u>60,000</u>
Total	<u>\$ 0</u>	<u>\$ 22,271</u>	<u>\$ 720,295</u>	<u>\$ 742,566</u>

NOTE 7 INCOME TAXES

Federal income tax is paid on unrelated business income. A recent tax court decision ruled that commissions on a credit card program in exchange for the use of its name and logo is not considered unrelated business income for income taxes. Based on this decision, the Foundation does not have a tax liability.

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHEES, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS(CONTINUED)
JUNE 30, 2004

NOTE 8 NOTES PAYABLE

On July 12, 1996, Northwestern Athletic Association borrowed \$160,200 from Exchange Bank & Trust Company, Natchitoches, LA. The note is payable in nine annual installments of \$26,675 with the installment due August 1 of each year. This payment includes interest at 8.75% per annum. The purpose of the loan was to purchase and install four new scoreboards. Contracts were received from six businesses for scoreboard advertisement and pledged as additional collateral on the note. Interest expense was accrued through June 30, 2004. Principal balance on the loan at June 30, 2004, was \$47,578.

On April 1, 2001, Northwestern Athletic Association borrowed \$94,152 from Natchitoches Baseball, Inc. at no interest. Principal balance on the loan at June 30, 2004, was \$49,000.

On October 3, 2001, Northwestern Athletic Association borrowed \$150,000 from Exchange Bank & Trust Company, Natchitoches, Louisiana. The proceeds were used to pay the balance due on the turf at Turpin Stadium. The interest rate is 6.20%. Monthly payments of \$2,636.46 began March 3, 2003, with the last payment due October 3, 2006. Principal balance on the loan at June 30, 2004, was \$103,257. Interest expense was accrued through June 30, 2004.

On October 3, 2002, Northwestern Athletic Association renewed a \$26,081 loan with Exchange Bank & Trust Company, Natchitoches, Louisiana. The proceeds were used to pay for lighting equipment. The interest rate is 6.00%. The note is due October 3, 2004. Interest expense was accrued through June 30, 2004. Principal balance on the loan at June 30, 2004, was \$10,760.

A summary follows:

	<u>CURRENT</u> <u>LIABILITY</u>	<u>LONG-TERM</u> <u>LIABILITY</u>	<u>TOTAL</u>
Exchange Bank & Trust	\$ 22,372	\$ 25,206	\$ 47,578
Natchitoches Baseball, Inc.	7,000	42,000	49,000
Exchange Bank & Trust	25,068	78,189	103,257
Exchange Bank & Trust	<u>10,760</u>	<u>0</u>	<u>10,760</u>
Total	<u>\$ 65,200</u>	<u>\$ 145,395</u>	<u>\$ 210,595</u>

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHE'S, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

NOTE 9 LITIGATION

According to management, the Foundation is not involved in any defensive litigation.

NOTE 10 PENSIONS

The Foundation employs several part-time employees. They are covered under the Social Security System. The University pays all other personnel costs, including pension cost. The value of this as well as other services furnished by the University are not included in the financial statements of the Foundation.

NOTE 11 DONATIONS FROM NORTHWESTERN STATE UNIVERSITY

The Foundation receives donated services, the use of equipment and facilities from Northwestern State University at no charge. The estimated value of these services and facilities is listed below and is not recorded on the books of the Foundation. The estimate as provided by Northwestern State University is the same as the Foundation. A summary of the estimated value of services as provided by the University and the Foundation is as follows:

	Estimated Value As Provided by Northwestern State University
Salaries and related benefits	\$ 80,726
Travel	1,080
Operating services	229
Supplies	0
Capital outlays	0
Other costs	1,448
Total	\$ 83,483

NOTE 12 RESTRICTIONS ON ASSETS

Temporarily restricted net assets are available for the following purposes:

	ALUMNI ASSOCIATION	ATHLETIC ASSOCIATION	NSU FOUNDATION	TOTAL
Centennial Development Scholarships	\$ 84,108	\$ 0	\$ 0	\$ 84,108
Athletic Scholarships	0	3,568	0	3,568
Note payable and other liabilities	0	(232,866)	(295)	(233,161)
Donor restricted gifts for scholarships, assistance to university and other restrictions	0	207,611	1,229,790	1,437,401
Total	\$ 84,108	\$ (21,687)	\$ 1,229,495	\$ 1,291,916

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

NOTE 12 RESTRICTIONS ON ASSETS (CONTINUED)

Permanently restricted net assets consist of endowment funds investments to be held indefinitely, the income from which is expendable to support the following:

<u>Athletic Association</u>	<u>\$ 354,145</u>
<u>NSU Foundation</u>	
A. A. Fredericks	15,000
Advance Student/Parent Alumni	44,696
Alpha Beta Alpha	29,000
Raymond Arthur Scholarship	21,958
Berrian and Cleavie Bailey	25,000
Bank One	54,500
Bankston Family	11,690
Buddy Bonnette	35,000
T. P. Chaplin Memorial	54,000
Dan and Lilly Chase Scholarship	101,000
Ester Cooley	20,000
Coypu Foundation	10,000
Ellis & Melva Coutee	96,765
Sam & Lillian Davis	114,750
DeSoto Parish Housing	150,000
Bill Dodd	10,000
Kenneth Durr	11,500
Ruby Dunkleman	10,000
James Ford	19,176
Eleanor Garbrecht	664,388
General College Scholarship	25,445
Janet Goodwin Scholarship	22,579
Mary Ryan Gresham	26,915
Jewell Powell Jackson	10,000
Pauline Jobe	39,850
John and Jewell Jones	112,827
Ben Johnson Scholarship	61,531
Cary Johnson	20,000
Mimi Jordan	18,135
J. Maxwell Kelley	10,000
John, Thelma and Janet Kyser	112,304
Marion Lofton Memorial	245,953
Magale Music	669,069
Sam & Carmelite Maggio	11,270
John and Jason McCain Memorial	10,000
McCalla/Spencer	<u>10,000</u>
Carry forward	<u>\$ 2,904,301</u>

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHEs, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2004

NOTE 12 RESTRICTIONS ON ASSETS (CONTINUED)

<u>NSU Foundation (Continued)</u>	
Balance forward	\$ 2,904,301
Leroy Miller	27,000
Travis Miller Scholarship	100,000
Charles Monday	36,031
Elizabeth P. Mooney	40,000
Noble Morrison	13,000
S. W. Nelken	12,000
Nichols - Blue Key	10,000
Rader Osborne	11,000
Peoples Bank	10,000
Dick Payne	12,000
Sara Roach/Opal Perot	21,563
Walter Porter	36,010
Allen and Mary Posey	12,815
Clothile Rains	10,184
Chris Roper	10,000
John Ropp	30,252
Zenia Ruffin	10,412
Eloise Sanders	10,483
Corrine Saucier	34,300
Joe Sampite	10,100
Stephanie Shaw/Edward Minor	10,000
John Lewis Sills	10,000
Barry and Shirley Smiley	43,756
C. L. Starnes Scholarship	10,325
Ida Graham Price Strain	12,884
DeEster W. Taylor	15,000
Joseph A. Thomas, M.D.	105,000
Sadie/Red Thomas	10,000
E.P. Watson	10,000
Martin Walker	50,000
Ella T. Ward	200,000
Joe and Narvis Webb	10,000
Jon P. Weyand Memorial	25,000
Gladys Williams/Leonard Farr	50,000
Ora Garland Williams Memorial	10,000
Sue F. Williams	10,000
Woodmen of the World	10,500
Dr. Eleanor Worsley	10,000
All others, less than \$10,000 each	<u>225,811</u>
Total	<u>\$ 4,189,727</u>

SUPPLEMENTAL INFORMATION SCHEDULES

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHE, LOUISIANA
COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2004

	<u>Alumni Association</u>	<u>Athletic Association</u>	<u>NSU Foundation</u>	<u>Total</u>
ASSETS				
Cash in checking accounts	\$ 36,970	\$ 229,023	\$ 332,915	\$ 598,908
Money market accounts	989	9,263	542,697	552,949
Certificates of deposit	56,934	0	910,837	967,771
Mutual fund investments	99,492	327,038	3,289,710	3,716,240
U S Government Securities	0	0	859,775	859,775
Stocks and bonds	0	0	158,666	158,666
Interest receivable	592	0	4,235	4,827
Other assets	<u>2,882</u>	<u>0</u>	<u>214,232</u>	<u>217,114</u>
Total Assets	<u>\$ 197,859</u>	<u>\$ 565,324</u>	<u>\$ 6,313,067</u>	<u>\$ 7,076,250</u>
LIABILITIES				
Accounts payable	\$ 0	\$ 22,271	\$ 720,295	\$ 742,566
Notes payable	<u>0</u>	<u>210,595</u>	<u>0</u>	<u>210,595</u>
Total Liabilities	0	232,866	720,295	953,161
Net Assets				
Unrestricted	113,751	0	173,550	287,301
Temporarily restricted	84,108	(21,687)	1,229,495	1,291,916
Permanently restricted	<u>0</u>	<u>354,145</u>	<u>4,189,727</u>	<u>4,543,872</u>
Total Net Assets	<u>197,859</u>	<u>332,458</u>	<u>5,592,772</u>	<u>6,123,089</u>
Total Liabilities and Net Assets	<u>\$ 197,859</u>	<u>\$ 565,324</u>	<u>\$ 6,313,067</u>	<u>\$ 7,076,250</u>

SCHEDULE 2

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHE, LOUISIANA
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

PUBLIC SUPPORT, REVENUES, AND RECLASSIFICATIONS	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Contributions	\$ 259,524	\$ 673,153	\$ 675,844	\$ 1,608,521
Special events, admissions	0	31,805	0	31,805
Dues and fees	6,806	6,000	0	12,806
Income from investments	6,094	130,064	3,994	140,152
Unrealized gains/(losses) in investments	(34,634)	391,564	23,848	380,778
Scholarships - Named recipients	0	52,840	0	52,840
Fund raising events, commissions	21,262	392,712	0	413,974
General marketing	0	74,168	0	74,168
Sale of items	0	27,061	0	27,061
Other revenues	26,289	269,869	0	296,158
Transfer	25,000	(31,615)	27,699	21,084
Net Assets Released from Restrictions				
Satisfactions of Program Restrictions	<u>1,134,881</u>	<u>(1,134,881)</u>	<u>0</u>	<u>0</u>
Total Public Support, Revenues, and Reclassifications	1,445,222	882,740	731,385	3,059,347
 EXPENSES				
Program services				
Scholarships	184,362	0	0	184,362
NSU-Administrative	12,056	0	0	12,056
Advertisement	486	0	0	486
Awards and plaques	2,729	0	0	2,729
Athletic supplies	44,176	0	0	44,176
Books	73,265	0	0	73,265
Copier rental	5,113	0	0	5,113
Contract labor	3,450	0	0	3,450
Condo expenses	6,743	0	0	6,743
Cultivation	13,209	0	0	13,209
Demon sports network	70,383	0	0	70,383
Equipment	8,699	0	0	8,699
Fund raising	116,789	0	0	116,789
Game tickets	7,725	0	0	7,725
Interest expense	14,570	0	0	14,570
Maintenance service, supplies	4,464	0	0	4,464
Office supplies, postage	3,937	0	0	3,937
Printing	35,101	0	0	35,101
Professional services	13,301	0	0	13,301
Promotional	48,269	0	0	48,269
Vehicle rental	4,759	0	0	4,759
Supplies	9,289	0	0	9,289
Salaries	4,500	0	0	4,500

Other supplemental information.
Presented for purposes of additional analysis.

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHE, LOUISIANA
COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2004

EXPENSES (CONTINUED)	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Program services (Continued)				
Travel	\$ 33,531	\$ 0	\$ 0	\$ 33,531
Other program services expenses	379,169	0	355	379,524
Total Program Services	\$ 1,100,075	\$ 0	\$ 355	1,100,430
Support Services				
Advertisement	195	0	0	195
Cultivation	112,551	0	0	112,551
Equipment	2,076	0	0	2,076
Fund raising expenses	53,301	0	0	53,301
Insurance	10,486	0	0	10,486
Maintenance services, supplies	5,402	0	0	5,402
Office supplies, postage	6,684	0	0	6,684
Professional services	11,172	0	0	11,172
Printing	5,585	0	0	5,585
Promotional	10,863	0	0	10,863
Salaries and payroll taxes	14,786	0	0	14,786
Transfer to NSU	0	0	220,000	220,000
Transfer to Foundation	20,000	0	0	20,000
Transfers to temporarily restricted	0	0	0	0
Transfers to permanently restricted	0	25,000	(25,000)	0
Travel	6,754	0	0	6,754
Capital projects	15,981	0	0	15,981
Other support services expenses	22,107	0	456	22,563
Total Support Services	297,943	25,000	195,456	518,399
Total Expenses	1,398,018	25,000	195,811	1,618,829
Increase/(Decrease) in Net Assets	47,204	857,740	535,574	1,440,518
Net Assets, Beginning of year	240,097	434,176	4,008,298	4,682,571
Net Assets, End of year	\$ 287,301	\$ 1,291,916	\$ 4,543,872	\$ 6,123,089

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHE, LOUISIANA
COMBINING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS	<u>Alumni Association</u>	<u>Athletic Association</u>	<u>NSU Foundation</u>	<u>Total</u>
Contributions	\$ 121,598	\$ 358,290	\$ 1,128,633	\$ 1,608,521
Special events, admissions	0	29,584	2,221	31,805
Dues and fees	6,806	0	6,000	12,806
Income from investments	2,490	7,326	130,336	140,152
Unrealized gains/(losses) in investments	14,208	34,220	332,350	380,778
Scholarships - Named recipients	0	0	52,840	52,840
Fund raising events, commissions	21,262	337,393	55,319	413,974
General Marketing	0	64,168	10,000	74,168
Sale of items	0	15,608	11,453	27,061
Other revenue	22,639	114,717	158,802	296,158
Transfers	0	0	21,084	21,084
Total Public Support, Revenues, and Reclassifications	189,003	961,306	1,909,038	3,059,347
EXPENSES				
Program services				
Scholarships	10,350	0	174,012	184,362
NSU - Administration	0	0	12,056	12,056
Advertisement	486	0	0	486
Awards and plaques	0	1,779	950	2,729
Athletic supplies	0	44,176	0	44,176
Books	0	73,265	0	73,265
Copier rental	0	5,113	0	5,113
Contract labor	0	3,450	0	3,450
Condo expenses	0	0	6,743	6,743
Cultivation	0	11,825	1,384	13,209
Demon sports network, N side	0	70,383	0	70,383
Equipment	0	6,413	2,286	8,699
Fund raising	1	84,049	32,739	116,789
Game tickets	0	7,725	0	7,725
Interest expense	0	14,570	0	14,570
Maintenance service, supplies	0	4,464	0	4,464
Office supplies, postage	28	1,127	2,782	3,937
Printing	193	34,908	0	35,101
Professional services	0	12,813	488	13,301
Promotional	19,826	11,311	17,132	48,269
Vehicle rental	0	4,759	0	4,759
Supplies	0	3,499	5,790	9,289
Salaries	4,500	0	0	4,500
Travel	0	27,210	6,321	33,531
Other expenses, designated	1,944	66,339	311,241	379,524
Total Program Services	\$ 37,328	\$ 489,178	\$ 573,924	\$ 1,100,430

Other supplemental information.
Presented for purposes of additional analysis.

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHE, LOUISIANA
COMBINING STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2004

EXPENSES (CONTINUED)	Alumni Association	Athletic Association	NSU Foundation	Total
Support services				
Advertisement	\$ 0	\$ 0	\$ 195	\$ 195
Cultivation	72,600	10,302	29,649	112,551
Equipment	248	0	1,828	2,076
Fund raising expenses	7,744	45,557	0	53,301
Insurance	0	0	10,486	10,486
Maintenance services, supplies	0	527	4,875	5,402
Office supplies, postage	4,996	949	739	6,684
Professional services	6,187	0	4,985	11,172
Printing	0	0	5,585	5,585
Promotional	0	0	10,863	10,863
Salaries and payroll taxes	0	0	14,786	14,786
Transfer to NSU	0	0	220,000	220,000
Transfer to Foundation	20,000	0	0	20,000
Transfer to temporarily restricted	0	(25,000)	0	(25,000)
Transfer to permanently restricted	0	25,000	0	25,000
Travel	965	1,277	4,512	6,754
Capital projects	0	15,981	0	15,981
Other expense	8,542	472	13,549	22,563
Total Support Services	<u>121,282</u>	<u>75,065</u>	<u>322,052</u>	<u>518,399</u>
Total Expenses	<u>158,610</u>	<u>564,243</u>	<u>895,976</u>	<u>1,618,829</u>
Increase/(Decrease) in Net Assets	30,393	397,063	1,013,062	1,440,518
NET ASSETS, Beginning of year	<u>167,466</u>	<u>(64,605)</u>	<u>4,579,710</u>	<u>4,682,571</u>
NET ASSETS, End of year	<u>\$ 197,859</u>	<u>\$ 332,458</u>	<u>\$ 5,592,772</u>	<u>\$ 6,123,089</u>

NORTHWESTERN STATE UNIVERSITY FOUNDATION
NATCHITOCHE, LOUISIANA
COMBINING STATEMENT OF ACTIVITIES - NSU FORMAT
FOR THE YEAR ENDED JUNE 30, 2004

	Alumni Association	Athletic Association	NSU Foundation	Total
OPERATING REVENUES				
Student tuition and fees	\$ 6,806	\$ 0	\$ 6,000	\$ 12,806
Federal appropriations	0	0	0	0
Federal grants and contracts	0	0	0	0
State and local grants and contracts	0	0	0	0
Non-governmental grants and contracts	0	0	0	0
Sales and services of education departments	0	0	0	0
Hospital income	0	0	0	0
Auxiliary enterprise revenue	0	0	0	0
Other operating revenue	0	0	0	0
Total Operating Revenue	6,806	0	6,000	12,806
OPERATING EXPENSES				
Education and general:				
Instruction	0	0	0	0
Research	0	0	0	0
Public service	0	0	0	0
Academic support	0	0	0	0
Student service	0	73,265	0	73,265
Institutional support	0	0	0	0
Operations and maintenance of plant	0	0	0	0
Depreciation	0	0	0	0
Scholarships and fellowships	10,350	0	174,012	184,362
Auxiliary enterprise - NSU Athletics	0	476,408	0	476,408
Hospital	0	0	0	0
Other operating expenses	148,260	0	501,964	650,224
Total Operating Expenses	158,610	549,673	675,976	1,384,259
Operating Income/(Loss)	(151,804)	(549,673)	(669,976)	(1,371,453)
NON-OPERATING REVENUES/(EXPENSES)				
State appropriations	0	0	0	0
Gifts - contributions	121,598	358,290	1,128,633	1,608,521
Net investment income/(loss)	16,698	41,546	462,686	520,930
Interest expense	0	(14,570)	0	(14,570)
Other non-operating revenues	43,901	561,470	311,719	917,090
Net Non-operating Revenue/(expenses)	182,197	946,736	1,903,038	3,031,971
Income/(loss) before other Revenues, Expenses, Gains and Losses	30,393	397,063	1,233,062	1,660,518
Capital appropriations	0	0	0	0
Capital grants and gifts	0	0	0	0
Transfers (to)/from NSU	0	0	(220,000)	(220,000)
Other additions net	0	0	0	0
Increase/(Decrease), in Net Assets	30,393	397,063	1,013,062	1,440,518
NET ASSETS, Beginning of the year	167,466	(64,605)	4,579,710	4,682,571
NET ASSETS, End of the year	\$ 197,859	\$ 332,458	\$ 5,592,772	\$ 6,123,089