

**Southeastern Louisiana University  
Alumni Association, Inc.**

Financial Report

Year Ended June 30, 2022

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# PEDELAHORE & CO., LLP

*Certified Public Accountants*

## Independent Auditor's Report

To the Board of Directors  
Southeastern Louisiana University Alumni Association, Inc.  
Hammond, Louisiana

### **Opinion**

We have audited the accompanying financial statements of Southeastern Louisiana University Alumni Association, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southeastern Louisiana University Alumni Association, Inc. as June 30, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis For Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Southeastern Louisiana University Alumni Association, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities Of Management For The Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Southeastern Louisiana University Alumni Association, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities For The Audit Of The Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Southeastern Louisiana University Alumni Association, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Southeastern Louisiana University Alumni Association, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## **Report On Summarized Comparative Information**

We have previously audited Southeastern Louisiana University Alumni Association, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 17, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Peddehore + Co, CPA*

Metairie, Louisiana  
September 19, 2022

**Southeastern Louisiana University Alumni Association, Inc.**  
**Statement Of Financial Position**  
June 30, 2022  
(With Comparative Totals for 2021)

	<u>Assets</u>	
	<u>2022</u>	<u>2021</u>
<b>Current Assets</b>		
Cash	\$ 256,762	\$ 249,436
Current portion of receivables, net	1,527	6,038
Due from Southeastern Louisiana University	3,384	18,217
Prepaid expenses	<u>8,647</u>	<u>6,902</u>
Total current assets	<u>270,320</u>	<u>280,593</u>
<b>Noncurrent Assets</b>		
Long-term portion of receivables	<u>300</u>	<u>2,029</u>
	<u>\$ 270,620</u>	<u>\$ 282,622</u>
 <b><u>Liabilities And Net Assets</u></b>  		
<b>Current Liabilities</b>		
Accounts payable	\$ 6,465	\$ 3,316
Due to Southeastern Louisiana University Foundation	1,564	-
Deferred revenue	1,905	-
Deferred membership dues	<u>10,409</u>	<u>11,598</u>
Total current liabilities	<u>20,343</u>	<u>14,914</u>
<b>Long-term Liabilities</b>		
Deferred membership dues	<u>153,225</u>	<u>166,921</u>
<b>Net Assets</b>		
Without donor restrictions	75,792	79,533
With donor restrictions	<u>21,260</u>	<u>21,254</u>
	<u>97,052</u>	<u>100,787</u>
	<u>\$ 270,620</u>	<u>\$ 282,622</u>

The Notes To Financial Statements are an integral part of these statements.

**Southeastern Louisiana University Alumni Association, Inc.**  
**Statement Of Activities And Changes In Net Assets**  
Year Ended June 30, 2022  
(With Comparative Totals for 2021)

	<u>2022</u>		<u>2021</u>	
	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>	<u>Total</u>
<b>Revenue And Other Support</b>				
Membership dues	\$ 13,346	\$ -	\$ 13,346	\$ 24,300
Student fees	110,833	-	110,833	121,779
Special events	23,681	-	23,681	4,925
Royalties	8,540	-	8,540	8,728
Contributions of cash and other financial assets	62,773	-	62,773	52,427
Contributions of non financial assets	-	-	-	5,559
Other income	5,334	-	5,334	8,567
Interest income	134	6	140	143
<b>Total revenues and other support</b>	<u>224,641</u>	<u>6</u>	<u>224,647</u>	<u>226,428</u>
<b>Expenses</b>				
Program Services:				
Alumni Center	7,177	-	7,177	16,649
University Promotions	116,008	-	116,008	286,468
Chapter expenses	1,197	-	1,197	-
Supporting Services:				
Management and general	101,255	-	101,255	165,894
Fundraising	2,745	-	2,745	3,957
<b>Total expenses</b>	<u>228,382</u>	<u>-</u>	<u>228,382</u>	<u>472,968</u>
<b>Changes In Net Assets</b>	<b>(3,741)</b>	<b>6</b>	<b>(3,735)</b>	<b>(246,540)</b>
Net Assets - Beginning Of Year	<u>79,533</u>	<u>21,254</u>	<u>100,787</u>	<u>347,327</u>
Net Assets - End Of Year	<u>\$ 75,792</u>	<u>\$ 21,260</u>	<u>\$ 97,052</u>	<u>\$ 100,787</u>

The Notes To Financial Statements are an integral part of these statements.

**Southeastern Louisiana University Alumni Association, Inc.**  
**Statement Of Functional Expenses**  
Year Ended June 30, 2022  
(With Comparative Totals for 2021)

	2022					2021	
	Program Activities			Supporting Activities		Total Expenses	Total Expenses
	Alumni Center	University Promotions	Chapter Expenses	Management and General	Fundraising		
General building	\$ 319	-	-	\$ 320	-	\$ 639	\$ 1,041
Insurance	-	-	-	1,005	-	1,005	9,363
Miscellaneous	-	182	-	-	-	182	-
Office expense	3,728	-	-	-	-	3,728	5,114
Postage	40	-	-	-	-	40	1,172
Printing	3,090	-	-	-	-	3,090	1,789
Depreciation	-	-	-	-	-	-	11,106
Transfer to SELU	-	-	-	-	-	-	262,182
Special events	-	33,602	-	-	-	33,602	12,407
Athletic tickets	-	2,600	-	-	-	2,600	842
Athletic program support	-	563	-	-	-	563	-
Faculty	-	1,206	-	-	-	1,206	-
Promo items	-	1,570	-	-	1,570	3,140	3,877
Scholarships/ring	-	1,713	-	-	-	1,713	3,067
Student promotions	-	690	-	-	-	690	-
Other University promotions	-	6,588	-	-	-	6,588	4,093
Chapter development expense	-	-	1,197	-	-	1,197	-
Accounting	-	-	-	9,360	-	9,360	5,559
Executive and associate director expenses	-	-	-	2,240	-	2,240	695
Board of directors	-	-	-	2,641	-	2,641	2,193
Board of directors gold council	-	-	-	1,740	-	1,740	1,445
Dues and subscriptions	-	-	-	14,358	-	14,358	14,076
ID fees	-	-	-	71	-	71	21
Merchant fees	-	-	-	2,648	-	2,648	2,270
Professional fees	-	-	-	8,500	-	8,500	8,400
Salary expense paid by SELU	-	67,294	-	58,372	-	125,666	118,299
Fundraising expenses	-	-	-	-	1,175	1,175	3,957
	<u>\$ 7,177</u>	<u>\$ 116,008</u>	<u>\$ 1,197</u>	<u>\$ 101,255</u>	<u>\$ 2,745</u>	<u>\$ 228,382</u>	<u>\$ 472,968</u>

The Notes To Financial Statements are an integral part of these statements.

**Southeastern Louisiana University Alumni Association, Inc.**

**Statement Of Cash Flows**

Year Ended June 30, 2022

(With Comparative Totals for 2021)

<b>Cash Flows From Operating Activities</b>	<u>2022</u>	<u>2021</u>
Change in net assets	\$ (3,735)	\$ (246,540)
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	-	11,105
Transfer to Southeastern Louisiana University	-	262,182
Increase (decrease) in:		
Accounts receivable	21,073	7,841
Prepaid expenses	(1,745)	5,928
Increase (decrease) in:		
Accounts payable	5,054	(2,637)
Due to Southeastern Louisiana University Foundation	1,564	
Deferred revenue	<u>(14,885)</u>	<u>(26,149)</u>
 Net cash provided (used) by operating activities	 <u>7,326</u>	 <u>11,730</u>
 <b>Net Increase (Decrease) In Cash And Cash Equivalents</b>	 <b>7,326</b>	 <b>11,730</b>
 Cash and cash equivalents at beginning of year	 <u>249,436</u>	 <u>237,706</u>
 Cash and cash equivalents at end of year	 <u>\$ 256,762</u>	 <u>\$ 249,436</u>

The Notes To Financial Statements are an integral part of these statements.

**Southeastern Louisiana University Alumni Association, Inc.**  
**Notes To Financial Statements**  
Year Ended June 30, 2022

**Note 1. Summary Of Significant Accounting Policies**

**General**

The Southeastern Louisiana University Alumni Association, Inc. (the Association) is a nonprofit organization exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. The mission of the Association is to preserve and strengthen the bonds of friendship existing among Southeastern Louisiana University's former students; to foster, preserve and perpetuate the University's ideals and traditions so as to enhance its prestige as an institution of learning; and establish strong ties between the University and its former students in order to promote its educational and physical growth.

The Southeastern Louisiana University Alumni Association, Inc. was incorporated December 5, 1948, under provisions of Louisiana Revised Statutes 12:101-155 as a nonprofit corporation.

**Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, the Association is required to report information regarding its financial position and activities according to two classes of net assets:

**Net Assets Without Donor Restrictions** – Those net assets whose use is not restricted by donors

**Net Assets With Donor Restrictions** – Those net assets whose use by the Association has been limited by donors (a) to later periods of time or after specified dates, or (b) to specific purposes.

**Southeastern Louisiana University Alumni Association, Inc.**  
**Notes To Financial Statements**  
**Year Ended June 30, 2022**

**Note 1. Summary Of Significant Accounting Policies (continued)**

**Revenue Recognition**

Revenues are reported as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Membership dues are recognized as revenue in the fiscal period to which they relate. All donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Expenses are reported as decreases in net assets without donor restrictions.

**Accounts Receivables**

Accounts receivable are recorded as cost, net of an allowance for doubtful accounts. A general allowance for doubtful accounts is based on management's estimate of the collectability of accounts receivable according to prior experience. Management considers accounts receivable delinquent based on contractual terms. Receivables are presented net of an allowance for doubtful accounts of \$1,300 at June 30, 2022.

The non-current portion of the receivable balance of \$300 has scheduled payments over the following fiscal years based on agreed upon terms with contributors as follows:

2024	\$ 300
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**Promises to Give**

Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases of liabilities, or expense depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

**Southeastern Louisiana University Alumni Association, Inc.**  
**Notes To Financial Statements**  
Year Ended June 30, 2022

**Note 1. Summary Of Significant Accounting Policies (continued)**

**Contributed Services**

The Association received donated service from unpaid volunteers who perform a variety of tasks that support the Association's activities. No amounts have been recognized for these services in the statement of activities since the criteria for recognition under FASB 958-605, *Revenue Recognition*, have not been satisfied.

**Estimates**

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

**Deferred Revenues**

Deferred revenue represents lifetime membership dues collected but not earned as of June 30, 2022.

**Cost Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort and occupancy, which are allocated on a square footage basis.

**Income Taxes**

The Association is exempt from income taxes under IRC Section 501(c)(3) as a nonprofit entity and, accordingly, the financial statements do not reflect a provision for income taxes.

**Southeastern Louisiana University Alumni Association, Inc.**  
**Notes To Financial Statements**  
Year Ended June 30, 2022

**Note 1. Summary Of Significant Accounting Policies (continued)**

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Association may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on technical merits of the position. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended June 30, 2022.

Also, the Association's federal income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those returns. In general, both the federal and state income tax returns have a three year statute of limitations.

**Concentration of Credit Risk**

The Association maintains its cash in bank deposit accounts at high credit quality financial institutions. The balances, at times, may exceed federally insured limits. At June 30, 2022, all of the Association's bank deposits were insured by the Federal Deposit Insurance Corporation.

**Note 2. Net Assets With Donor Restrictions**

Net assets with donor restrictions for the following activities at June 30, 2022:

Alumni Center	\$ 21,260
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Changes in Net Assets With Donor Restrictions for the fiscal year ended June 30, 2022 are as follows:

Net Assets With Donor Restrictions at July 1, 2021	\$ 21,254
Increase in Net Assets With Donor Restrictions	6
Net Assets Released from Restriction	<u>          -</u>
 Net Assets With Donor Restrictions at June 30, 2022	 <u><u>\$ 21,260</u></u>

**Southeastern Louisiana University Alumni Association, Inc.**  
**Notes To Financial Statements**  
Year Ended June 30, 2022

**Note 3. Liquidity And Availability Of Financial Assets**

The following reflects the Association’s financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Financial assets at year-end	\$ 261,673
Less those unavailable for general expenditures within one year	-
Financial assets available to meet cash needs for general expenditure within one year	\$ 261,673

As part the Organization’s liquidity management, the Organization invests cash in excess of daily requirements in short term investments, typically savings accounts.

**Note 4. Related Parties**

The Southeastern Louisiana University Foundation, Inc. (“Foundation”), a nonprofit organization, obtains donations for the University and also for the Association, conversely the Association obtains donations for the Foundation. Financial services for the Association are performed by Southeastern Louisiana University Foundation employees. As of June 30, 2022, the Association had a balance due to the Foundation of \$1,564.

In 2021, the Association transferred a building housing the Association’s office space to Southeastern Louisiana University (“University”). The Association continue to uses this office space.

Student fees are collected by the University on behalf of the Association. For the year ended June 30, 2022, student fees amount to \$110,833 which made up approximately 49% of revenue. The University also provides administrative and accounting services for the Association, which are included in expense in the Statement of Activities. As of June 30, 2022, the Association had a balance due from the University of \$3,384. These balances are included in receivables in the Statement of Financial Position. These are open balances with no set repayment terms or interest rates.

**Southeastern Louisiana University Alumni Association, Inc.**  
**Notes To Financial Statements**  
Year Ended June 30, 2022

**Note 5. Contractual Commitments**

The Association entered into an agreement with an alumni network and digital career community software. The software is used by the Association and University Advancement to power Southeastern Connect Networking Platform for the engagement of young alumni and graduating seniors for their lifetime commitment, philanthropically and otherwise to the University. The agreement is for three years and requires annual payments of \$7,500 per year. The Foundation has agreed to share equally this expense with the Association.

**Note 6. Deferred Membership Dues**

The Association previously offered lifetime, alumni and friend memberships. Deferred membership dues is the portion not recognized as in the current year. Lifetime membership dues income is recognized over twenty five year period. Alumni and friend membership dues are recognized over twelve months, the period the membership is active. The balances at June 30, 2022 are as follows:

Deferred membership lifetime dues	\$ 163,470
Deferred membership alumni dues	<u>164</u>
	<u>\$ 163,634</u>
Current	\$ 10,409
Long-term	<u>153,225</u>
	<u>\$ 163,634</u>

**Note 7. Risk And Uncertainties**

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to impact the contributions and special event revenue for the Organization. At this time the financial impact is unknown.

**Southeastern Louisiana University Alumni Association, Inc.**  
**Notes To Financial Statements**  
**Year Ended June 30, 2022**

**Note 8. Fundraising Expense Ratio**

The following represents the Association's fundraising expense ratio for the year ended June 30, 2022:

Total support generated in the statement of activities	\$ 76,119
Fund raising expense	\$ 2,745
Fund raising expense ratio	4%

**Note 9. Subsequent Events**

The Association evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through September 19, 2022, the date which financial statements were available to be issued.