

LSU at Alexandria Foundation, Inc.

Alexandria, Louisiana

June 30, 2017

**LSU at Alexandria Foundation, Inc.
June 30, 2017**

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PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

Independent Auditor's Report

To the Board of Directors of
LSU at Alexandria Foundation, Inc.

We have audited the accompanying consolidated financial statements of LSU at Alexandria Foundation, Inc. (a nonprofit organization) and subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2017, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 consolidated financial statements are free from material misstatement.

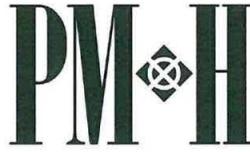
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

REBECCA B. MORRIS, C.P.A.
MICHAEL A. JUNEAD, C.P.A.
CINDY L. HUMPHRIES, C.P.A.

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PAYNE, MOORE & HERRINGTON, LLP

To the Board of Directors
LSU at Alexandria Foundation, Inc.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of LSU at Alexandria Foundation, Inc. and subsidiaries as of June 30, 2017, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited LSU at Alexandria Foundation, Inc.'s 2016 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated November 10, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived. The effects of the prior period adjustment described in the accompanying notes are reflected in the summarized comparative information.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedules 1-9 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Payne, Moore & Herrington, LLP

Certified Public Accountants
Alexandria, Louisiana

November 30, 2017

LSU at Alexandria Foundation, Inc. and Subsidiaries
Consolidated Statement of Financial Position
June 30, 2017
(With Comparative Totals as of June 30, 2016)

Exhibit A

Assets	2017	2016
Current Assets		
Cash and cash equivalents	\$ 811,843	\$ 3,306,442
Accounts receivable	9,681	29,655
Accrued interest receivable	813,221	-
Pledges receivable, net	8,000	64,000
Tenant receivables, net	35,978	21,713
Other receivables	453,863	20,480
Prepaid expenses	65,049	10,450
Other current assets	24,914	6,239
Inventory	3,087	2,089
Total Current Assets	2,225,636	3,461,068
Investments held by LSU Foundation and Others	23,682,945	22,586,431
Investments held by		
Central Louisiana Community Foundation	450,724	404,232
Long-Term Pledges Receivable, Net	8,000	12,000
Property and Equipment,		
Net of Accumulated Depreciation	8,246,426	8,681,294
Art Collection	3,366,169	3,266,747
Other Assets	250	250
Total Assets	\$ 37,980,150	\$ 38,412,022
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 618,518	\$ 362,376
Accrued interest payable	66,977	114,399
Bonds payable	255,000	325,000
Rental deposits	39,267	41,036
Deferred revenues	53,012	79,305
Other accrued expenses	40,283	25,744
Total Current Liabilities	1,073,057	947,860
Other Liabilities		
Bonds payable	9,222,806	10,006,357
Net Assets		
Unrestricted	13,508,158	13,674,727
Temporarily restricted	4,933,701	4,568,663
Permanently restricted	9,242,428	9,214,415
Total Net Assets	27,684,287	27,457,805
Total Liabilities and Net Assets	\$ 37,980,150	\$ 38,412,022

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

LSU at Alexandria Foundation, Inc. and Subsidiaries
Consolidated Statement of Activities
Year Ended June 30, 2017
(With Comparative Totals for Year Ended June 30, 2016)

Exhibit B

	2017			2016	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Summarized Total
Revenues, Gains (Losses), and Other Support					
Contributions	\$ 144,128	\$ 44,219	\$ 28,013	\$ 216,360	\$ 464,061
Grants	110,514	-	-	110,514	121,642
Interest and dividends	136,140	734,923	-	871,063	1,044,211
Noncash support	509,606	-	-	509,606	519,891
Memberships	35,095	-	-	35,095	55,629
Program fees	21,422	-	-	21,422	7,365
Student housing income	1,512,760	-	-	1,512,760	1,272,728
Athletic sign sponsorships	40,262	-	-	40,262	5,000
Fundraising	168,796	156,200	-	324,996	379,105
Unrealized/realized gain (loss) on investments	1,294,850	-	-	1,294,850	(1,542,428)
Athletics	-	98,902	-	98,902	109,791
Other income and support	184,243	-	-	184,243	27,753
Net assets released from restrictions	669,206	(669,206)	-	-	-
Total Revenues, Gains (Losses), and Other Support	4,827,022	365,038	28,013	5,220,073	2,464,748
Expenses					
Foundation:					
Athletics	128,332	-	-	128,332	66,413
Call center support	21,490	-	-	21,490	-
Fundraising	42,563	-	-	42,563	42,128
Investment management fees	176,527	-	-	176,527	205,913
Office supplies	785	-	-	785	1,863
Official functions	38,502	-	-	38,502	42,409
Operating services	17,312	-	-	17,312	13,734
Professional services	37,999	-	-	37,999	21,325
Professorships	125,954	-	-	125,954	119,063
Staffing services	66,145	-	-	66,145	144,003
Scholarships and awards	267,118	-	-	267,118	296,371
Travel	4,651	-	-	4,651	3,817
University programs and support	1,483,869	-	-	1,483,869	854,513
Museum:					
Administration	512,360	-	-	512,360	510,844
Education	82,271	-	-	82,271	52,035
Exhibits	46,304	-	-	46,304	50,690
Fundraising	81,894	-	-	81,894	63,761
Other program services	253	-	-	253	141
Student housing:					
Student housing	482,762	-	-	482,762	751,535
Athletic association:					
Athletic sponsorship signs	2,078	-	-	2,078	-
Fundraising	17,175	-	-	17,175	24,809
Official functions	30,357	-	-	30,357	22,873
Operating services	11,677	-	-	11,677	5,668
Professional services	6,400	-	-	6,400	6,400
Supplies	1,882	-	-	1,882	19
Affiliated organization support	26,423	-	-	26,423	26,423
Other expenses:					
Depreciation and amortization	489,837	-	-	489,837	506,677
Interest expense	790,671	-	-	790,671	460,724
Total Expenses	4,993,591	-	-	4,993,591	4,294,151
Change in Net Assets	(166,569)	365,038	28,013	226,482	(1,829,403)
Net Assets, Beginning of Year, As Restated	13,674,727	4,568,663	9,214,415	27,457,805	29,287,208
Net Assets, End of Year	<u>\$ 13,508,158</u>	<u>\$ 4,933,701</u>	<u>\$ 9,242,428</u>	<u>\$ 27,684,287</u>	<u>\$ 27,457,805</u>

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

LSU at Alexandria Foundation Inc. and Subsidiaries
Consolidated Statement of Cash Flows
Year Ended June 30, 2017
(With Comparative Totals for Year Ended June 30, 2016)

Exhibit C

	2017	2016
Cash Flows from Operating Activities		
Change in net assets	\$ 226,482	\$ (1,829,403)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	489,837	506,677
Unrealized (gain) loss on investments	(1,294,850)	1,542,428
Net book value of deaccessioned artwork	25,929	22,640
Donation to art collection	(93,282)	(12,600)
Noncash contribution of investments	-	(40,254)
Provision for allowance for uncollectible tenant receivables	(306)	1,224
Increase (decrease) in unamortized bond issuance costs	91,449	-
Changes in operating assets and liabilities:		
Accounts receivable	19,974	2,772
Accrued interest receivable	(813,221)	-
Pledges receivable	56,000	(48,000)
Tenant receivables	(13,959)	30,593
Other receivables	(433,383)	(7,265)
Prepaid expenses	(54,599)	(4,580)
Other current assets	(18,675)	2,857
Inventory	(998)	(705)
Accounts payable	256,142	(68,442)
Accrued interest payable	(47,422)	(3,126)
Rental deposits	(1,769)	23,572
Deferred revenues	(26,293)	18,750
Other accrued expenses	14,539	(37,723)
Net Cash Provided by (Used in) Operating Activities	(1,618,405)	99,415
Cash Flows from Investing Activities		
Purchase of investments	(434,605)	(1,560,385)
Reinvestment of income from investments	(868,947)	(1,044,080)
Withdrawal of investments	1,455,395	1,791,470
Increase in long-term pledges receivable	4,000	(12,000)
Cash paid for purchase of equipment	(54,968)	-
Cash paid for artwork	(32,069)	-
Net Cash Provided by (Used in) Investing Activities	68,806	(824,995)
Cash Flows from Financing Activities		
Proceeds from long-term debt	9,740,000	-
Principal payments on long-term debt	(10,685,000)	(250,000)
Net Cash Provided by (Used in) Financing Activities	(945,000)	(250,000)
Increase (Decrease) in Cash	(2,494,599)	(975,580)
Cash and Cash Equivalents, Beginning of Year	3,306,442	4,282,022
Cash and Cash Equivalents, End of Year	\$ 811,843	\$ 3,306,442

Additional required disclosures:

1. LSU at Alexandria Foundation, Inc. considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents.
2. No income taxes were paid during the current fiscal year.
3. Interest paid for the year ended June 30, 2017 amounted to \$482,576.
4. There were no material noncash financing transactions during the fiscal year ended June 30, 2017. Noncash investing transactions during year consisted of:
 Donated artwork valued at \$93,282

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

LSU at Alexandria Foundation, Inc. and Subsidiaries
June 30, 2017

Notes to Financial Statements

1. Nature of Activities and Significant Accounting Policies

Nature of Activities

The LSU at Alexandria Foundation, Inc. is a nonprofit corporation formed to promote the educational and cultural welfare of Louisiana State University at Alexandria, Louisiana, by accepting gifts for the purpose of providing scholarships, aiding research, and such other designated projects for the benefit of the University. LSU at Alexandria Foundation, Inc. also owns and operates Alexandria Museum of Art, LLC, which provides educational and cultural enrichment to students and promotes community awareness of the arts; The Oaks of Alexandria, LLC, which provides on-campus student housing; and, Generals Athletic Association, LLC, which was formed to support Louisiana State University at Alexandria and any affiliated intercollegiate athletics program.

Consolidation

The accompanying consolidated financial statements include the accounts of the LSU at Alexandria Foundation, Inc. and its wholly owned subsidiaries: Alexandria Museum of Art, LLC, The Oaks of Alexandria, LLC, and Generals Athletic Association, LLC. All material intercompany transactions and balances have been eliminated in the consolidation.

Basis of Accounting

The consolidated financial statements of LSU at Alexandria Foundation, Inc. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The accompanying consolidated financial statements of LSU at Alexandria Foundation, Inc. have been prepared in accordance with accounting principles generally accepted in the United States of America. It is the policy of LSU at Alexandria Foundation, Inc. to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of 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 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.

Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

LSU at Alexandria Foundation, Inc. and Subsidiaries
June 30, 2017

Notes to Financial Statements

Contributions and Promises to Give

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in restricted net assets. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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.

Unconditional promises to give are recognized as revenue in the period received, and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if they are expected to be collected in one year and at fair value if they are expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. An allowance for uncollectible promises is provided based on management's evaluation of potential uncollectible promises receivable at year-end.

Tenant Receivables

Tenant receivables represent net unpaid lease obligations related to student housing at The Oaks of Alexandria, LLC. The allowance for uncollectible tenant receivables is assessed by management based on historical collection rates and aging of the uncollected accounts.

Investments

The Foundation and its wholly owned subsidiaries carry investments with Louisiana State University Foundation, Central Louisiana Community Foundation, and Raymond James Financial Services, Inc. Funds with Louisiana State University Foundation and Central Louisiana Community Foundation are pooled and invested with funds from other similar organizations. Investments are reported at their market values in the consolidated statement of financial position as reported to LSU at Alexandria Foundation, Inc. by the investment administrators. Unrealized gains and losses are included in the change in net assets in the statement of activities. There are no known material unrecorded permanent market value declines in marketable securities.

Property and Equipment

Purchased property and equipment costing \$1,000 or more is recorded at acquisition cost; donated property and equipment is recorded at its fair value as of the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Repairs, maintenance, and minor replacements are charged to operations as incurred. Major replacements and improvements are capitalized at cost.

LSU at Alexandria Foundation, Inc. and Subsidiaries
June 30, 2017

Notes to Financial Statements

Art Collection

In 1977, the Museum elected to capitalize its collection. Items purchased are capitalized at their cost; items contributed are capitalized at their fair or appraised value at the accession date.

In 2009, the LSU at Alexandria Foundation, Inc. received donated artwork to be displayed on the campus of LSU at Alexandria. The artwork is capitalized in the statement of financial position at its appraised value at the accession date.

Bond Issuance Costs

In 2016, LSU at Alexandria Foundation, Inc. retroactively adopted the requirements in FASB ASC 835-30 to present bond issuance costs as a reduction of the carrying amount of long-term bonds payable rather than as an asset. Long-term bonds payable as of June 30, 2016, was previously reported on the statement of financial position as \$10,360,000 with the associated \$353,643 unamortized bond issuance costs reported as an asset.

Amortization of bond issuance costs is reported as interest expense in the statement of activities.

Deferred Revenues

Revenues for LSU at Alexandria Foundation, Inc. and Alexandria Museum of Art, LLC events are recorded as deferred if the related event is beyond the date of the statement of financial position. Such revenues are recognized when the event is held.

Payments for Generals Athletic Association, LLC membership dues received on or before the financial statement date for subsequent membership periods are reported as deferred revenue in the statement of financial position. Such revenues are recognized in the period for which the membership dues are earned.

Tenant rental payments received on or before the financial statement date for subsequent rental periods are reported as deferred revenue in the statement of financial position. Such revenues are recognized in the period for which the rent is earned.

Donated Services

The Foundation pays for most services requiring specific expertise. However, individuals volunteer their time and perform a variety of tasks that assist the Foundation with specific programs. The value of these services is not reflected in the financial statements.

Substantial services and support are provided by LSU at Alexandria for the operation of LSU at Alexandria Foundation, Inc. and subsidiaries and pursuant to the management agreement discussed in Note 9. Amounts for certain affiliated organizational support such as direct personnel and related benefits, insurance, and security services have been recorded in the accompanying financial statements as noncash support. The expenses are recorded by function or as affiliated organization support. The cost of other indirect expenses and support has not been recorded in the accompanying financial statements as values were not readily determinable.

LSU at Alexandria Foundation, Inc. and Subsidiaries
June 30, 2017

Notes to Financial Statements

The City of Alexandria provides utilities to Alexandria Museum of Art, LLC, under an interagency agreement between Louisiana State University and the City. The value of the contributed utilities is recorded as noncash contributions and utility expense in the accompanying financial statements.

Advertising Costs

Advertising costs are expensed when incurred.

Subsequent Events

Management has evaluated subsequent events through November 30, 2017, the date which the financial statements were available for issue. Management's evaluation revealed no subsequent events that require disclosure except as discussed in note 19.

2. Cash and Cash Equivalents

Cash for LSU at Alexandria Foundation, Inc. and its wholly owned subsidiaries is deposited in checking accounts at two local financial institutions, as well as various money market accounts under the Raymond James Deposit Program. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per financial institution, per depositor. Uninsured balances among the various accounts and entities that comprise LSU at Alexandria Foundation, Inc. and its wholly owned subsidiaries totaled \$282,951 at June 30, 2017.

Cash and cash equivalents reported in the consolidated statement of financial position includes \$65,332, which is restricted for debt service requirements related to revenue bonds and held in separate bank accounts which are in custody of the bond trustee.

3. Pledges Receivable

Receivable in less than one year	\$ 8,000
Receivable in one to five years	<u>8,000</u>
	\$ 16,000

In the opinion of management, all pledges receivable at June 30, 2017, were considered to be collectible and an allowance for uncollectible pledges and promises to give was not considered necessary.

4. Tenant Receivables

Gross tenant receivables at June 30, 2017, totaled \$40,163. Tenant receivables in the statement of financial position are shown net of estimated uncollectible amounts of \$4,185. The allowance for uncollectible tenant receivables was determined by management's evaluation of individual student accounts and aging of those accounts.

LSU at Alexandria Foundation, Inc. and Subsidiaries
June 30, 2017

Notes to Financial Statements

5. Other Receivables

The amount reported in the consolidated statement of financial position includes \$425,879 due from Louisiana State University at Alexandria to The Oaks of Alexandria, LLC related to the refunding and issuance of the bonds described in note 9. These proceeds were inadvertently made to the University rather than The Oaks of Alexandria, LLC.

6. Investments and Fair Value Measurement

LSU at Alexandria Foundation, Inc. is required to disclose estimated fair values for all financial instruments and nonfinancial instruments measured at fair value on a recurring basis. The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Generally accepted accounting principles establish a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. When available, LSU at Alexandria Foundation, Inc. uses Level 1 as their valuation approach because they generally provide the most reliable evidence of fair value. This hierarchy consists of three broad levels as follows:

- Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.
- Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

LSU Foundation Managed Assets

On July 3, 1995, the LSU at Alexandria Foundation, Inc. entered into a management agreement with the LSU Foundation whereby the LSU Foundation shall hold funds on behalf of the LSU at Alexandria Foundation, Inc. solely for the purpose of investing the funds. The LSU Foundation may assess its standard management fees annually to cover its administrative costs. This agreement shall remain in effect until a 180-day written notice is given by either party to the other party.

Investments held by the LSU Foundation on behalf of the LSU at Alexandria Foundation, Inc. are reported at their fair values in the statement of financial position. As of June 30, 2017, investments in LSU Foundation managed assets are set forth below:

Investments at cost	\$ 18,981,555
Add:	
Unrealized gain	<u>2,074,408</u>
Market Value	\$ 21,055,963

Investments presented in the accompanying financial statements do not include state matching funds awarded by the Board of Regents for qualified scholarships, professorships, and endowed chairs because such awards are applied for and awarded to Louisiana State University at Alexandria and not to LSU at Alexandria Foundation, Inc. The market value of state matching funds attributable to the university for scholarships, professorships, and endowed chairs and held by LSU Foundation totaled \$3,860,570 at June 30, 2017.

LSU at Alexandria Foundation, Inc. and Subsidiaries
June 30, 2017

Notes to Financial Statements

Investments Held By Central Louisiana Community Foundation

The Alexandria Museum of Art, LLC established a major maintenance fund with Central Louisiana Community Foundation (CLCF). Earnings from the major maintenance fund are reported as temporarily restricted income and may be requested for major maintenance needs as they arise. The Alexandria Museum of Art, LLC may request distribution of all or part of the principal it contributes to the funds. The Board of CLCF will grant such a request if it concludes that such a distribution is consistent with the charitable purposes of CLCF, which may be deferred for up to 90 days in order to permit orderly and timely liquidation of assets to meet the request. The fund may be charged regularly for a proper allocation of direct and indirect expenses attributable to the creation and maintenance of the fund. If CLCF ceases to be a qualified charitable organization or if CLCF proposes to dissolve, the assets of the fund shall be distributed to the Alexandria Museum of Art, LLC. At that time, if the Alexandria Museum of Art, LLC is not then a qualified charitable organization, CLCF shall distribute the assets of the fund in a manner and to any organization serving the Central Louisiana Community that satisfy the requirements of a qualified charitable organization and serve purposes similar to those of the Alexandria Museum of Art, LLC. Transfers to these funds during the year ended June 30, 2017 totaled \$24,000. The Museum's investment with Central Louisiana Community Foundation is presented in the financial statements at the fair value of \$199,149 at June 30, 2017. Investment earnings on the fund totaled \$3,823. There were no realized gains or losses. Unrealized gains totaled \$12,975 and account management fees totaled \$2,218 for the year ended June 30, 2017.

On February 6, 2015, LSU at Alexandria Foundation, Inc. established the McCann Endowed Teaching Enhancement Fund by transferring unrestricted cash to the Central Louisiana Community Foundation (CLCF). Earnings from this fund are reported as unrestricted income in the accompanying statement of activities. Distributions of principal and earnings may be requested by the board of directors of LSU at Alexandria Foundation, Inc. The Board of CLCF will grant such a request if it concludes that such a distribution is consistent with the charitable purposes of CLCF, which may be deferred for up to 90 days in order to permit orderly and timely liquidation of assets to meet the request. The funds may be charged regularly for a proper allocation of direct and indirect expenses attributable to the creation and maintenance of the funds. CLCF has the authority to vary the terms of the gift. CLCF will notify LSU at Alexandria Foundation, Inc. within 30 days following any decision of the Board of Trustees of CLCF to exercise this variance power. If CLCF ceases to be a qualified charitable organization or if CLCF proposes to dissolve, the assets of the funds shall be distributed to LSU at Alexandria Foundation, Inc. At that time, if LSU at Alexandria Foundation, Inc. is not then a qualified charitable organization, CLCF shall distribute the assets of the funds in a manner and to any organization serving the Central Louisiana Community that satisfy the requirements of a qualified charitable organization and serve purposes similar to those of LSU at Alexandria Foundation, Inc. There were no transfers to this fund during the year ended June 30, 2017. Withdrawals during the year totaled \$20,000. Investment fees assessed by the Central Louisiana Community Foundation during the year totaled \$3,313. LSU at Alexandria Foundation, Inc.'s investment with Central Louisiana Community Foundation is presented in the financial statements at fair value of \$251,575 at June 30, 2017. Investment earnings on this fund totaled \$5,652. Realized gains totaled \$6,135, and unrealized gains totaled \$13,237 for the year ended June 30, 2017.

LSU at Alexandria Foundation, Inc. and Subsidiaries
June 30, 2017

Notes to Financial Statements

<u>Description</u>	<u>Fair Value Measurement at Reporting Date Using</u>			
	<u>Total</u> <u>06/30/17</u>	<u>Quoted Prices</u> <u>In Active</u> <u>Markets for</u> <u>Identical</u> <u>Assets</u> <u>(Level 1)</u>	<u>Significant</u> <u>Other</u> <u>Observable</u> <u>Inputs</u> <u>(Level 2)</u>	<u>Significant</u> <u>Unobservable</u> <u>Inputs</u> <u>(Level 3)</u>
Investments held by LSU Foundation	\$ 21,055,963	\$ -	\$ 21,055,963	\$ -
Mutual Funds	2,626,982	2,626,982	-	-
Investments held by Central Louisiana Community Foundation	<u>450,724</u>	<u>-</u>	<u>450,724</u>	<u>-</u>
	<u>\$ 24,133,669</u>	<u>\$ 2,626,982</u>	<u>\$ 21,506,687</u>	<u>\$ -</u>

7. Property and Equipment

The following schedule summarizes estimated useful life, cost, and accumulated depreciation of property and equipment of the wholly owned subsidiaries as of June 30, 2017:

	<u>Life</u>	
Land		\$ 276,979
Building and improvements	40 Years	13,448,060
Furniture and equipment	5 – 7 Years	926,454
Website	3 Years	162,500
Computer software	3 Years	<u>6,029</u>
		14,820,022
Less: Accumulated Depreciation		<u>6,573,596</u>
		<u>\$ 8,246,426</u>

Depreciation expense was \$489,837 for the year ended June 30, 2017.

8. Other Accrued Expenses

LSU at Alexandria assesses charges for student housing to student accounts and remits payment to The Oaks of Alexandria, LLC prior to full collection from the student. Other accrued expenses represent management's estimate of student lease payments made to The Oaks of Alexandria, LLC pursuant to the facility management agreement that may be subject to repayment to LSU at Alexandria if the student accounts held by the university are not paid within three years. Other accrued expenses includes \$33,859 in the consolidated statement of financial position for this provision.

9. Bonds Payable

Pursuant to a bond indenture and related agreements dated October 10, 2006, LSU at Alexandria Foundation, Inc., through its wholly owned subsidiary, The Oaks of Alexandria, LLC, borrowed \$11,905,000 through a loan agreement with the Louisiana Public Facilities Authority, and in conjunction with the issuance of this same amount in revenue bonds designated "Louisiana Public Facilities Authority Revenue Bonds (The Oaks of Alexandria, LLC-Louisiana State University at Alexandria Student Housing Project), Series 2006.

LSU at Alexandria Foundation, Inc. and Subsidiaries
June 30, 2017

Notes to Financial Statements

The proceeds from the sale of the bonds were used for the purpose of financing, planning, designing, constructing, furnishing, and equipping residence facilities for use by Louisiana State University at Alexandria. The proceeds were also used to establish a debt service reserve fund, and to provide for capitalized interest, and for a portion of the costs of issuance.

In April of 2017, The Oaks of Alexandria, LLC, refinanced the loan agreement with the Louisiana Public Facilities Authority. This refinancing included the issuance of two revenue refunding bonds designated as "Louisiana Public Facilities Authority Revenue Bonds (The Oaks of Alexandria, LLC-Louisiana State University at Alexandria Student Housing Project), Series 2017A" and "Louisiana Public Facilities Authority Revenue Bonds (The Oaks of Alexandria, LLC-Louisiana State University at Alexandria Student Housing Project), Series 2017B".

Proceeds from the Series 2017A bonds in the amount of \$9,670,000, together with available funds of The Oaks of Alexandria, LLC, was used for the purpose of refunding the outstanding balance of the "Louisiana Public Facilities Authority Revenue Bonds (The Oaks of Alexandria, LLC-Louisiana State University at Alexandria Student Housing Project), Series 2006" issue. Proceeds were also used for a portion of the costs of issuance, not to exceed two percent of the Series 2017A bond's proceeds. Proceeds from the Series 2017B bond in the amount of \$70,000 was used to pay any costs of issuance which exceeded the two percent limitation set upon the Series 2017A bond.

The bonds are controlled by the bond trust indenture, which requires that the net proceeds be deposited and held by the trustee, Regions Bank. In addition, LSU at Alexandria Foundation, Inc. is subject to certain covenants that are detailed in the trust indenture document. The bonds are nonrecourse to the Foundation.

The bonds mature on the dates and in the principal installments set forth in the following table:

<u>Maturity</u> <u>October 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2017	\$ 255,000	1.794%
2018	385,000	2.000
2019	395,000	2.000
2020	400,000	2.000
2021	415,000	2.000
Thereafter	<u>7,890,000</u>	3.225
	<u>\$ 9,740,000</u>	

The noncurrent portion of bonds payable is reported net of bond issuance cost of \$147,960 and bond discount of \$114,234 in the statement of financial position. Interest expense on bonds payable totaled \$790,671 for the year ended June 30, 2017.

In accordance with bond provisions, the Foundation originally entered into a Facility Management Agreement with Campus Advantage, Inc. for the purpose of opening, managing, and operating the residence facilities described above. That agreement was terminated in November 2008 by mutual consent. A management agreement with the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College acting through Louisiana State University at Alexandria was entered into for an initial term of five years. This agreement automatically renews for additional one year periods unless terminated in writing by either party at least ninety days prior to the end of the current or renewal term.

LSU at Alexandria Foundation, Inc. and Subsidiaries
June 30, 2017

Notes to Financial Statements

10. Endowments

The endowments held by the Foundation consist of donor-restricted endowment funds and funds designated by the Foundation board to function as endowments. Endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

The Foundation board has interpreted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies the following as permanently restricted net assets:

- a. The original value of gifts donated to the permanent endowment;
- b. The original value or subsequent gifts to the permanent endowment; and
- c. Accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making decisions related to appropriations for expenditures or accumulations of donor-restricted endowment funds:

1. The duration and preservation of the various funds;
2. The purposes of the donor-restricted endowment funds;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Foundation; and
7. The Foundation's investment policies.

Investment Return Objectives, Risk Parameters, and Strategies

The investment policies of the Foundation emphasize total return. Adherence to a sound long-term investment policy balancing short-term spending needs with the preservation of the real inflation-adjusted value of assets is a primary importance. The Foundation expects to attain an inflation-adjusted minimum average annual return, net of fees, over a rolling five year period. This real return is defined as the sum of capital appreciation (loss) and current income (interest and dividends) adjusted for inflation as measured by the Consumer Price Index. Investment policies are based on principles of responsible financial stewardship, as well as ethical and social stewardship. The Foundation is committed to a diversified asset allocation strategy, consisting primarily of domestic equities, international equities, domestic fixed income, hedge funds, and real estate.

LSU at Alexandria Foundation, Inc. and Subsidiaries
June 30, 2017

Notes to Financial Statements

Changes in endowments for the year ended June 30, 2017, are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment, beginning of year, as restated	\$ 2,074,116	\$ 2,388,505	\$ 8,712,747	\$ 13,175,368
Contributions	14,770	12,000	24,722	51,492
Investment income	(165)	21,718	-	21,553
Transfers from other investments	(44,894)	55,114	1,885	12,105
Net appreciation (depreciation) of securities	1,099,146	-	-	1,099,146
Amounts undesignated	-	-	-	-
Appropriations	(25,532)	-	-	(25,532)
Endowment, end of year	<u>\$ 3,117,441</u>	<u>\$ 2,477,337</u>	<u>\$ 8,739,354</u>	<u>\$ 14,334,132</u>

Endowment composition by type of fund as of June 30, 2017 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 2,477,337	\$ 8,739,354	\$ 11,216,691
Board-designated endowment and other funds	<u>3,117,441</u>	<u>-</u>	<u>-</u>	<u>3,117,441</u>
	<u>\$ 3,117,441</u>	<u>\$ 2,477,337</u>	<u>\$ 8,739,354</u>	<u>\$ 14,334,132</u>

11. Restatement of Prior Period Net Assets

Beginning of year investments held by Central Louisiana Community Foundation (CLCF) and the related net assets of Alexandria Museum of Art, LLC were restated to exclude the fair market value of the Art Collection Endowment and the Art Endowment funds totaling \$1,395,806. During management's reevaluation of the terms of the agreements with CLCF representatives, it was determined that the nature of the restrictions and limitations associated with the funds placed ownership of these funds with CLCF. Due to the variance powers and discretion held by CLCF's board with respect to the use and authorization to restrict use, no amounts related to these funds are reportable by Alexandria Museum of Art, LLC except as distributions are made to the Museum. The effects of the restatement resulted in reductions of net assets as follows:

Unrestricted	\$ 791,384
Temporarily restricted	86,138
Permanently restricted	518,284

The effects of this restatement are also reflected as a reduction in beginning of year balances of endowments presented in note 10.

LSU at Alexandria Foundation, Inc. and Subsidiaries
June 30, 2017

Notes to Financial Statements

12. Restrictions on Net Assets

Temporarily restricted net assets of LSU at Alexandria Foundation, Inc. at June 30, 2017, are available for the following purposes:

Salaries and benefit supplements, scholarships, and other supporting services of Louisiana State University at Alexandria, Alexandria Museum of Art, LLC, and Generals Athletic Association, LLC	\$ 4,933,701
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Permanently restricted net assets consist of the following at June 30, 2017:

Endowments and other funds held for the benefit of Louisiana State University at Alexandria	\$ 9,242,428
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13. Advertising Costs

Advertising costs charged to expense for the year ended June 30, 2017, totaled \$39,662.

14. Income Taxes

The LSU at Alexandria Foundation, Inc. and subsidiaries are exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable State Law. All are classified as exempt organizations other than private foundations.

The LSU at Alexandria Foundation, Inc.'s and its subsidiaries' tax returns remain subject to examination by the IRS for three years after filing. As of June 30, 2017, the tax years that remain open to examination by the IRS are 2014, 2015, and 2016. Management believes that all positions taken in those returns would be sustained if examined by the IRS.

15. Contributed Services and Property

The LSU at Alexandria Foundation, Inc. and its subsidiaries receives a significant amount of donated services and use of facilities from Louisiana State University at Alexandria (the University). University employees and unpaid volunteers assist in operations, fundraising, special projects, and programs. The accompanying financial statements include \$349,775 recorded as noncash support, representing the estimated value of personnel expenses, insurance, maintenance, internet service, and certain other support provided to LSU at Alexandria Foundation, Inc. and its subsidiaries by the University. No amounts have been recognized in the statement of activities for other indirect supporting services and use of facilities as the value of those services were not readily determinable. Continued support from the University is directly dependent on funding the University receives. Budget cuts to the University could adversely impact the support available to LSU at Alexandria Foundation, Inc. and its subsidiaries.

The City of Alexandria began, on December 15, 2006, providing utilities for the operation of the Alexandria Museum of Art, LLC. On February 23, 2012, the City of Alexandria and Louisiana State University entered into an interagency agreement under which the City would continue to provide utilities for the benefit of Alexandria Museum of Art, LLC. The agreement was for a period of five years but was extended in February of 2017 by agreement of the parties. The fair value of the use of provided utilities for the current year was \$40,702 and is reported as noncash support in the accompanying financial statements.

LSU at Alexandria Foundation, Inc. and Subsidiaries
June 30, 2017

Notes to Financial Statements

Donated property, when received, is reflected as a contribution in the accompanying statements at its estimated fair market values.

16. Leases

During 2016, LSU at Alexandria Foundation, Inc. entered into leases with the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College (the Board), under the terms of Louisiana Revised Statute 17:3361, for the purposes of constructing and making improvements related to the Iconic Corner Pond and entrance area and for renovations to Coughlin Hall Auditorium. LSU at Alexandria Foundation, Inc. shall have the right of use of the property within the terms of the leases for the purpose of construction and improvements. The leases will terminate upon the completion of construction and improvements and donation of the completed improvements to the Board. The estimated cost of the construction and improvements to be made at the cost of LSU at Alexandria Foundation, Inc. and donated to the Board related to the iconic Corner Pond is \$500,000. Costs to be paid by LSU at Alexandria Foundation, Inc. and donated to the Board related to the improvements to Coughlin Hall Auditorium is estimated at \$430,000.

17. Commitments and Contingencies

Grants, bequests, and endowments require the fulfillment of certain conditions as set forth in the instrument. Failure to fulfill the conditions, or in the case of endowments, failure to continue to fulfill them, could result in the return of the funds to grantors. Although that is a possibility, the Board deems the contingency remote, since by accepting the grants and their terms, it has accommodated the objectives of the organization to the provisions of the grant.

18. Concentrations

LSU at Alexandria Foundation, Inc.'s subsidiary, the Oaks of Alexandria, LLC, relies on revenues from tenants associated with LSU at Alexandria. Housing is available only to qualifying students, therefore, ability to reach lease capacity is contingent on student interest and enrollment.

LSU at Alexandria Foundation, Inc. and subsidiaries, Alexandria Museum of Art, LLC, and the Generals Athletic Association, LLC, rely on contributions and support from donors in the Central Louisiana area and on the performance of investments.

19. Subsequent Event

Subsequent to the financial statement date, the finance committee took action to formalize and document decisions and factors related to the reevaluation of the contracts and the resulting removal of investments from Alexandria Museum of Art, LLC' financials as discussed in note 11. The formal documentation and ratification of this decision will include legal interpretation of the facts and circumstances used to determine ownership of the funds as well as factors for determining whether or not a reportable beneficial interest exists. Based on information and understandings of those charged with governance at the financial statement date, no reportable beneficial interest exists.

Additional Information

LSU at Alexandria Foundation, Inc.
Statement of Financial Position
June 30, 2017
(With Comparative Totals as of June 30, 2016)

Schedule 1

Assets	2017	2016
Current Assets		
Cash and cash equivalents	\$ 70,889	\$ 1,412,824
Accounts receivable	-	3,150
Accrued interest receivable	813,221	-
Pledges receivable, net	8,000	64,000
Prepaid expenses	6,250	7,840
Total Current Assets	<u>898,360</u>	<u>1,487,814</u>
Investments held by LSU Foundation and Others	23,682,945	22,586,431
Investments held by Central Louisiana Community Foundation	251,575	249,864
Long-Term Pledges Receivable, Net	8,000	12,000
Art Collection	<u>60,788</u>	<u>60,788</u>
Total Assets	<u><u>\$ 24,901,668</u></u>	<u><u>\$ 24,396,897</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 321,402	\$ 23,396
Total Current Liabilities	<u>321,402</u>	<u>23,396</u>
Net Assets		
Unrestricted	10,622,630	10,803,167
Temporarily restricted	4,715,208	4,355,919
Permanently restricted	9,242,428	9,214,415
Total Net Assets	<u>24,580,266</u>	<u>24,373,501</u>
Total Liabilities and Net Assets	<u><u>\$ 24,901,668</u></u>	<u><u>\$ 24,396,897</u></u>

See independent auditor's report.

LSU at Alexandria Foundation, Inc.
Statement of Activities
Year Ended June 30, 2017
(With Comparative Totals for Year Ended June 30, 2016)

Schedule 2

	2017			Total	2016
	Unrestricted	Temporarily Restricted	Permanently Restricted		Summarized Total
Revenues, Gains (Losses), and Other Support					
Contributions	\$ 6,219	\$ 35,209	\$ 28,013	\$ 69,441	\$ 337,379
Interest and dividends	130,125	734,923	-	865,048	1,001,918
Noncash support	171,546	-	-	171,546	193,083
Fundraising	-	156,200	-	156,200	163,200
Unrealized/realized gain (loss) on investments	1,281,875	-	-	1,281,875	(1,509,168)
Athletics	-	98,902	-	98,902	109,791
Transfers in (out)	(25,000)	-	-	(25,000)	(50,000)
Net assets released from restrictions	665,945	(665,945)	-	-	-
Total Revenues, Gains (Losses), and Other Support	2,230,710	359,289	28,013	2,618,012	246,203
Expenses					
Athletics	128,332	-	-	128,332	66,413
Call center support	21,490	-	-	21,490	-
Fundraising	42,563	-	-	42,563	42,128
Investment management fees	176,527	-	-	176,527	205,913
Office supplies	785	-	-	785	1,863
Official functions	38,502	-	-	38,502	42,409
Operating services	17,312	-	-	17,312	13,734
Professional services	37,999	-	-	37,999	21,325
Professorships	125,954	-	-	125,954	119,063
Staffing services	66,145	-	-	66,145	144,003
Scholarships and awards	267,118	-	-	267,118	296,371
Travel	4,651	-	-	4,651	3,817
University programs and support	1,483,869	-	-	1,483,869	854,513
Total Expenses	2,411,247	-	-	2,411,247	1,811,552
Change in Net Assets	(180,537)	359,289	28,013	206,765	(1,565,349)
Net Assets, Beginning of Year	10,803,167	4,355,919	9,214,415	24,373,501	25,938,850
Net Assets, End of Year	<u>\$ 10,622,630</u>	<u>\$ 4,715,208</u>	<u>\$ 9,242,428</u>	<u>\$ 24,580,266</u>	<u>\$ 24,373,501</u>

See independent auditor's report.

Alexandria Museum of Art, LLC
Statement of Financial Position
June 30, 2017
(With Comparative Totals as of June 30, 2016)

Schedule 3

Assets	2017	2016
Current Assets		
Cash and cash equivalents	\$ 380,983	\$ 469,764
Accounts receivable	8,681	26,505
Prepaid expenses	53,549	2,500
Other current assets	24,914	6,239
Inventory	3,087	2,089
Total Current Assets	471,214	507,097
Investments held by Central Louisiana Community Foundation	199,149	154,368
Property and Equipment, Net of Accumulated Depreciation	2,712,925	2,778,144
Art Collection	3,305,381	3,205,959
Total Assets	\$ 6,688,669	\$ 6,645,568
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 22,984	\$ 17,323
Rental deposits	4,750	950
Deferred revenues	52,250	74,830
Other accrued expenses	5,000	-
Total Current Liabilities	84,984	93,103
Net Assets		
Unrestricted	6,387,692	6,342,221
Temporarily restricted	215,993	210,244
Permanently restricted	-	-
Total Net Assets	6,603,685	6,552,465
Total Liabilities and Net Assets	\$ 6,688,669	\$ 6,645,568

See independent auditor's report.

Alexandria Museum of Art, LLC
Statement of Activities
Year Ended June 30, 2017
(With Comparative Totals for Year Ended June 30, 2016)

Schedule 4

	2017			2016	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Summarized Total
Revenues, Gains (Losses), and Other Support					
Contributions	\$ 134,909	\$ 9,010	\$ -	\$ 143,919	\$ 123,802
Grants	110,514	-	-	110,514	121,642
Memberships	35,095	-	-	35,095	49,279
Program fees	21,422	-	-	21,422	7,365
Fundraising	134,620	-	-	134,620	149,495
Interest and dividends	5,043	-	-	5,043	42,162
Noncash support	221,659	-	-	221,659	169,510
Unrealized/realized gain (loss) on investments	12,975	-	-	12,975	(33,260)
Transfers in (out)	25,000	-	-	25,000	50,000
Other income and support	184,243	-	-	184,243	27,753
Net assets released from restrictions	3,261	(3,261)	-	-	-
Total Revenues, Gains (Losses), and Other Support	888,741	5,749	-	894,490	707,748
Expenses					
Administration	512,360	-	-	512,360	510,844
Education	82,271	-	-	82,271	52,035
Exhibits	46,304	-	-	46,304	50,690
Fundraising	81,894	-	-	81,894	63,761
Other program services	253	-	-	253	141
Depreciation and amortization	120,188	-	-	120,188	119,177
Total Expenses	843,270	-	-	843,270	796,648
Change in Net Assets	45,471	5,749	-	51,220	(88,900)
Net Assets, Beginning of Year, As Restated	6,342,221	210,244	-	6,552,465	6,641,365
Net Assets, End of Year	<u>\$ 6,387,692</u>	<u>\$ 215,993</u>	<u>\$ -</u>	<u>\$ 6,603,685</u>	<u>\$ 6,552,465</u>

See independent auditor's report.

Alexandria Museum of Art, LLC
Schedule of Administration Expenses
Year Ended June 30, 2017
(With Comparative Totals for Year Ended June 30, 2016)

Schedule 5

	2017	2016
Bank charges	\$ 3,332	\$ 3,677
Investment fees	2,218	8,309
Computer and equipment maintenance	472	1,612
Dues	4,022	3,546
Equipment rental	2,332	809
Marketing	6,712	9,742
Permanent collection expenses	147	4,180
Miscellaneous	1,004	1,394
Office supplies	1,180	1,600
Postage and freight	994	1,078
Printing	786	874
Professional fees	17,185	17,160
Repairs and maintenance	15,202	6,519
Salaries and wages	311,342	298,426
Security	9,659	12,113
Telephone	223	218
Travel and entertainment	6,431	7,481
Utilities	40,702	43,689
Affiliated organization support	88,417	88,417
	\$ 512,360	\$ 510,844
Total	\$ 512,360	\$ 510,844

See independent auditor's report.

The Oaks of Alexandria, LLC
Statement of Financial Position
June 30, 2017
(With Comparative Totals as of June 30, 2016)

Schedule 6

Assets	2017	2016
Current Assets		
Cash and cash equivalents	\$ 314,203	\$ 1,389,070
Tenant receivables, net	35,978	21,713
Prepaid expenses	5,250	-
Other receivables	453,863	20,480
Total Current Assets	809,294	1,431,263
Property and Equipment, Net of Accumulated Depreciation	5,533,501	5,903,150
Other Assets	250	250
Total Assets	\$ 6,343,045	\$ 7,334,663
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 263,983	\$ 317,907
Accrued interest payable	66,977	114,399
Bonds payable	255,000	325,000
Rental deposits	34,517	40,086
Deferred revenues	662	1,975
Other accrued expenses	35,283	25,744
Total Current Liabilities	656,422	825,111
Other Liabilities		
Bonds payable	9,222,806	10,006,357
Net Assets		
Unrestricted	(3,536,183)	(3,496,805)
Temporarily restricted	-	-
Permanently restricted	-	-
Total Net Assets	(3,536,183)	(3,496,805)
Total Liabilities and Net Assets	\$ 6,343,045	\$ 7,334,663

See independent auditor's report.

The Oaks of Alexandria, LLC
Statement of Activities
Year Ended June 30, 2017
(With Comparative Totals for Year Ended June 30, 2016)

Schedule 7

	2017			2016	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Summarized Total
Revenues, Gains (Losses), and Other Support					
Student housing income	\$ 1,448,917	\$ -	\$ -	\$ 1,448,917	\$ 1,220,144
Other housing income	63,842	-	-	63,842	52,584
Noncash support	89,978	-	-	89,978	130,875
Interest and dividends	966	-	-	966	126
Total Revenues, Gains (Losses), and Other Support	1,603,703	-	-	1,603,703	1,403,729
Expenses					
Staffing services	100,255	-	-	100,255	143,445
Repairs and maintenance	62,244	-	-	62,244	143,332
Turnover	9,800	-	-	9,800	83,793
Common area	15,261	-	-	15,261	15,548
Utilities	150,532	-	-	150,532	188,228
Marketing and leasing	100	-	-	100	1,987
Resident life	5,994	-	-	5,994	47,308
General and administrative	24,847	-	-	24,847	14,166
Professional fees	23,750	-	-	23,750	23,750
Depreciation and amortization	369,649	-	-	369,649	387,500
Interest expense	790,671	-	-	790,671	460,724
Affiliated organization support	89,978	-	-	89,978	89,978
Total Expenses	1,643,081	-	-	1,643,081	1,599,759
Change in Net Assets	(39,378)	-	-	(39,378)	(196,030)
Net Assets (Deficit), Beginning of Year	(3,496,805)	-	-	(3,496,805)	(3,300,775)
Net Assets (Deficit), End of Year	<u>\$ (3,536,183)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,536,183)</u>	<u>\$ (3,496,805)</u>

See independent auditor's report.

Generals Athletic Association, LLC
Statement of Financial Position
June 30, 2017
(With Comparative Totals as of June 30, 2016)

Schedule 8

Assets	2017	2016
Current Assets		
Cash and cash equivalents	\$ 45,768	\$ 34,784
Accounts receivable	1,000	-
Prepaid expenses	-	110
Total Current Assets	46,768	34,894
Total Assets	\$ 46,768	\$ 34,894
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 10,149	\$ 3,750
Deferred revenues	100	2,500
Total Current Liabilities	10,249	6,250
Net Assets		
Unrestricted	34,019	26,144
Temporarily restricted	2,500	2,500
Permanently restricted	-	-
Total Net Assets	36,519	28,644
Total Liabilities and Net Assets	\$ 46,768	\$ 34,894

See independent auditor's report.

Generals Athletic Association, LLC
Statement of Activities
Year Ended June 30, 2017
(With Comparative Totals for Year Ended June 30, 2016)

Schedule 9

	2017			Total	2016
	Unrestricted	Temporarily Restricted	Permanently Restricted		Summarized Total
Revenues, Gains (Losses), and Other Support					
Contributions	\$ 3,000	\$ -	\$ -	\$ 3,000	\$ 2,880
Memberships	-	-	-	-	6,350
Athletic sign sponsorships	40,262	-	-	40,262	5,000
Fundraising	34,176	-	-	34,176	66,410
Interest and dividends	6	-	-	6	5
Noncash support	26,423	-	-	26,423	26,423
Total Revenues, Gains (Losses), and Other Support	103,867	-	-	103,867	107,068
Expenses					
Athletic sponsorship signs	2,078	-	-	2,078	-
Fundraising	17,175	-	-	17,175	24,809
Official functions	30,357	-	-	30,357	22,873
Operating services	11,677	-	-	11,677	5,668
Professional services	6,400	-	-	6,400	6,400
Supplies	1,882	-	-	1,882	19
Affiliated organization support	26,423	-	-	26,423	26,423
Total Expenses	95,992	-	-	95,992	86,192
Change in Net Assets	7,875	-	-	7,875	20,876
Net Assets, Beginning of Year	26,144	2,500	-	28,644	7,768
Net Assets, End of Year	\$ 34,019	\$ 2,500	\$ -	\$ 36,519	\$ 28,644

See independent auditor's report.