

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION

MONROE, LOUISIANA

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2020

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UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
JUNE 30, 2020

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# JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.

ROWLAND H. PERRY, CPA, APC  
CHARLES L. JOHNSON, JR., CPA  
VIOLET M. ROUSSEL, CPA, APC  
JAY CUTHBERT, CPA, APAC

PAM BATTAGLIA, CPA  
DAWN WHITSTINE, CPA  
JOHN R. FORSELL, IV, CPA



America Counts on CPAs®

*Certified Public Accountants*  
3007 Armand Street  
Monroe, Louisiana 71201  
Telephone (318) 322-5156 or (318) 323-1411  
Facsimile (318) 323-6331

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
University of Louisiana at Monroe Alumni Association  
Monroe, Louisiana

### Report on the Financial Statements

We have audited the accompanying financial statements of the University of Louisiana at Monroe Alumni Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of University of Louisiana at Monroe Alumni Association as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matter**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Revenues, Expenses and Capitalized Expenses Made To or On Behalf of the University Intercollegiate Athletics Program and the Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer on pages 22 and 23 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

### **Reporting on Other Legal and Regulatory Requirements**

In accordance with the requirements of the University of Louisiana-Monroe, we have issued a report, dated September 23, 2020 on the results of our agreed-upon procedures performed in accordance with attestation standards established by the American Institute of

Certified Public Accountants. The purpose of that report is solely to describe the scope of testing performed on those control and compliance areas identified in the University of Louisiana-Monroe's affiliation agreement, and the results of that testing, and not to provide an opinion on control or compliance.

*Johnson Perry Roussel & Cuthbert, LLP*

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS  
September 23, 2020

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED JUNE 30, 2020

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	107,992
Investments	587,105
Accounts Receivables	142
Pledges Receivable	<u>6,164</u>

TOTAL CURRENT ASSETS 701,403

PROPERTY, PLANT AND EQUIPMENT

Leasehold Improvements	5,367
Furniture	4,593
Equipment	<u>12,991</u>
Total Property, Plant and Equipment	22,951
Accumulated Depreciation	<u>( 15,633)</u>

NET PROPERTY, PLANT AND EQUIPMENT 7,318

OTHER ASSETS

Art and Collectibles	<u>7,450</u>
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TOTAL OTHER ASSETS 7,450

TOTAL ASSETS 716,171

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	<u>7,084</u>
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TOTAL CURRENT LIABILITIES 7,084

NET ASSETS

Without Donor Restrictions	40,228
Without Donor Restrictions - Life Member	
Endowment	554,090
With Donor Restrictions	<u>114,769</u>

TOTAL NET ASSETS 709,087

TOTAL LIABILITIES AND NET ASSETS 716,171

See independent auditors' report and accompanying notes.

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenues and Gains		
Contributions	38,500	
Life Memberships	17,750	
Sponsorships	15,850	
Special Events	3,620	
Miscellaneous Royalties	13,887	
Interest	15,463	
Investment Gain (Loss)	( 3,737)	
Non-Cash Contributions	600	
Merchandise Sales	-	
Credit Card Royalty	850	
Miscellaneous	5,024	
Satisfaction of Program Restrictions	<u>21,549</u>	
<u>TOTAL REVENUE WITHOUT DONOR RESTRICTIONS</u>		<u>129,356</u>

EXPENSES

Academic Support		25,400
University and Sports Promotion and Chapter Development	45,707	
Fund-Raising and Promotion	10,775	
Management and General	<u>64,006</u>	
<u>TOTAL EXPENSES</u>		<u>145,888</u>

INCREASE IN NET ASSETS WITHOUT DONOR  
RESTRICTIONS ( 16,532)

CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS

Contributions		7,025
Dues	14,765	
Sponsorships	42,700	
Event Revenue	12,500	
Non-Cash Contributions	1,650	
Investment Earnings	782	
Net Assets Released from Restrictions	<u>( 21,549)</u>	
<u>DECREASE IN NET ASSETS WITH DONOR RESTRICTIONS</u>		<u>57,873</u>

DECREASE IN NET ASSETS 41,341

NET ASSETS AT BEGINNING OF YEAR 667,746

NET ASSETS AT END OF YEAR 709,087

See independent auditors' report and accompanying notes.

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services	Support Services		Total
		Management And General	Fund- Raising	
Advertising	6,383	-	-	6,383
Auto	158	-	-	158
Awards	450	-	-	450
Depreciation	747	-	500	1,247
Entertainment	500	-	-	500
Event Charges	3,835	-	9,559	13,394
Food Cost	12,443	-	-	12,443
Insurance	-	4,347	-	4,347
Miscellaneous	194	-	-	194
Miscellaneous Taxes & Licenses	-	-	7	7
Postage	114	-	77	191
Printing	7,881	-	257	8,138
Professional	-	21,320	-	21,320
Promotions	9,975	-	-	9,975
Registration Fees	-	-	-	-0-
Rental	1,636	-	-	1,636
Salary Reimbursement	-	22,727	-	22,727
Supplies	1,312	15,612	-	16,924
Scholarships	25,400	-	-	25,400
Bad Debt	-	-	375	375
Travel	79	-	-	79
<u>TOTAL</u>	<u>71,107</u>	<u>64,006</u>	<u>10,775</u>	<u>145,888</u>

See independent auditors' report and accompanying notes.

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Decrease in Net Assets		57,873
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities		
Depreciation	1,247	
(Increase) Decrease in Accounts Receivable	368	
(Increase) Decrease in Pledge Receivable	2,171	
Increase (Decrease) in Accounts Payable	<u>(3,040)</u>	

TOTAL ADJUSTMENTS 746

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES 58,619

CASH FLOWS FROM INVESTING ACTIVITIES

(Increase) Decrease in Investments	(6,523)	
Purchase of Fixed Assets	<u>(3,068)</u>	

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES ( 9,591)

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 49,028

CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR 58,964

CASH AND CASH EQUIVALENTS - END OF YEAR 107,992

Cash Paid During the Year for:

Interest		-0-
Income Taxes		-0-

See independent auditors' report and accompanying notes.

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Nature of Activities

The University of Louisiana at Monroe (ULM) Alumni Association (the Association) is a non-profit organization located in Monroe, Louisiana. The Association serves to foster a spirit of loyalty and fraternalism among graduates, former students, students and friends of ULM, and to achieve unity of purpose and action in promoting the best interests of the University.

The Association seeks to enlist the volunteer involvement of ULM alumni and friends in support for the University as a means of assisting ULM in reaching its full potential as a teaching, research, and service institute of higher education in Louisiana.

The Association endeavors to provide the leadership and support services, through its financial and human resources, which will enhance the University's efforts to satisfy the economic, cultural, and educational needs of the region, state, and nation.

B. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

C. Method of Accounting

The financial statements of the Association have been prepared on the accrual method of accounting and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its *Audit Guide for Not-for-Profit Organizations*.

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

D. Basis of Presentation

The financial statements have been prepared in accordance with U.S generally accepted accounting principles ("US GAAP"), which require the organization to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. These net assets may be used at the discretion of the Association and the board of directors.

Net Assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

E. New Accounting Pronouncement

As of July 1, 2020, the Association adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. Results for reporting the year ending June 30, 2020 are presented under FASB

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

E. New Accounting Pronouncement (Continued)

ASC Topic 606. The ASU has been applied retrospectively to all periods presented, with no effect on net assets or previously issued financial statements.

During the year, the Association also adopted the provisions of FASB ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). This accounting standard is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional. ASU 2018-08 clarifies how an organization determines whether a resource provider is receiving commensurate value in return for a grant. If the resource provider does receive commensurate value from the grant recipient, the transaction is an exchange transaction and would follow the guidance under ASU 2014-09 (FASB ASC Topic 606). If no commensurate value is received by the grant maker, the transfer is a contribution. ASU 2018-08 stresses that the value received by the general public as a result of the grant is not considered to be commensurate value received by the provider of the grant. Results for reporting the year ending June 30, 2020 are presented under FASB ASU 2018-08. There was no material impact to the financial statements as a result of adoption. Accordingly, no adjustment to opening net assets was recorded.

In 2019, the Association adopted the provisions of FASB ASU 2016-18, *Statement of Cash Flows* (Topic 230). This ASU requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

E. New Accounting Pronouncement (Continued)

with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the consolidated statement of cash flows. The amendments in the ASU do not provide a definition of restricted cash or restricted cash equivalents. The Association has applied the provisions of ASU 2016-18 retrospectively to all periods presented with no effect on net assets or previously issued financial statements.

F. Tax Status

The Association is a nonprofit corporation exempted from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been made; however, should the Association engage in activities unrelated to its exempt purpose, taxable income could result. The Association had no material unrelated business income for the year ended June 30, 2020. The earliest income tax year that is subject to examination is June 30, 2016.

G. Functional Allocation of Expenses

The direct costs of providing the various programs and other activities have been summarized on a functional basis in the Statements of Activities. Program services expenses are those directly related to the purposes for which the Association exists. Supporting services expenses reflect other expenses incurred in operating the programs.

H. Property and Equipment

Property and equipment is recorded at cost or fair market value at date of purchase or donation, respectively. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets. The estimated useful lives range from 5 to 7 years.

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

I. Faculty and Staff

The Association occupied without charge office space in the Laird Weems Center, which is owned by ULM. No amount has been reflected in the financial statements for the value of the use of the facility. The University also provides staff for the Association's activities and operations, the cost and value of which is not reflected in these financial statements.

J. Cash Flows

For purposes of the statement of cash flows, the Association considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

K. Pledges

Pledges receivable are recognized upon notification of a donor's unconditional promise to give to the Association. Unconditional promises to give that are expected to be collected in less than one year are measured at net realizable value because that amount results in a reasonable estimate of fair value in accordance with the *Contributions Received* section of the FASB ASC. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as net assets with donor restrictions, depending on the nature of the restrictions. When a donor 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 are reported in the Statement of Activities as assets released from restrictions.

Pledges receivables are expected as follows:

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

K. Pledges (Continued)

Less than 1 Year	6,164
1 to 5 Years	-0-
More than 5 Years	<u>-0-</u>
<u>Total</u>	<u>6,164</u>

The Association uses the allowance method to determine uncollectible unconditional receivables. The allowance is based on prior years' experience and management's analysis of specific promises made. Management reviews accounts receivable monthly and charges off amounts deemed uncollectible. The amount of the allowance was \$-0- at June 30, 2020.

L. Advertising Expenses

The Association expenses advertising costs as they are incurred. For the year ended June 30, 2020, advertising expense was \$6,383.

M. Donated Services and Materials

Non-cash donations include both materials and services. These donations are recorded at their fair market value on the date of donation. Donated services are recognized only when they create or enhance a non-financial asset, or when they are specialized skills provided by entities or persons possessing those skills that would be purchased if they were not donated. For the year ended June 30, 2020, the Association received various donations of materials and/or services in the amount of \$2,250.

N. Investment Policies

Marketable equity securities for which a fair market value is not readily determinable are recorded at estimated amortized cost. Investments in debt securities and marketable equity securities for which fair market value is readily determinable are reported at fair value.

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

N. Investment Policies (Continued)

Gains and losses on all investments are recorded as increases or decreases (as appropriate) in net assets in the accompanying Statement of Activities.

O. Revenue Recognition

*Revenue from Exchange Transactions*: The Association recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Association records the following exchange transaction revenue in its statements of activities and changes in net assets for the year ending June 30, 2020:

Membership Dues

Membership dues are set by the Association and are paid on an annual basis. The performance obligation lasts throughout the fiscal year. The membership dues paid allows the member the right to attend various events during the year and the member may receive various novelty items.

Special Fundraising Event Revenue

The Association conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event—the exchange component, and a portion represents a contribution to the Association. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Association. The

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

O. Revenue Recognition (Continued)

Special Fundraising Event Revenue (Continued)

contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Association, are recorded as costs of direct donor benefits in the statement of activities and changes in net assets. The performance obligation is delivery of the event, which is usually accompanied by a presentation. The event fee is set by the Association. FASB ASU 2014-09 requires allocation of the transaction price to the performance obligation(s). Accordingly, the Association separately presents in its statements of activities and changes in net assets or notes to financial statements the exchange and contribution components of the gross proceeds from special events. Special event fees collected by the Association in advance of its delivery are initially recognized as liabilities (deferred revenue) and recognized as special event revenue after delivery of the event. For special event fees received before year-end for an event to occur after year-end, the Association follows AICPA guidance where the inherent contribution is conditioned on the event taking place and is therefore treated as a refundable advance along with the exchange component.

P. Public Support and Revenue

Grants and other contributions of cash and other assets are reported as support with donor restrictions 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

P. Public Support and Revenue. (Continued)

activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as contributions without donor restrictions.

The accounting and reporting of grants is determined by the underlying substance of the transaction. A grant may be accounted for as contribution, an exchange transaction, or a combination of the two. If it is determined to be a contribution, a grant may be considered a conditional or an unconditional grant.

NOTE 2 - ART AND COLLECTIBLES:

Art and collectibles consist of prints by Glen Gore donated to the Association by the ULM Foundation. The prints are stated at the estimated fair value at the time of donation.

NOTE 3 - NET ASSETS WITH DONOR RESTRICTIONS:

During fiscal 2006, the Association began receiving contributions and sponsorships specifically dedicated to the Wine over Water event creating the need to account for this event separate from other Alumni activities. At the end of the year June 30, 2020, there remained \$-0- net assets with donor restrictions for Wine over Water.

The Alumni Association receives contributions and dues specifically dedicated to the ULM L-Club. At the end of the year June 30, 2020, there was \$114,769 net assets with donor restrictions for the L-Club.

NOTE 4 - NET ASSETS WITHOUT DONOR RESTRICTIONS - LIFE MEMBER  
ENDOWMENT:

During fiscal 1999, the Association, through its Board of Directors, established a Life Membership Program. A gift of \$500 per individual qualifies as a life member. Such a

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2020

NOTE 4 - NET ASSETS WITHOUT DONOR RESTRICTIONS - LIFE MEMBER  
 ENDOWMENT: (Continued)

member is exempt from future annual contributions. Transfers are made to unrestricted from net realized earnings in the endowment. At June 30, 2020, there were 561 lifetime members.

Balance - July 1, 2019	573,386
Life Membership Transfers	17,021
Investment Earnings (Loss)	9,416
Transfers from Unrestricted	( 45,733)
<u>Balance - June 30, 2020</u>	<u>554,090</u>

NOTE 5 - SUBSEQUENT EVENTS:

Subsequent events have been evaluated through September 23, 2020, which is the day the financial statements were available to be issued. No significant events have occurred since that date that would require disclosure in the financial statements.

NOTE 6 - INVESTMENTS:

Investments are stated at fair values as determined by market quotes on the investments, and are summarized as follows as of June 30, 2020:

	<u>Fair and Carrying Values</u>
Cash and Cash Equivalents	12,819
U.S. Government Agencies Debt	115,626
Equities and Convertibles	403,582
Other Investments	<u>55,078</u>
<u>Total</u>	<u>587,105</u>

All income is without donor restriction and may be used as designated by the board and, accordingly, is recorded as income in the appropriate fund.

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

NOTE 7 - INVESTMENT INCOME:

Sources of investment income are as follows:

Realized Gain (Loss) on Investments	14,360
Unrealized Gain (Loss) on Investments	(18,097)
Interest, Dividends and Other	<u>15,463</u>
<u>Total</u>	<u>11,726</u>

The investment expense paid by the Association for 2020 was \$1,839.

NOTE 8 - SUMMARY OF FAIR VALUE EXPOSURE:

The FASB *Fair Value Measurement* standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Association has adopted this standard for its financial assets and liabilities measured on a recurring and nonrecurring basis (ASC 820-10).

*Fair Value Measurement* defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e., an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.)
- Level 3: Significant unobservable inputs (including the Association's own assumptions in determining the fair value of investments).

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2020

NOTE 8 - SUMMARY OF FAIR VALUE EXPOSURE: (Continued)

The inputs and methodology used for valuing the Association's financial assets and liabilities are not indicators of the risks associated with those instruments.

The following table provides fair value measurement information for financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2020.

<u>Description</u>	<u>Investments in Securities</u>
Level 1: Quoted Prices	554,090
Level 2: Other Significant Observable Inputs	-
Level 3: Significant Unobservable Inputs	-
<u>Total Fair Value</u>	<u>554,090</u>

The following methods and assumptions were used to estimate the fair values of the assets and liabilities in the table above:

LEVEL 1: FAIR VALUE MEASUREMENTS

Investments in Securities

The fair value of the Association's investments in marketable equity and debt securities is based on quoted market prices.

LEVEL 3: FAIR VALUE MEASUREMENTS

Investments in Securities

The fair value of the Association's alternative investments has been established utilizing the net asset value of the fund allocated to the Association's percentage ownership in the fund. These estimates are compared to the Association's counterparty values for reasonableness.

The following table reconciles the Association's assets and liabilities classified as Level 3 measurements during the year ended June 30, 2020:

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

NOTE 8 - SUMMARY OF FAIR VALUE EXPOSURE: (Continued)

Balance, June 30, 2019	-
Purchases, Issuances, and Settlements	-
Net Realized and Unrealized Losses Included in Earnings	<u>-</u>
Balance, June 30, 2020	<u>-0-</u>
Net Unrealized Losses During Year on Level 3 Securities Held at June 30, 2020	<u>-0-</u>

At June 30, 2020, assets measured at fair value on a nonrecurring basis are comprised of noncurrent pledges receivable totaling \$-0-. Fair value of noncurrent pledges receivable is based on observable inputs, which make up a Level 1 asset. The fair value is estimated by discounting expected cash inflows to their present value. The discount is not material.

NOTE 9 - IDENTITY OF INTEREST:

The Association has a cooperative endeavor agreement with the University of Louisiana at Monroe Foundation to provide funds administration, investment management, accounting services, data management reporting, and other services mutually agreed on for a fee of \$1,180 per month. This contract was for one year beginning on July 1, 2019. The total amount paid on this contract for the year ending June 30, 2020 was \$14,160.

NOTE 10 - CONCENTRATIONS OF CREDIT RISK:

The Association has checking and other accounts at various financial institutions. Accounts at the financial institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution.

NOTE 11 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Association's financial assets as of the balance sheet date of June 30, 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

NOTE 11 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS: (Continued)

Financial Assets at June 30, 2020	701,403
Less those unavailable for general expenditure within one year	
Donor Restricted for L-Club	<u>114,769</u>
Financial assets availability to meet cash needs for general expenditure, within one year	<u>586,634</u>

In addition to financial assets available to meet general expenditures over the year, the Association anticipates covering its general expenditures using the income generated from rent income earned in the next fiscal year.

SUPPLEMENTAL INFORMATION

UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
SCHEDULE OF REVENUES, EXPENSES AND CAPITALIZED EXPENSES MADE TO OR ON  
BEHALF OF THE UNIVERSITY INTERCOLLEGIATE ATHLETICS PROGRAM  
JUNE 30, 2020

REVENUE

<u>Date Received</u>	<u>Received From</u>	<u>Amount</u>	<u>Description</u>
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None Received for Year End 6/30/2020

EXPENSES

<u>Date Paid</u>	<u>Paid To</u>	<u>Amount</u>	<u>Description</u>
9/12/19	ULM Athletic Foundation	300	Grove Spot #1 - 6 Games
1/30/20	ULM Athletic Foundation	500	2020 Mardi Gras Parade

CAPITALIZED EXPENSES

None

See independent auditors' report and accompanying notes.

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UNIVERSITY OF LOUISIANA AT MONROE ALUMNI ASSOCIATION  
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO  
 AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
 FOR THE PERIODS ENDED DURING FISCAL YEAR JUNE 30, 2020

AGENCY HEAD NAME/TITLE: MELISSA KIPER, DIRECTOR

<u>Purpose</u>	<u>Amount Paid with State Funds</u>
Salary	-0-
Benefits-insurance	-0-
Benefits-retirement	-0-
Benefits-other (describe)	-0-
Benefits-other (describe)	-0-
Benefits-other (describe)	-0-
Car allowance	-0-
Vehicle provided by government (enter amount reported on W-2)	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference travel	-0-
Housing	-0-
Unvouchered expenses (example: travel advances, etc.)	-0-
Special meals	-0-
Other - Training	-0-

See independent auditors' report and accompanying notes.

# JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.

ROWLAND H. PERRY, CPA, APC  
CHARLES L. JOHNSON, JR., CPA  
VIOLET M. ROUSSEL, CPA, APC  
JAY CUTHBERT, CPA, APAC

PAM BATTAGLIA, CPA  
DAWN WHITSTINE, CPA  
JOHN R. FORSELL, IV, CPA



America Counts on CPAs®

*Certified Public Accountants*

3007 Armand Street  
Monroe, Louisiana 71201  
Telephone (318) 322-5156 or (318) 323-1411  
Facsimile (318) 323-6331

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## INDEPENDENT AUDITORS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors  
University of Louisiana at Monroe Alumni Association  
Monroe, Louisiana

We have performed the procedures enumerated below, which were agreed to by the ULM Alumni Association and University of Louisiana at Monroe, solely to assist them in evaluating the accounting records of the ULM Alumni Association for the year ended June 30, 2020. The sufficiency of these procedures is solely the responsibility of the ULM Alumni Association and University of Louisiana at Monroe. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Verify that the Association did not make loans to or allocate any net earnings or assets to the benefit of its directors, officers, or other private persons. Any payments made to these persons were for reasonable compensation for services rendered or reimbursement for reasonable travel expenses.

**Comment:** No exceptions noted.

2. Verify that the Association made no political contributions nor reimbursed any employee for politically-related expenses that would violate IRS guidelines for 501(c)3 organizations. Accordingly, the Association did not provide funds to or on behalf of university employees to endorse political parties or candidates, attend political fund-raisers, participate in lobbying activities, etc.

**Comment:** No exceptions noted.

3. Verify that the Association preserved, in accordance with donor intent, the principal of any endowments, and disbursements from the expendable portion of those funds were made in compliance with donor intent and to eligible recipients or for eligible purposes.

**Comment:** No exceptions noted.

4. Verify that all donations were properly recorded in the accounting records in accordance with donor intent.

**Comment:** No exceptions noted.

5. Verify that the Association did not deposit or hold public funds at any time during July 1, 2019 to June 30, 2020, except for 1) Endowed Chair and Endowed Professorships Programs funds held in accordance with a Funds Management Agreement or 2) Project funds held in accordance with a cooperative endeavor agreement.

**Comment:** No exceptions noted.

6. Verify that all the contracts between the Association and any member of its Board of Directors, any member of the UL System of Supervisors, and UL System employee, or any university employee have been individually disclosed in the notes to the financial statements, regardless of the significance of the contract payments to total Affiliate expenses. The Related Parties note, if applicable, includes the names of the parties to the contract, the services provided, the amount paid as of the date of the financial statements.

**Comment:** No exceptions noted.

7. Verify that the funds for the supplemental compensation and/or benefits for a UL System or University employee were paid to the System Office or University for disbursement to the employee: no supplemental payments were made directly to an employee unless specifically approved by the Board Office or University.

**Comment:** No exceptions noted.

8. Verify on a quarterly basis, the Association reported to the UL System all single payments of \$1,000 or more made to or on behalf of any individual university employee.

**Comment:** No exceptions noted.

9. Verify a sample of disbursements less than \$1,000 made to or on behalf of university employees has been reviewed for compliance with the policies contained in the Affiliate Agreement, "Affiliate Funding and Administration."

**Comment:** No exceptions noted.

10. Verify that the accompanying financial statements include a supplementary schedule of all revenues, expenses and capitalized expenses made to or behalf of the university intercollegiate athletics program. Verified that this schedule is fairly stated in relation to the financial statements taken as whole.

**Comment:** The schedule is presented as supplemental information in the audited financial statements.

The agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the supplemental assurances required by the affiliation agreement. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Alumni Association, University of Louisiana at Monroe, and the Board of Directors, and should not be used by anyone other than those specified parties.

*Johnson Perry Roussel & Cuthbert, L.L.P.*

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS  
September 23, 2020