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LSU SHREVEPORT ALUMNI ASSOCIATION  
FINANCIAL STATEMENTS  
JUNE 30, 2018 and 2017

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JAN 09 2019

LEGISLATIVE AUDITOR  
2018 DEC 26 4: 8: 10

LSU Shreveport Alumni Association  
Shreveport, Louisiana

Table of Contents

	<u>Page No.</u>
<b>Independent Auditors' Report</b>	1 – 2
<b>Financial Statements</b>	
Statements of Financial Position	3
Statements of Activities	
For the Year Ended June 30, 2018	4
For the Year Ended June 30, 2017	5
Statements of Cash Flows	6
Notes to Financial Statements	7 – 9

# COOK & MOREHART

*Certified Public Accountants*

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## Independent Auditors' Report

To the Board of Directors  
LSU Shreveport Alumni Association  
Shreveport, Louisiana

We have audited the accompanying financial statements of LSU Shreveport Alumni Association (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and cash flows for the years 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditor's 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 LSU Shreveport Alumni Association as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Cook & Morehart". The signature is written in black ink and is positioned above the printed name of the firm.

Cook & Morehart  
Certified Public Accountants  
November 16, 2018

LSU Shreveport Alumni Association  
 Shreveport, Louisiana  
 Statements of Financial Position  
 June 30, 2018 and 2017

	2018	2017
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 110,874	\$ 122,243
Accounts receivable	1,350	
Total current assets	112,224	122,243
Fixed assets:		
Furniture and fixtures	2,810	2,810
Less: accumulated depreciation	(2,810)	(2,810)
Total net fixed assets		
 Total Assets	\$ 112,224	\$ 122,243
 <b>Liabilities and Net Assets:</b>		
Current liabilities:		
Accounts payable	\$ 9,612	\$ 25,260
Total current liabilities	9,612	25,260
Net assets:		
Unrestricted	101,961	96,317
Temporarily restricted	651	666
Total net assets	102,612	96,983
 Total Liabilities and Net Assets	\$ 112,224	\$ 122,243

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

LSU Shreveport Alumni Association  
Shreveport, Louisiana  
Statement of Activities  
For the Year Ended June 30, 2018

	Unrestricted	Temporarily Restricted	Total
Revenue and Other Support:			
Public support:			
Donations	\$ 17,041	\$	\$ 17,041
Special events and fund raising	54,077		54,077
Special events - inkind donations	16,503		16,503
Total public support	<u>87,621</u>		<u>87,621</u>
Other revenue:			
Membership dues	5,920		5,920
Miscellaneous income	4,447		4,447
Total other revenue	<u>10,367</u>		<u>10,367</u>
Net assets released from restrictions:			
Restrictions satisfied by expending funds for the purpose intended	<u>15</u>	<u>(15)</u>	
Total revenues and other support	<u>98,003</u>	<u>(15)</u>	<u>97,988</u>
Expenses:			
Program services:			
Scholarships	7,000		7,000
Social media and recruitment	6,044		6,044
Supplies	18,731		18,731
Total program services	<u>31,775</u>		<u>31,775</u>
Special events and fund raising	31,710		31,710
General and administrative:			
Printing	3,524		3,524
Computer services	4,475		4,475
Subscriptions and memberships	781		781
Miscellaneous	2,528		2,528
Food and beverages for receptions and board meetings	8,617		8,617
Office supplies	1,037		1,037
Professional fees	6,962		6,962
Rental	950		950
Total general and administrative	<u>28,874</u>		<u>28,874</u>
Total expenses	<u>92,359</u>		<u>92,359</u>
Change in net assets	5,644	(15)	5,629
Net assets as of beginning of year	<u>96,317</u>	<u>666</u>	<u>96,983</u>
Net assets as of end of year	<u>\$ 101,961</u>	<u>\$ 651</u>	<u>\$ 102,612</u>

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

LSU Shreveport Alumni Association  
Shreveport, Louisiana  
Statement of Activities  
For the Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	Total
<b>Revenue and Other Support:</b>			
Public support:			
Donations	\$	\$ 100	\$ 100
Special events and fund raising	46,128		46,128
Special events - inkind donations	14,151		14,151
Total public support	<u>60,279</u>	<u>100</u>	<u>60,379</u>
Other revenue:			
Membership dues	5,580		5,580
Miscellaneous income	2,695		2,695
Total other revenue	<u>8,275</u>		<u>8,275</u>
 Total revenues and other support	 <u>68,554</u>	 <u>100</u>	 <u>68,654</u>
<b>Expenses:</b>			
Program services:			
Scholarships	8,500		8,500
Social media and recruitment	2,531		2,531
Supplies	11,380		11,380
Total program services	<u>22,411</u>		<u>22,411</u>
Special events and fund raising	22,417		22,417
General and administrative:			
Printing	3,481		3,481
Software maintenance	2,371		2,371
Subscriptions and memberships	518		518
Miscellaneous	6,588		6,588
Food and beverages for receptions and board meetings	5,024		5,024
Office supplies	1,501		1,501
Professional fees	4,000		4,000
Rental	814		814
Total general and administrative	<u>24,297</u>		<u>24,297</u>
Total expenses	<u>69,125</u>		<u>69,125</u>
Change in net assets	(571)	100	(471)
Net assets as of beginning of year	<u>96,888</u>	<u>566</u>	<u>97,454</u>
Net assets as of end of year	<u>\$ 96,317</u>	<u>\$ 666</u>	<u>\$ 96,983</u>

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

LSU Shreveport Alumni Association  
Shreveport, Louisiana  
Statements of Cash Flows  
For the Years Ended June 30, 2018 and 2017

	2018	2017
Operating Activities		
Change in net assets	\$ 5,629	\$ (471)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
(Increase) decrease in operating assets:		
Prepaid expenses		2,371
Accounts receivable	(1,350)	
Increase (decrease) in operating liabilities:		
Accounts payable	(15,648)	16,903
Net cash provided by (used in) operating activities	(11,369)	18,803
Cash and cash equivalents as of beginning of year	122,243	103,440
Cash and cash equivalents as of end of year	\$ 110,874	\$ 122,243

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

LSU Shreveport Alumni Association  
Shreveport, Louisiana  
Notes to Financial Statements  
June 30, 2018 and 2017

(1) Summary of Significant Accounting Policies

A. Nature of Activities

LSU Shreveport Alumni Association ("Association") is a 501(c)3 nonprofit organization incorporated under the laws of the State of Louisiana. The Association supports the mission of Louisiana State University in Shreveport ("LSUS"). The Association provides funds for scholarships, helps promote enrollment, supports the continuation and expansion of programs at LSUS, and encourages community involvement through financial contributions and cooperative events with community and civic organizations.

A description of the Association's programs are as follows:

**Membership Drive** – Conducted annually, to encourage those qualified to join or renew membership in the Association.

**Annual Golf Classic** – A golf tournament is held annually as part of the Association's fund raising efforts. Proceeds are used for scholarships, programs, projects and services that benefit LSUS.

**Scholarships** – The Association provides funds to the LSU in Shreveport Foundation, Inc. to provide for scholarships for eligible students.

B. Basis of Accounting

The financial statements of the Association have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

C. Basis of Presentation

Financial statement presentation follows the requirements of Statement of Financial Accounting Standards. Under those standards, the Association is required to report information regarding its financial position and activities based on the absence or existence of donor-imposed restrictions. Accordingly, net assets of the Association and changes therein are classified and reported as follows:

*Unrestricted net assets* - Net assets that are not subject to donor-imposed stipulations. Some unrestricted net assets may be designated by the Board for specific purposes.

*Temporarily restricted net assets* - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Association, and/or by the passage of time.

*Permanently restricted net assets* - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Association. Generally, donors permit all or part of the income earned on these assets to be used for general or specific purposes. There were no permanently restricted net assets of the Association as of June 30, 2018 and 2017.

(Continued)

LSU Shreveport Alumni Association  
Shreveport, Louisiana  
Notes to Financial Statements  
June 30, 2018 and 2017  
(Continued)

D. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

E. Cash and Cash Equivalents

Cash equivalents, as stated for cash flow purposes, consist of non-interest bearing bank accounts and short term highly liquid investments which are readily convertible into cash within ninety (90) days of purchase.

F. Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of each asset. The Association has established a capitalization policy of \$500 per unit. Minor additions and renewals are expensed in the year incurred. The estimated useful life of the assets being depreciated is as follows:

Furniture and fixtures – 5 years

G. Revenue and Support

Donations and contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires (that is, when a stipulated time restriction ends or purpose of restriction is accomplished) in the reporting period in which the support is recognized. 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.

H. Income Tax Status

The Association is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the organization's tax-exempt purpose is subject to taxation as unrelated business income. The Association had no such income during this audit period. The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ended June 30, 2014, 2015, 2016, and 2017 are subject to examination by the IRS, generally three years after they were filed.

(Continued)

LSU Shreveport Alumni Association  
Shreveport, Louisiana  
Notes to Financial Statements  
June 30, 2018 and 2017  
(Continued)

I. In-Kind Donations

The Association receives in-kind donations of noncash items as part of the fund raising activities. The estimated fair value of these donated items have been recorded as special events in-kind donations revenue and included in special events and fund raising expense. In-kind donations for the years ended June 30, 2018 and 2017 were \$16,503 and \$14,151 respectively.

J. Accounts Receivable

Accounts receivable at June 30, 2018 represents a receivable from one business which was collected in July, 2018. Therefore no allowance for doubtful accounts is recorded in the accompanying financial statements.

(2) Concentrations of Credit Risk

Financial instruments that potentially subject the Association to concentration of credit risk consist principally of cash and accounts receivable. The Association maintains cash balances at a local financial institution. The account at that institution is guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. There were no uninsured balances at that institution at June 30, 2018 and 2017.

Concentration of credit risk with respect to accounts receivable are limited due to the accounts receivable at June 30, 2018 was from one business that was collected in July, 2018.

(3) Subsequent Events

Subsequent events have been evaluated through November 16, 2018, the date the financial statements were available to be issued.

(4) Designation of Unrestricted Net Assets

The Board of Directors of the Association designated \$52,481 and \$41,485 of unrestricted net assets at June 30, 2018 and 2017 respectively, for recruitment, retention, scholarships, student services, marketing, public relations, social media, salaries and any other contingency use deemed necessary by a majority vote of the LSU in Shreveport Alumni Board of Directors.

(5) Temporarily Restricted Net Assets

Amounts shown as temporarily restricted net assets at June 30, 2018 and 2017 represents amounts received for scholarships and other activities but not expended by the Association.