

**NICHOLLS STATE UNIVERSITY
ALUMNI FEDERATION**

Financial Report

For the Year Ended June 30, 2020

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
Financial Report
For the Year Ended June 30, 2020

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STAGNI & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Nicholls State University Alumni Federation

We have audited the accompanying statement of assets and net assets – modified cash basis of the Nicholls State University Alumni Federation (a nonprofit organization) as of June 30, 2020, and the related statement of revenue, expenses and other changes in net assets – modified cash basis 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 the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 of 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 assets and net assets of the Nicholls State University Alumni Federation as of June 30, 2020, and its revenue, expenses and other changes in its net assets during the year then ended, on the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying graphs and schedule of compensation, benefits and other payments to agency head, listed as other supplementary information in the table of contents, are presented for purposes of additional analysis and are not a required part of the above 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 taken as a whole.

Stagni & Company

Thibodaux, Louisiana
December 8, 2020



Nicholls State University Alumni Federation
Statement of Assets and Net Assets
Modified Cash Basis
June 30, 2020

ASSETS

CURRENT ASSETS

Cash & cash equivalents	\$ 224,603
Cash & cash equivalents - designated	70,419
Total Current Assets	<u>295,022</u>

NON-CURRENT ASSETS

Furniture, equipment, & improvements, net of accumulated depreciation of \$45,064	4,000
Total Non-Current Assets	<u>4,000</u>

TOTAL ASSETS

\$ 299,022

NET ASSETS

Without donor restrictions	\$ 228,603
With donor restrictions	70,419
Total net assets	<u>299,022</u>

TOTAL NET ASSETS

\$ 299,022

See Notes to the Financial Statements.

Nicholls State University Alumni Federation
Statement of Revenue, Expenses and Other
Changes in Net Assets - Modified Cash Basis
For the Year Ending June 30, 2020

REVENUES

Member dues	\$	36,869
Chapter dues		2,524
Donations - general		6,029
Special Events		39,615
Commissions		4,902
Donated services		214,476
Donated occupancy		11,000
Donations for scholarships		1,898
Student assessments		14,455
Degree fee		20,477
Interest		489
Miscellaneous		3,029
Total revenue & other support		355,763

EXPENSES

PROGRAM SERVICES

Director expenses	1,674
Salaries	180,266
Training and professional development	960
Colonel printing & postage	3,996
Disaster assistance	4,127
Fund Raising events	27,223
Student Assessment	33,384
Total program services	251,630

(continued)

See Notes to the Financial Statements.

Nicholls State University Alumni Federation

Statement of Revenues, Expenses and Other

Changes in Net Assets - Modified Cash Basis

For the Year Ending June 30, 2020

SUPPORTING SERVICES

GENERAL & ADMINISTRATIVE

Office supplies & maintenance	1,839
Supplies & maintenance	409
Board & Committee	720
Postage	958
Telephone	40
Dues & subscriptions	13,766
Professional Fees	6,000
Insurance	8,410
Bank & VISA fees	1,672
Travel	1,723
Miscellaneous	4,431
Depreciation	667
Occupancy	11,000
Equipment Expense	1,466
	<hr/>
	53,101

MEMBERSHIP DEVELOPMENT

Dues expenses - mailing/other	722
Chapter expenses	2,655
	3,377
Total supporting services	56,478

Total expenses 308,108

Change in net assets 47,655

NET ASSETS, BEGINNING OF YEAR 251,367

NET ASSETS, END OF YEAR \$ 299,022

(concluded)

See Notes to the Financial Statements.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
Notes to the Financial Statements
For the Year Ended June 30, 2020

Note 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of organization:

The Nicholls State University Alumni Federation (the Alumni Federation) was organized as a non-profit corporation as defined by Revised Statutes of Louisiana Title 12, Section 101 and is duly inscribed in Book of Charters and Articles of Incorporation No. 4, Page 539, Entry No. 185698. Its object and purpose is to foster, protect, and promote the welfare of Nicholls State University and its alumni.

The significant accounting policies are as follows:

Basis of accounting:

The Alumni Federation's policy is to prepare its financial statements on the modified cash basis of accounting. Using this basis, revenues and other support are recognized when collected rather than when earned or receivable, and expenses are recognized when paid rather than when incurred. Consequently, the financial statements do not include revenue receivable, amounts due vendors, prepaid expenses, nor liabilities for accrued expenses. The statements are considered modified from the pure cash basis of accounting because of the Organization's policy to capitalize depreciable assets as well as to report donated facilities and services.

Classification of Net Assets

The Federation presents the financial statements following the recommendations of the Financial Accounting Standards Board (FASB). Under FASB, the Federation is required to report information regarding its financial position and activities according to two classes of net assets:

- 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 School. These net assets may be used at the discretion of management and the board of directors.
- Net Assets with Donor Restriction – 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 Federation or by the passage of time. Other donor restrictions are perpetual in nature, were by the donor has stipulated the funds be maintained in perpetuity.

Contributions:

The Alumni Federation records contributions when they are received.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
Notes to the Financial Statements
For the Year Ended June 30, 2020

**Note 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES,
continued**

Furniture, equipment, & improvements:

Furniture, equipment, & improvements are carried at historical cost. Donated assets are valued at estimated market value at the time of donation. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. Assets costing more than \$1,000 are capitalized.

Income tax status:

No provision has been made for income taxes in the financial statements. The Alumni Federation is exempt from income tax under section 501(c) (3) of the Internal Revenue Code. This code section enables the Organization to accept donations, which qualify as charitable contributions to the donor.

Use of estimates:

The preparation of financial statements on the cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses:

Expenses are charged directly to program services, general and administrative, or membership development categories based on specific identification. There are no indirect expenses to be allocated.

New Accounting Pronouncements

Effective July 1, 2019, the Federation adopted the requirements of the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2014-09, "Revenue from Contracts with Customers (Topic 606)". This ASU and all subsequently issued clarifying ASUs replaced most revenue recognition guidance in US GAAP and addresses how an entity should recognize revenue derived from various contracts with customers that generate revenue, along with requiring additional disclosures related to the nature, amount, and timing of revenue and cash flows arising from contracts with customers.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
Notes to the Financial Statements
For the Year Ended June 30, 2020

Note 1. NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES, continued

Effective July 1, 2019, the Federation adopted the requirements of the Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) No. 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The ASU clarifies and improves the guidance for contributions received and contributions made and provides guidance to organizations on how to account for transactions as contributions or exchange transactions. In addition, it clarifies whether a contribution is conditional.

The adoption of these standards did not result in any changes to beginning net assets at July 1, 2019. Based on the evaluation process and review of its grant contracts and contribution award documentation, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new standards.

NOTE 2. CASH AND CASH EQUIVALENTS

In addition to bank accounts, this classification includes all short-term investments such as savings accounts, certificates of deposit maturing in one year or less, and money market accounts. These investments are stated at cost which approximates market.

A schedule of cash and cash equivalents (book balances) follows:

<u>Synergy Bank</u>	
Scholarship Checking (interest bearing)	\$22,458
Nicholls Student Alumni Association (non-interest bearing)	1,363
Alumni Lifetime Membership Savings (interest bearing)	107,931
General Checking (non-interest bearing)	35,650
Student Assessment Account (non-interest bearing)	30,830
Disaster Assistance (non-interest bearing)	12,367
 <u>Whitney Bank</u>	
S Knobloch (interest bearing)	3,400
<u>Hancock Whitney</u>	
Money Market (interest bearing)	80,269
<u>Paypal</u>	
Paypal account	754
	\$295,022

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
Notes to the Financial Statements
For the Year Ended June 30, 2020

NOTE 2. CASH AND CASH EQUIVALENTS (continued)

These deposits are stated at cost, which approximates market.

Statement of Financial Accounting Standards No. 105 identifies deposits maintained at financial institutions in excess of federally insured limits as a concentration of credit risk requiring disclosure, regardless of the degree of risk. At June 30, 2020, the Alumni had \$297,557 in deposits (collected bank balance). All of which are secured from risk by FDIC federal deposit insurance, except the \$754 which is on deposit with Pay Pal. There are no securities pledged on these accounts by the fiscal agent bank.

The cash & cash equivalents – designated amount is made up of the S. Knobloch account, the Scholarship account, the Nicholls Student Alumni Association checking account, the Student Assessment account, and the Disaster Assistance account. Further description for these designations can be found in Note 4.

NOTE 3. LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

Financial assets at June 30, 2020	
Cash and cash equivalents	\$295,022
Unavailable for General Expenditures	
Net Assets with donor restrictions	<u>70,419</u>
Financial Assets Available for General Expenditures	\$224,603

NOTE 4. FURNITURE, EQUIPMENT, & IMPROVEMENTS

Capital assets purchased or acquired with an original cost of \$1,000 or more are reported at cost. Donated assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expenses as incurred. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

<u>Description</u>	<u>Estimated Lives</u>
Buildings	40 years
Building improvements	10-40 years
Equipment	5-15 years

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
Notes to the Financial Statements
For the Year Ended June 30, 2020

NOTE 4. FURNITURE, EQUIPMENT, & IMPROVEMENTS (continued)

Furniture, equipment and improvements consist of the following:

	<u>Balance 6/30/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/2020</u>
Furniture & Equipment	\$20,572	\$ -	\$ (5,577)	\$ 14,996
Leasehold Improvements	34,068	-	-	34,068
	<u>54,640</u>	<u>-</u>	<u>(5,577)</u>	<u>49,064</u>
Less: Accumulated Depreciation	<u>(49,710)</u>	<u>(667)</u>	<u>5,313</u>	<u>(45,064)</u>
Totals	<u>\$4,930</u>	<u>\$ (667)</u>	<u>(\$ 263)</u>	<u>\$4,000</u>

During the year, there were no assets purchased. Depreciation Expense for the year was \$667.

NOTE 5. UNRESTRICTED NET ASSETS DESIGNATED FOR A SPECIFIC PURPOSE

Net assets include \$70,419 in net assets with donor restrictions, which have been designated by the board or donor for a specific purpose. The Alumni Federation receives student assessment revenue from Nicholls State University. The Board has designated these funds for activities that will benefit the student body such as scholarships and other activities that the Alumni Federation sponsors.

These assets have been obtained through student self-assessment, and by donors, and are to be used exclusively for scholarships (\$22,458), student activities (\$32,193), and educational purposes (\$3,400), and disaster assistance (\$12,368) as denoted by the donor.

NOTE 6. MEMBERSHIP DUES

The Alumni Federation assesses dues to be a member. Dues are determined by the Board for various levels of membership. These levels of membership are:

- single dues (\$35),
- joint dues (\$55),
- dues for a recent graduate (\$15),
- friend of the alumni (\$50),
- lifetime membership:
 - single (\$500)
 - and joint (\$750).

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
Notes to the Financial Statements
For the Year Ended June 30, 2020

NOTE 7. PROGRAM SERVICES

The Alumni Federation provides program services that benefit both its alumni and current Nicholls State University students. The major program services are to foster, protect, and promote the welfare of Nicholls State University, to establish a mutually beneficial relationship between the University and its Alumni. The major focus is on scholarships, fundraising, student activities, and its annual business meeting.

The Alumni Federation awards scholarships to current or incoming Nicholls State University students. The funds for these scholarships come from donors requesting scholarships named for a specific person as well as from student assessment or general funds.

Homecoming activities are centered on the Nicholls State University's homecoming football game. Some of the activities that the Alumni Federation provides are the barbeque, hot dog eating contest, and alumni tailgating. These activities are now being charged to student support activities.

The John Brady Golf Classic engages 100+ area golfers. To participate in these activities, participants are charged fees to help offset the cost as well as corporate sponsors. The Board has also designated one half of the net earnings from the golf tournament to be set aside to fund scholarships.

The Alumni Federation also provides for an annual business meeting. This meeting is centered on a "crawfish boil" where the Board of Directors is sworn in. Tickets are sold to attend the crawfish boil and a silent auction is held in conjunction with this meeting to help offset the cost.

NOTE 8. DONATED SERVICES AND FACILITIES

The Alumni Federation receives donated services from Nicholls State University in the form of a full-time executive director and assistant director, engagement coordinator, and a student worker. Nicholls State University has estimated the approximate cost of providing the donated services to be \$214,476 and it is included in contributions and expenses in the statement of support, revenue, and expenses and changes in net assets.

The Alumni Federation also occupies office space on the campus of Nicholls State University. The University does not charge the Alumni Federation for this space. Nicholls State University has estimated the approximate fair value of the annual rental and related utilities to be \$11,000 and it is included in contributions and expenses in the statement of support, revenue, and expenses and changes in net assets.

NICHOLLS STATE UNIVERSITY ALUMNI FEDERATION
Notes to the Financial Statements
For the Year Ended June 30, 2020

NOTE 9. RISK MANAGEMENT

The Alumni Federation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters. The Alumni Federation has purchased commercial insurance to cover or reduce the risk of loss that might arise should one of these incidents occur. There have been no significant reductions in coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the insurance coverage.

NOTE 10. ECONOMIC DEPENDENCY

The Nicholls State University Alumni Federation operates out of the Alumni House, which is owned by Nicholls State University. The University allows the Federation to occupy this building rent-free. Nicholls State University also covers 100% of the salary of the executive director, assistant director, engagement coordinator, and student worker of the Federation. If these expenses were not provided, the Federation would not be able to continue its operations.

NOTE 11. SUBSEQUENT EVENTS

The subsequent events of the federation were evaluated through the date of the financial statements were available to be issued (December 8, 2020).

Pandemic – In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that had and may have a significant impact on the operating activities of the Federation. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the economy overall, all of which are uncertain.

NOTE 12. LITIGATION AND CLAIMS

At June 30, 2020, the Alumni Federation had no litigation or claims pending.

***OTHER SUPPLEMENTARY
INFORMATION***

Nicholls State University Alumni Federation
Schedule of Compensation, Benefits and Other Payments to Agency Head
For the Year Ending June 30, 2020

Agency Head Name: Katherine Gianelloni Mabile, Director of Alumni Affairs

Purpose	Amount
Salary (donated services - paid by Nicholls State University)	\$24,606
Benefits - (donated services - paid by Nicholls State University)	\$9,257
Benefits - Medicare (donated services - paid by Nicholls State University)	\$356
Car Allowance	\$0
Vehicle provided by government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration fees	\$0
Conference travel	\$0
Continuing professional education fees	\$0
Housing	\$0
Unvouchered expenses	\$0
Special meals	\$0
Fuel	\$0
Dues - Rotary, Chamber, SMIG, BIG (includes some meals)	\$0
Cell Phone	\$0
Other - Leadership Laforuche Tuition	\$0
Total	\$34,219