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LSU SHREVEPORT ALUMNI ASSOCIATION
FINANCIAL STATEMENTS
JUNE 30, 2019 and 2018

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 08 2020**

LSU Shreveport Alumni Association
Shreveport, Louisiana

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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, 2019 and 2018, 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, 2019 and 2018, 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.

Effect of Adopting New Accounting Standard

As described in Note 7 to the financial statements, LSU Shreveport Alumni Association adopted the Financial Accounting Standards Board's Accounting Standard Update (ASU) No. 2016-14 – *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, as of and for the years ended June 30, 2019 and 2018. Our opinion is not modified with respect to this matter.



Cook & Morehart
Certified Public Accountants
December 30, 2019

LSU Shreveport Alumni Association
 Shreveport, Louisiana
 Statements of Financial Position
 June 30, 2019 and 2018

	2019	2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 88,424	\$ 110,874
Accounts receivable		1,350
Prepaid expenses	4,166	
Total current assets	92,590	112,224
Fixed assets:		
Furniture and fixtures	2,810	2,810
Less: accumulated depreciation	(2,810)	(2,810)
Total net fixed assets		
 Total Assets	\$ 92,590	\$ 112,224
 Liabilities and Net Assets:		
Current liabilities:		
Accounts payable	\$ 669	\$ 9,612
Total current liabilities	669	9,612
Net assets:		
Without donor restrictions	91,340	101,961
With donor restrictions	551	651
Total net assets	91,891	102,612
 Total Liabilities and Net Assets	\$ 92,560	\$ 112,224

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, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Other Support:			
Public support:			
Donations	\$ 2,000	\$	\$ 2,000
Special events and fund raising	37,892		37,892
Special events - inkind donations	9,736		9,736
Total public support	49,628		49,628
Other revenue:			
Membership dues	2,660		2,660
Miscellaneous income	7,591		7,591
Total other revenue	10,251		10,251
Total revenues and other support	59,879		59,879
Expenses:			
Program services:			
Scholarships	6,500		6,500
Social media and recruitment	4,286		4,286
Supplies	14,934		14,934
Total program services	25,720		25,720
Special events and fund raising	14,244		14,244
General and administrative:			
Printing	4,796		4,796
Software maintenance	2,069		2,069
Subscriptions and memberships	1,737		1,737
Miscellaneous	863	100	963
Food and beverages for receptions and board meetings	6,417		6,417
Office supplies	947		947
Professional fees	12,903		12,903
Rental	804		804
Total general and administrative	30,536	100	30,636
Total expenses	70,500	100	70,600
Change in net assets	(10,621)	(100)	(10,721)
Net assets as of beginning of year	101,961	651	102,612
Net assets as of end of year	\$ 91,340	\$ 551	\$ 91,891

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

	Without Donor Restrictions	With Donor Restrictions	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	87,621		87,621
Other revenue:			
Membership dues	5,920		5,920
Miscellaneous income	4,447		4,447
Total other revenue	10,367		10,367
Net assets released from restrictions:			
Restrictions satisfied by expending funds for the purpose intended	15	(15)	
Total revenues and other support	98,003	(15)	97,988
Expenses:			
Program services:			
Scholarships	7,000		7,000
Social media and recruitment	6,044		6,044
Supplies	18,731		18,731
Total program services	31,775		31,775
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	28,874		28,874
Total expenses	92,359		92,359
Change in net assets	5,644	(15)	5,629
Net assets as of beginning of year	96,317	666	96,983
Net assets as of end of year	\$ 101,961	\$ 651	\$ 102,612

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, 2019 and 2018

	2019	2018
Operating Activities		
Change in net assets	\$ (10,721)	\$ 5,629
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
(Increase) decrease in operating assets:		
Prepaid expenses	(4,166)	
Accounts receivable	1,350	(1,350)
Increase (decrease) in operating liabilities:		
Accounts payable	(8,913)	(15,648)
Net cash provided by (used in) operating activities	(22,450)	(11,369)
Cash and cash equivalents as of beginning of year	110,874	122,243
Cash and cash equivalents as of end of year	\$ 88,424	\$ 110,874

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

LSU Shreveport Alumni Association
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2019 and 2018

(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 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 objective of the organization. These net assets may be used at the discretion of the Association's management 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. The Association has adopted a policy to classify donor restricted contributions as without donor restrictions to the extent that donor restrictions were met in the year the contribution was received.

(Continued)

LSU Shreveport Alumni Association
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2019 and 2018
(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. Restricted and Unrestricted Revenue and Support

Contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions, and reported in the Statement of Activities as net assets released from restrictions.

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, 2016, 2017, 2018, and 2019 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, 2019 and 2018
(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, 2019 and 2018 were \$9,736 and \$16,503, 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.

K. Functional Expenses

The costs of providing certain activities of the Association have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among programs and supported services benefited. Costs are directly charged to the functions they benefit.

(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, 2019 and 2018.

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 December 30, 2019, the date the financial statements were available to be issued.

(4) Designation of Net Assets Without Donor Restrictions

The Board of Directors of the Association designated \$48,195 and \$52,481 at June 30, 2019 and 2018, 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 Shreveport Alumni Board of Directors.

(5) Net Assets With Donor Restrictions

Amounts shown as net assets with donor restrictions at June 30, 2019 and 2018 represent amounts received for scholarships and other activities but not expended by the Association.

(Continued)

LSU Shreveport Alumni Association
Shreveport, Louisiana
Notes to Financial Statements
June 30, 2019 and 2018
(Continued)

(6) Liquidity and Availability of Financial Assets

The Association monitors its liquidity so that it is able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Association has the following financial assets that could readily be made available within one year of the balance sheet to fund expenses without limitations as of June 30, 2019 and 2018:

	2019	2018
Financial assets at year-end:		
Cash and cash equivalents	\$ 88,424	\$ 110,874
Accounts receivable		1,350
Total financial assets	88,424	112,224
Less amounts not available to be used within one year:	()	()
Financial assets available to meet cash needs for general expenditures within one year	\$ 88,424	\$ 112,224

In addition to financial assets available to meet general expenditures over the year, the Association operates with a balanced budget and anticipates covering its general expenditures using the income generated from operations. The Statement of Cash Flows identifies the sources and uses of the Association's cash and shows negative cash generated by operations for the years ended June 30, 2019 and 2018 of \$(22,450) and \$(11,369), respectively.

(7) Adoption of New Accounting Pronouncement

For the years ended June 30, 2019 and 2018, the Organization adopted the Financial Accounting Standard Update (ASU) No. 2016-14 – *Not for Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*. This update addresses the complexity and understandability of net asset classifications, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. The changes required by the update have been applied retrospectively to all periods presented. A key change required by ASU 2016-14 are the net asset classes used in the financial statements. Amount previously reported as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted new assets, if applicable, are now reported as net assets with donor restrictions.