

**LOUISIANA TECH UNIVERSITY
ALUMNI ASSOCIATION, INC.**

FINANCIAL REPORT

JUNE 30, 2023

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

FINANCIAL REPORT

JUNE 30, 2023

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DON M. MCGEHEE

(A Professional Accounting Corporation)

P O. Box 1344
205 E. Reynolds Dr. Ste. A
Ruston, Louisiana 71273-1344

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Louisiana Tech University Alumni Association, Inc.
T.S. Box 3183
Ruston, Louisiana 71272-0001

Opinion

I have audited the accompanying financial statements of Louisiana Tech University Alumni Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and June 30, 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Tech University Alumni Association, Inc. as of June 30, 2023 and June 30, 2022, 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 the United States of America.

Basis for Opinion

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Louisiana Tech University Alumni Association, Inc. and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Louisiana Tech University Alumni Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Louisiana Tech University Alumni Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Louisiana Tech University Alumni Association 's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.



Don M. McGehee
Certified Public Accountant

December 15, 2023

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash	\$ 21,067	\$ 30,142
Investments	229,473	234,658
Accounts Receivable	15,730	0
Due from Related Party	0	176
Prepaid Expenses	820	4,401
TOTAL CURRENT ASSETS	267,090	269,377
FIXED ASSETS - Net of Accumulated Depreciation	0	9,748
TOTAL ASSETS	\$ 267,090	\$ 279,125
LIABILITIES AND NET ASSETS		
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$ 19,104	\$ 10,328
Due to Related Party	3,742	8,672
Current Maturities of Long-Term Debt	0	5,889
TOTAL CURRENT LIABILITIES	22,846	24,889
LONG-TERM DEBT	0	7,360
TOTAL LIABILITIES	22,846	32,249
NET ASSETS		
Without Donor Restrictions	244,244	246,876
TOTAL NET ASSETS	244,244	246,876
TOTAL LIABILITIES AND NET ASSETS	\$ 267,090	\$ 279,125

See accompanying notes to financial statements.

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CHANGES IN NET ASSETS:		
Revenues, Support, and Gains		
Alumni Activities and Events	\$ 29,455	\$ 27,673
Contributions	6,661	3,872
Brick Sales	3,300	3,900
Gain on Sale of Vehicle	8,456	0
Investment Dividends and Interest	8,068	10,789
Interest Income	32	28
Chapter Dues	1,450	1,150
Membership Dues	57,025	54,225
Lifetime Membership Dues	3,500	21,510
Other Income	19,615	4,575
Royalties	569	38
University Support	301,084	361,592
Net Realized and Unrealized Gains/(Losses) on Investments	12,889	(43,420)
Total Revenues, Support, and Gains	452,104	445,932
Expenses and Losses		
Program Services		
Alumni Activities and Events	212,683	300,291
Hall of Distinguished Alumni	4,452	2,172
Scholarships	1,000	3,000
Student Activity Promotions	13	1,351
Supporting Services		
Administrative Services		
Professional Fees	11,000	9,000
Administrative Fees	8,400	8,753
Building Use	15,360	15,360
Computer Use and Maintenance	8,928	10,010
Office Expense	6,493	5,839
Other	15,628	9,468
Salaries and Benefits	159,081	106,600
Consulting Group Costs and Fees	0	31,650
Fund-Raising		
Membership Mail Out	7,504	15,688
Cost of Bricks Sold	4,194	4,421
Total Expenses and Losses	454,736	523,603
CHANGE IN NET ASSETS	(2,632)	(77,671)
NET ASSETS - BEGINNING OF YEAR	246,876	324,547
NET ASSETS - END OF YEAR	\$ 244,244	\$ 246,876

See accompanying notes to financial statements.

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Members and Others	\$ 106,021	\$ 116,767
Interest Income and Dividends Received	8,101	10,817
Cash Payments for Goods and Services	<u>(143,845)</u>	<u>(146,823)</u>
Net Cash Used by Operating Activities	<u>(29,723)</u>	<u>(19,239)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(75,188)	(31,836)
Proceeds from Sale of Investments	93,262	22,373
Proceeds from Sale of Vehicle	<u>15,823</u>	<u>0</u>
Net Cash Provided (Used) by Investing Activities	<u>33,897</u>	<u>(9,463)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Notes Payable	<u>(13,249)</u>	<u>(5,889)</u>
Net Cash Used by Financing Activities	<u>(13,249)</u>	<u>(5,889)</u>
NET DECREASE IN CASH	(9,075)	(34,591)
CASH AT BEGINNING OF YEAR	<u>30,142</u>	<u>64,733</u>
CASH AT END OF YEAR	<u>\$ 21,067</u>	<u>\$ 30,142</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH USED BY OPERATING ACTIVITIES:		
Change in Net Assets	\$ (2,632)	\$ (77,671)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	2,381	8,355
Gain on Sale of Vehicle	(8,456)	0
Net Realized and Unrealized (Gain) Loss on Investments	(12,889)	43,420
(Increase) Decrease in Accounts Receivable	(15,730)	0
(Increase) Decrease in Due from Related Party	176	(176)
(Increase) Decrease in Prepaid Expenses	3,581	299
Increase (Decrease) in Accounts Payable	8,776	(2,138)
Increase (Decrease) in Due to Related Party	<u>(4,930)</u>	<u>8,672</u>
Total Adjustments	<u>(27,091)</u>	<u>58,432</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (29,723)</u>	<u>\$ (19,239)</u>

See accompanying notes to financial statements.

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

The Louisiana Tech University Alumni Association, Inc. (Association) is a Louisiana nonprofit corporation chartered on January 10, 1986. This corporation is organized to operate for the following purposes: (a) to advance and strengthen the ties of the alumni to Louisiana Tech University; (b) to encourage attendance, interest, and improvements to Louisiana Tech University; (c) to maintain and administer scholarships, fellowships, and grants to enhance the prestige of the institution, its staff, faculty, and student body; (d) to promote the educational and cultural welfare of the institution and to expand and improve the facilities thereof; and (e) to solicit and accept contributions, grants, bequests, and property for the purpose of carrying out these purposes. The Association is supported primarily through membership dues, fees for alumni activities and events, and support from Louisiana Tech University. The Association is exempt from federal income tax as an organization described in Section 501 (c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF REVENUE RECOGNITION

The Association recognizes membership dues and lifetime memberships in the period received. Interest income, royalties, service fees, and other income are recognized on the accrual basis. Support and contributions are measured at their fair values. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Support that is restricted by the donor is reported as a change 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. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. There were no net assets with donor restrictions for the year ended June 30, 2023 or 2022.

DONATED GOODS, SERVICES, COMPUTERS, AND FACILITIES

A number of volunteers have donated their time and skills to the Association's program services and to the fund-raising campaigns during the year; however, the value of these donated services is not reflected in the financial statements since the services do not require specialized skills. Donated professional services, goods, use of computers, and use of facilities are reflected in the statement of activities at their fair values.

FIXED ASSETS AND DEPRECIATION

Fixed assets, with an original cost of \$1,500 or more, are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful life of the asset, which is three to five years.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of cash on hand, cash held in checking and savings accounts, and certificates of deposit with maturities of less than 90 days. Management believes the Association is not exposed to any significant credit risk on cash and cash equivalents.

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by the passage of time or by use) in the reporting period in which the income and gains are recognized.

RECEIVABLES

Receivables are stated at the amount management expects to collect from outstanding balances. The Association believes all receivables are collectible and therefore has not recognized a provision for doubtful accounts.

ADVERTISING COSTS

Advertising costs for the year ended June 30, 2022 were \$282, but there were no advertising costs for the year ended June 30, 2023. Advertising costs were expensed as incurred. These costs are considered a component of alumni activities and events.

INCOME TAXES

The Association's Forms 990, Return of Organization Exempt from Income Tax, for the years ending in 2022, 2021, and 2020 are subject to examination by the IRS, generally for three years after they were filed. As of December 15, 2023, the Association's Form 990 for the year ending June 30, 2023 had not been filed.

NOTE 2 - CASH

At June 30, 2023 and 2022, the Association has cash totaling \$21,067 and \$30,142, respectively, as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Cash on Hand	\$ 300	\$ 300
Interest-Bearing Demand Deposits	<u>20,767</u>	<u>29,842</u>
Total	<u>\$ 21,067</u>	<u>\$ 30,142</u>

Deposits are carried at cost which approximates market value. At June 30, 2023 and 2022, the Association has \$22,400 and \$28,178, respectively, in deposits (collected bank balances). The entire June 30, 2023 and 2022 bank balances are secured by federal depository insurance.

NOTE 3 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Association holds investments for the purpose of investing excess operating cash. There are three levels of fair value measurements. Quoted prices in active markets (Level 1 inputs) generally are available for equity securities with readily determinable fair values. Valuation techniques based on significant other observable inputs, such as quoted market prices for similar investments, are considered Level 2 inputs. Level 3 inputs are based on unobservable inputs used to estimate fair value. The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2023 are as follows:

	<u>June 30, 2023</u>	
Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1 Inputs)	
Investments		
Cash Equivalents	\$ 17,011	\$ 17,011
Mutual Funds-Fixed Income	103,110	103,110
Mutual Funds-Equity	<u>109,352</u>	<u>109,352</u>
Total Investments	<u>\$ 229,473</u>	<u>\$ 229,473</u>

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 3 - INVESTMENTS AND FAIR VALE MEASUREMENTS (CONTINUED)

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2022 are as follows:

	June 30, 2022	
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1 Inputs)
Investments		
Cash Equivalents	\$ 16,686	\$ 16,686
Mutual Funds-Fixed Income	109,463	109,463
Mutual Funds-Equity	108,509	108,509
Total Investments	\$ 234,658	\$ 234,658

The Association recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels in the years ended June 30, 2023 and 2022.

The following schedule summarizes the investment return on the Association's investments for the years ended:

	June 30, 2023 Unrestricted	June 30, 2022 Unrestricted
Interest and Dividends	\$ 8,068	\$ 10,789
Net Realized and Unrealized Gains/(Losses)	12,889	(43,420)
Net Investment Return	\$ 20,957	\$ (32,631)

NOTE 4 - FIXED ASSETS

At June 30, 2023 and 2022, the costs and related accumulated depreciation of fixed assets consisted of the following:

	DEPRECIATION LIFE RANGE		2023	2022
Furniture and Equipment	3 Yrs.	\$	18,713	\$ 18,713
Automobile	5 Yrs.		0	41,776
Less: Accumulated Depreciation			(18,713)	(50,741)
Net		\$	0	\$ 9,748

NOTE 5 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

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

	2023	2022
Cash at Year End	\$ 21,067	\$ 30,142
Investments	229,473	234,658
Accounts Receivable	15,730	0
Due from Related Party	0	176
Total	266,270	264,976
Less: Amounts Unavailable for General Expenditures within One Year, Due to: Donor-restricted payments	0	0
Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	\$ 266,270	\$ 264,976

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 5 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (CONTINUED)

As part of the Association's liquidity management, cash in excess of daily requirements is invested in mutual funds that are approved by the Board of Directors. Cash flow is monitored by management on a daily basis.

NOTE 6 - LONG-TERM DEBT

Long-term debt at June 30, 2023 and 2022, is as follows:

	2023	2022
A note payable to Ford Credit with an interest rate of 0.00%, due in 72 monthly installments of \$491 (including principal and interest) to September 14, 2024, secured by security interest in the vehicle	\$ 0	\$ 13,249
Less: Current Maturities	0	(5,889)
Long Term Debt, Net of Current Maturities	\$ 0	\$ 7,360

The financed vehicle was sold October 13, 2022, and the proceeds from the sale were used to pay the remaining loan balance.

NOTE 7 - UNIVERSITY SUPPORT

Louisiana Tech University does not charge the Association for the use of facilities, the use of computer equipment, goods provided, and services provided to meet the Association's operating needs because of the benefits received from the Association. The Association reflects the fair value of these donated items and services requiring specialized skills in the financial statements as both support and expense. The following schedule summarizes the donated goods, services, computers and facilities for the years ended:

	June 30, 2023	June 30, 2022
Program Salaries and Benefits	\$ 117,715	\$ 230,704
Computer Usage	8,928	8,928
Building Usage	15,360	15,360
Support Salaries and Benefits	159,081	106,600
Total	\$ 301,084	\$ 361,592

NOTE 8 - RELATED PARTY TRANSACTIONS

Louisiana Tech University Foundation, Inc. (Foundation) is a related party to the Association. The Foundation charges the Association an administrative fee for credit card payments collected by them for the Association to cover the fees associated with the credit cards. The Association pays the administrative fees periodically during the year, and recognizes a payable for any outstanding amounts. Additionally, the Foundation paid some amounts that were Association expenses and collected funds on behalf of the Foundation which had not been transferred to the Foundation at year end. At June 30, 2023 and 2022 the amounts payable to the Foundation were \$3,742 and \$8,672, respectively.

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 9 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis between program services and supporting services. Certain costs have been allocated among program services and supporting services. Salaries and benefits are allocated based on the time and effort expended between program and supporting services. A schedule of functional expenses for the year ended June 30, 2023 is shown below:

	Program Services	Supporting Services		2023 Total
	Alumni Activities and Events	Management and General	Fundraising	
Salaries and Benefits	\$ 117,715	\$ 159,081	\$ 0	\$ 276,796
Meetings and Events	61,262	2,885	0	64,147
Office Expense	4,840	21,032	7,504	33,376
Dues and Subscriptions	0	5,114	0	5,114
Computer Use and Maintenance	17,106	8,928	0	26,034
Building Usage	0	15,360	0	15,360
Scholarships	1,000	0	0	1,000
Depreciation	2,381	0	0	2,381
Professional Services	0	11,000	0	11,000
Insurance	3,486	0	0	3,486
Repairs and Maintenance	0	1,490	0	1,490
Miscellaneous	0	0	4,194	4,194
Travel	10,358	0	0	10,358
Total Expenses	<u>\$ 218,148</u>	<u>\$ 224,890</u>	<u>\$ 11,698</u>	<u>\$ 454,736</u>

A schedule of functional expenses for the year ended June 30, 2022 is shown below:

	Program Services	Supporting Services		2022 Total
	Alumni Activities and Events	Management and General	Fundraising	
Salaries and Benefits	\$ 230,704	\$ 106,600	\$ 0	\$ 337,304
Meetings and Events	32,960	0	0	32,960
Office Expense	7,051	18,215	15,688	40,954
Computer Use and Maintenance	12,009	10,010	0	22,019
Building Usage	0	15,360	0	15,360
Scholarships	3,000	0	0	3,000
Depreciation	8,355	0	0	8,355
Professional Services	0	40,650	0	40,650
Insurance	4,921	0	0	4,921
Repairs and Maintenance	1,492	4,268	0	5,760
Miscellaneous	0	1,577	4,421	5,998
Travel	6,040	0	0	6,040
Advertising	282	0	0	282
Total Expenses	<u>\$ 306,814</u>	<u>\$ 196,680</u>	<u>\$ 20,109</u>	<u>\$ 523,603</u>

LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 10 - EVALUATION OF SUBSEQUENT EVENTS

The Association has evaluated subsequent events through December 15, 2023, the date which the financial statements were available to be issued.



December 19, 2023

Michael J. "Mike" Waguespack, CPA
Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Waguespack,

Please find enclosed the audit report from Don M. McGehee (A Professional Accounting Corporation) for the Louisiana Tech University Alumni Association for fiscal year ended June 30, 2023.

Should you have any questions or need further information, please let me know.

Sincerely,

Allison Milan, CPA
Comptroller
Louisiana Tech University Foundation, Inc.

LEGISLATIVE AUDITOR
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