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

FINANCIAL REPORT  
JUNE 30, 2009

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 1/13/10

**LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.**  
**FINANCIAL REPORT**  
**JUNE 30, 2009**

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(A Professional Accounting Corporation)

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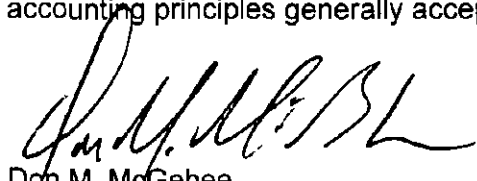
**INDEPENDENT AUDITOR'S REPORT**

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

I have audited the accompanying statements of financial position of Louisiana Tech University Alumni Association, Inc. (a nonprofit organization), as of June 30, 2009 and June 30, 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

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, 2009 and June 30, 2008, and the changes in its assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the the United States of America.



Don M. McGehee  
Certified Public Accountant

December 18, 2009

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

STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 27,801	\$ 33,441
Investments	129,138	141,979
Pledges Receivable	1,000	0
Due from Related Party	3,435	0
Prepaid Expenses	<u>3,117</u>	<u>1,542</u>
<b>TOTAL CURRENT ASSETS</b>	164,491	176,962
<b>FIXED ASSETS - Net of Accumulated Depreciation</b>	<u>7,725</u>	<u>19,423</u>
<b>TOTAL ASSETS</b>	<u>\$ 172,216</u>	<u>\$ 196,385</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 5,172	\$ 3,616
Current Maturities of Long-Term Debt	0	648
Accrued Interest	0	5
Deferred Revenue	<u>9,036</u>	<u>2,775</u>
<b>TOTAL CURRENT LIABILITIES</b>	14,208	7,044
<b>TOTAL LIABILITIES</b>	<u>14,208</u>	<u>7,044</u>
<b>NET ASSETS</b>		
Unrestricted	<u>158,008</u>	<u>189,341</u>
<b>TOTAL NET ASSETS</b>	<u>158,008</u>	<u>189,341</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 172,216</u>	<u>\$ 196,385</u>

See accompanying notes to financial statements.

# LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

## STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
<b>CHANGES IN NET ASSETS:</b>		
Revenues, Support, and Gains		
Alumni Activities and Events	\$ 95,866	\$ 65,011
Contributions	10,660	1,148
Print and Frame Sales	109	973
Gain on Sale of Investments	0	52
Investment Dividends and Interest	5,012	5,070
Interest Income	340	1,161
Merchandise and Catalog Sales	2,362	5,707
Membership Dues	112,725	114,400
Lifetime Membership Dues	37,600	30,200
Other Income	700	2,594
Royalties	53	1,689
University Support	256,188	252,975
Total Revenues, Support, and Gains	521,615	480,980
Expenses		
Program Services		
Alumni Activities and Events	364,267	308,649
Alumni News	18,735	28,497
Argent Pavilion	25,000	0
Hall of Distinguished Alumni	297	171
Scholarships	16,000	16,000
Student Activity Promotions	3,438	2,116
Supporting Services		
Administrative Services		
Accounting	4,950	5,200
Building Use	15,360	15,360
Computer Use and Maintenance	14,428	11,165
Office Supplies	1,388	2,841
Other	1,010	429
Salaries and Benefits	33,821	33,403
Alumni Promotions and Souvenirs	15,336	15,375
Membership Mail Out	19,680	20,872
Cost of Merchandise and Catalog Sales	1,635	2,475
Cost of Print and Frame Sales	0	258
Loss on Sale of Asset	68	0
Unrealized Investment Losses	17,535	9,059
Total Expenses	552,948	471,870
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(31,333)	9,110
<b>NET ASSETS - BEGINNING OF YEAR</b>	189,341	180,231
<b>NET ASSETS - END OF YEAR</b>	\$ 158,008	\$ 189,341

See accompanying notes to financial statements.

# LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2009 AND 2008

	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Members and Others	\$ 261,901	\$ 222,576
Interest Income Received	5,352	6,231
Cash Payments for Goods and Services	(267,478)	(197,113)
Interest Payments	(5)	(398)
<b>Net Cash Provided (Used) by Operating Activities</b>	(230)	31,296
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Computer Software	0	(5,500)
Purchase of Investments	(5,012)	(5,070)
Proceeds from Sale of Investments	250	250
<b>Net Cash Used by Investing Activities</b>	(4,762)	(10,320)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Notes Payable	(648)	(7,689)
<b>Net Cash Used by Financing Activities</b>	(648)	(7,689)
<b>NET INCREASE (DECREASE) IN CASH</b>	(5,640)	13,287
<b>CASH AT BEGINNING OF YEAR</b>	33,441	20,154
<b>CASH AT END OF YEAR</b>	\$ 27,801	\$ 33,441
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
<b>Change in Net Assets</b>	\$ (31,333)	\$ 9,110
<b>Adjustments to Reconcile Change in Net Assets     to Net Cash Provided by Operating Activities:</b>		
Depreciation	11,698	9,952
(Gain) Loss on Sale/Transfer of Asset	68	(52)
Unrealized (Gain) Loss on Investments	17,535	9,059
(Increase) Decrease in Pledges Receivable	(1,000)	0
(Increase) Decrease in Due from Related Party	(3,435)	0
(Increase) Decrease in Prepaid Expenses	(1,575)	199
Increase (Decrease) in Accounts Payable	1,556	2,213
Increase (Decrease) in Accrued Interest Payable	(5)	(40)
Increase (Decrease) in Deferred Revenue	6,261	855
<b>Total Adjustments</b>	31,103	22,186
<b>Net Cash Provided by Operating Activities</b>	\$ (230)	\$ 31,296

See accompanying notes to financial statements.

# LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009

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 exempt from federal income tax as an organization described in Section 501 (c) (3) of the Internal Revenue Code.

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 unrestricted net assets 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 temporarily restricted or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

#### **DEFERRED REVENUE**

Deferred revenue results from the collection of ticket sale proceeds in the current period in which the event is to occur in the next period and from sales of merchandise in the current period which will be purchased and available for delivery in a subsequent period. These unearned amounts are reported as deferred revenue until they meet the criteria (i.e., occurrence or purchase) for revenue recognition.

#### **DONATED GOODS, SERVICES, COMPUTERS, AND FACILITIES**

A number of volunteers have donated their time to the Association's program services and to the fund-raising campaigns during the year; however, these donated services are 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 are stated 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, 2009

### NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### INVESTMENTS

The Association has adopted SFAS No.124, "Accounting for Certain Investments Held by Not-for-Profit Organizations." Under SFAS No. 124, 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 reflected in the Statement of Activities.

#### PLEDGES RECEIVABLE

Contributions are recognized when the donor makes a pledge to give to the Association that is, in substance, unconditional. All pledges to give are expected to be collected within one year and are recorded at net realizable value. All pledges are considered to be collectible, and no allowance is considered necessary.

#### ADVERTISING COSTS

Advertising costs for the year ended June 30, 2009 and 2008 were \$9,775 and \$1,708, respectively, which were expensed as incurred. Advertising costs are considered a component of alumni activities and events.

### NOTE 2 - CASH

At June 30, 2009 and 2008, the Association has cash totaling \$27,801 and \$33,441, respectively, as follows:

	June 30, 2009	June 30, 2008
Cash on Hand	\$ 300	\$ 300
Interest-Bearing Demand Deposits	<u>27,501</u>	<u>33,141</u>
Total	<u>\$ 27,801</u>	<u>\$ 33,441</u>

Deposits are carried at cost which approximates market value. At June 30, 2009 and 2008, the Association has \$32,783 and \$39,384, respectively, in deposits (collected bank balances). The entire June 30, 2009 and 2008 bank balances are secured by federal depository insurance.

### NOTE 3 - INVESTMENTS

The following summarizes the Association's investments as of:

	June 30, 2008		
	Cost	Fair Value	Carrying Value
Cash Equivalents	\$ 9	\$ 9	\$ 9
Mutual Funds-Fixed Income	80,921	82,012	82,012
Mutual Funds-Equity	<u>59,905</u>	<u>47,117</u>	<u>47,117</u>
Total	<u>\$ 140,835</u>	<u>\$ 129,138</u>	<u>\$ 129,138</u>
	June 30, 2007		
	Cost	Fair Value	Carrying Value
Cash Equivalents	\$ 9	\$ 9	\$ 9
Mutual Funds-Fixed Income	77,167	77,803	77,803
Mutual Funds-Equity	<u>58,965</u>	<u>64,167</u>	<u>64,167</u>
Total	<u>\$ 136,141</u>	<u>\$ 141,979</u>	<u>\$ 141,979</u>



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

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

**NOTE 3 - INVESTMENTS (CONTINUED)**

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

	June 30, 2009	June 30, 2008
	<u>Unrestricted</u>	<u>Unrestricted</u>
Interest and Dividends	\$ 5,012	\$ 5,070
Realized Gains/(Losses)	(68)	52
Unrealized Gains/(Losses)	<u>(17,535)</u>	<u>(9,059)</u>
Net Investment Return	<u>\$ (12,591)</u>	<u>\$ (3,937)</u>

**NOTE 4 - FIXED ASSETS**

At June 30, 2009 and 2008, the costs and related accumulated depreciation of fixed assets consisted of the following:

	DEPRECIATION LIFE RANGE	2009	2008
Furniture and Equipment	5 - 10 Yrs.	\$ 17,449	\$ 22,949
Automobile	5 Yrs.	37,440	37,440
Less: Accumulated Depreciation		<u>(47,164)</u>	<u>(40,966)</u>
Net		<u>\$ 7,725</u>	<u>\$ 19,423</u>

**NOTE 5 - LONG-TERM DEBT**

Long-term debt at June 30, 2009 and 2008, is as follows:

	2009	2008
A note payable to GMAC with an estimated interest rate of 7.99%, due in 36 monthly installments of \$674 (including principal and interest) to July 14, 2008, secured by security interest in the vehicle.	\$ 0	\$ 648
Less: Current Maturities	<u>0</u>	<u>(648)</u>
Long Term Debt, Net of Current Maturities	<u>\$ 0</u>	<u>\$ 0</u>

**NOTE 6 - DUE FROM RELATED PARTY**

Louisiana Tech University Foundation, Inc. (Foundation) is a related party to the Association. Certain Association revenues are deposited into a Foundation bank account and then remitted by the Foundation, normally on a weekly basis. The Association recognizes these revenues upon deposit into the Foundation account, and recognizes a receivable for any unremitted amounts.

# LOUISIANA TECH UNIVERSITY ALUMNI ASSOCIATION, INC.

## NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2009

### 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 they receive from the Association. The Association reflects the fair value of these donated items and services requiring specialized skills in its financial statements as both support and expense. The following schedule summarizes the donated goods, services, computers and facilities for the years ended:

	<u>June 30, 2009</u>	<u>June 30, 2008</u>
Alumni News	\$ 18,311	\$ 24,219
Program Salaries and Benefits	179,768	171,065
Computer Usage	8,928	8,928
Building Usage	15,360	15,360
Support Salaries and Benefits	<u>33,821</u>	<u>33,403</u>
Total	<u>\$ 256,188</u>	<u>\$ 252,975</u>

### NOTE 8 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain expenses have been allocated among the programs and supporting services benefited.