

L.S.U. AT EUNICE FOUNDATION, INC.
Eunice, Louisiana

FINANCIAL REPORT

Years Ended June 30, 2006 and 2005

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 2/14/07

TABLE OF CONTENTS

	<u>Page No.</u>
Independent Auditor's Report	1
Statements of financial position	2
Statements of activities	3-4
Statements of cash flows	5
Notes to financial statements	6-8



**Darnall, Sikes,
Gardes & Frederick.**

(A Corporation of Certified Public Accountants)

E. Larry Sikes, CPA, CVA, CFP™
Danny P. Frederick, CPA
Clayton E. Darnall, CPA, CVA
Eugene H. Darnall, III, CPA
Stephanie M. Higginbotham, CPA
John P. Armato, CPA
J. Stephen Gardes, CPA, CVA
Jennifer S. Ziegler, CPA, CFP™
Chris A. Miller, CPA, CVA
Stephen R. Dischler, MBA, CPA
Steven G. Moosa, CPA
M. Rebecca Gardes, CPA
Pamela Mayeux Bonin, CPA, CVA
Joan B. Moody, CPA
Erich G. Loewer, III, MTX, CPA
Lauren F. Verrett, CPA

Kathleen T. Darnall, CPA
Raegan D. Maggio, CPA
Barbara A. Clark, CPA
Michelle B. Bellard, CPA
Jeremy C. Meaux, CPA
Kevin S. Young, CPA
Barbara Ann Watts, CPA
Adam J. Curry, CPA
Chad M. Bailey, CPA
Carol C. Guillorey, CPA
Christy S. Dew, CPA
Heather N. Clement, CPA
Victoria M. LaPrairie, CPA
Emily J. LeBoeuf, CPA
Rachel W. Ashford, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
L.S.U. at Eunice Foundation, Inc.
Eunice, Louisiana

We have audited the accompanying statements of financial position of the L.S.U. at Eunice Foundation, Inc. (a nonprofit organization) as of June 30, 2006 and 2005, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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 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. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the L.S.U. at Eunice Foundation, Inc. as of June 30, 2006 and 2005, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Darnall, Sikes, Gardes & Frederick

A Corporation of Certified Public Accountants

Eunice, Louisiana
November 15, 2006

125 Rue Beauregard
Lafayette, LA 70508
Phone: 337.232.3312
Fax: 337.237.3614

1231 E. Laurel Ave.
Eunice, LA 70535
Phone: 337.457.4146
Fax: 337.457.5060

1201 Brashear Ave.
Suite 301
Morgan City, LA 70380
Phone: 985.384.6264
Fax: 985.384.8140

203 S. Jefferson Street
Abbeville, LA 70510
Phone: 337.893.5470
Fax: 337.893.5470

Member of:
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

L.S.U. AT EUNICE FOUNDATION, INC.

Statements of Financial Position
As of June 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
ASSETS		
ASSETS		
Investments in L.S.U. Foundation managed assets	<u>\$ 1,424,997</u>	<u>\$ 1,229,636</u>
Total assets	<u>\$ 1,424,997</u>	<u>\$ 1,229,636</u>
LIABILITIES AND NET ASSETS		
NET ASSETS		
Unrestricted	\$ 513,745	\$ 357,776
Permanently restricted	<u>911,252</u>	<u>871,860</u>
Total net assets	<u>1,424,997</u>	<u>1,229,636</u>
Total liabilities and net assets	<u>\$ 1,424,997</u>	<u>\$ 1,229,636</u>

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

L.S.U. AT EUNICE FOUNDATION, INC.

Statements of Activities

	For the Year Ended June 30, 2006		
	Unrestricted	Permanently Restricted	Total
REVENUES, GAINS, AND RECLASSIFICATIONS			
Contributions	\$ 184,938	\$ 67,443	\$ 252,381
Interest	105,693	-	105,693
Unrealized gains (losses) on investments	(46,810)	(28,051)	(74,861)
Net assets released from restrictions	-	-	-
Total revenues and gains (losses)	<u>243,821</u>	<u>39,392</u>	<u>283,213</u>
EXPENSES			
Supporting services			
Fellowships	9,639	-	9,639
Travel	3,757	-	3,757
Operating services	4,408	-	4,408
Operating supplies	9,453	-	9,453
Professional services	12,532	-	12,532
Other charges	13,055	-	13,055
Student scholarships	24,750	-	24,750
Miscellaneous	6,790	-	6,790
Equipment/acquisitions	3,468	-	3,468
Total expenses	<u>87,852</u>	<u>-</u>	<u>87,852</u>
CHANGE IN NET ASSETS	155,969	39,392	195,361
NET ASSETS AT BEGINNING OF YEAR	<u>357,776</u>	<u>871,860</u>	<u>1,229,636</u>
NET ASSETS AT END OF YEAR	<u>\$ 513,745</u>	<u>\$ 911,252</u>	<u>\$ 1,424,997</u>

For the Year Ended June 30, 2005

<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
\$ 28,171	\$ 5,771	\$ 33,942
68,011	-	68,011
21,702	148,478	170,180
-	-	-
<u>117,884</u>	<u>154,249</u>	<u>272,133</u>
11,013	-	11,013
69	-	69
7,542	-	7,542
7,085	-	7,085
11,701	-	11,701
4,000	-	4,000
33,300	-	33,300
2,641	-	2,641
<u>17,172</u>	-	<u>17,172</u>
<u>94,523</u>	-	<u>94,523</u>
23,361	154,249	177,610
<u>334,415</u>	<u>717,611</u>	<u>1,052,026</u>
<u>\$ 357,776</u>	<u>\$ 871,860</u>	<u>\$ 1,229,636</u>

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

L.S.U. AT EUNICE FOUNDATION, INC.

Statements of Cash Flows
For the Years Ended June 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 195,361	\$ 177,610
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized (gain) loss on investments	<u>74,861</u>	<u>(170,180)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>270,222</u>	<u>7,430</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments in L.S.U. Foundation managed assets	(252,381)	(33,942)
Reinvestment of income in L.S.U. Foundation managed assets	(105,693)	(68,011)
Withdrawal of investments in L.S.U. Foundation managed assets	<u>87,852</u>	<u>94,523</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(270,222)</u>	<u>(7,430)</u>
NET INCREASE IN CASH	-	-
CASH AT BEGINNING OF YEAR	<u>-</u>	<u>-</u>
CASH AT END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

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

L.S.U. AT EUNICE FOUNDATION, INC.

Notes to Financial Statements
June 30, 2006 and 2005

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The L.S.U. at Eunice Foundation, Inc. is a non-profit corporation formed to promote the educational cultural welfare of Louisiana State University at Eunice by accepting gifts for the purpose of providing scholarships, aiding research or such other designated projects for the benefit of the University.

Basis of Accounting

The financial statements of the L.S.U. at Eunice Foundation, Inc. have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the L.S.U. at Eunice Foundation, Inc. is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Uses of Estimates

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 amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. L.S.U. at Eunice Foundation, Inc. has not received any contributions with donor-imposed restrictions that would result in temporarily restricted net assets.

L.S.U. AT EUNICE FOUNDATION, INC.

Notes to Financial Statements
June 30, 2006 and 2005

NOTE 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Support that is restricted by the donor is reported as an increase 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 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.

NOTE 2 INVESTMENT IN L.S.U. FOUNDATION MANAGED ASSETS

On March 25, 1999, the L.S.U. at Eunice Foundation entered into a management agreement with the L.S.U. Foundation whereby the L.S.U. Foundation shall hold funds on behalf of the L.S.U. at Eunice Foundation solely for the purpose of investing the funds. The L.S.U. Foundation may assess its standard service fees annually to cover its administrative costs. The agreement shall remain in effect until 180-day written notice is given by either party to the other party.

Investments held by the L.S.U. Foundation on behalf of the L.S.U. at Eunice Foundation are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the statement of activities. Investment in L.S.U. Foundation managed assets consisted of the following as of June 30,:

	2006		2005	
	Cost	Market Value	Cost	Market Value
Unrestricted	\$ 247,529	\$ 513,745	\$ 12,406	\$ 357,776
Permanently Restricted	<u>911,252</u>	<u>911,252</u>	<u>871,860</u>	<u>871,860</u>
	<u>\$1,158,781</u>	<u>\$1,424,997</u>	<u>\$884,266</u>	<u>\$1,229,636</u>

NOTE 3 RESTRICTIONS ON NET ASSETS

Permanently restricted net assets consist of the following at June 30,:

	2006	2005
Endowment funds	<u>\$911,252</u>	<u>\$871,860</u>

L.S.U. AT EUNICE FOUNDATION, INC.

Notes to Financial Statements
June 30, 2006 and 2005

NOTE 4 COMMITMENTS, CONTINGENCIES, AND SUBSEQUENT EVENTS

Grants, bequests, and endowments require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions, or in the case of endowments, failure to continue to fulfill them, could result in the return of the funds to grantors. Although that is a possibility, the Board deems the contingency remote, since by accepting the grants and their terms, it has accommodated the objectives of the organization to the provisions of the grant.