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**CHARITY HOSPITAL**  
**SCHOOL OF NURSING ALUMNI ASSOCIATION**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2007 AND 2006**

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 9-03-08

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Charity Hospital School of Nursing Alumni Association

We have audited the accompanying statements of financial position of Charity Hospital School of Nursing Alumni Association (a nonprofit organization) as of December 31, 2007 and 2006, 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. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with accounting standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 audits 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 Charity Hospital School of Nursing Alumni Association as of December 31, 2007 and 2006, 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.

August 8, 2008

*Erickson, Krentel & LaPorte LLP*

Certified Public Accountants

**CHARITY HOSPITAL SCHOOL OF NURSING ALUMNI ASSOCIATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2007 AND 2006**

**ASSETS**

	2007	2006
<b><u>ASSETS:</u></b>		
Cash and cash equivalents	\$ 107,337	\$ 108,903
Investments	49,935	54,197
Merchandise inventory	265	265
 Total assets	 \$ 157,537	 \$ 163,365

**LIABILITIES AND NET ASSETS**

<b><u>LIABILITIES:</u></b>		
Deferred revenue	\$ 700	\$ -
 Total liabilities	 700	 -
 <b><u>NET ASSETS:</u></b>		
Net assets - unrestricted	113,413	116,438
Net assets - temporarily restricted	43,424	46,927
 Total net assets	 156,837	 163,365
 Total liabilities and net assets	 \$ 157,537	 \$ 163,365

See accompanying NOTES TO FINANCIAL STATEMENTS

**CHARITY HOSPITAL SCHOOL OF NURSING ALUMNI ASSOCIATION**  
**STATEMENTS OF ACTIVITIES**  
**DECEMBER 31, 2007 AND 2006**

	2007	2006
<b>UNRESTRICTED NET ASSETS</b>		
<b><u>Unrestricted Revenue:</u></b>		
Special events	\$ 7,452	\$ 41,533
Membership fees	9,535	9,100
Commemorative sales	3,514	7,151
Newsletter contributions	3,072	2,360
Member contributions	6,881	1,599
Miscellaneous income	3,107	3,320
Investment return	<u>(1,646)</u>	<u>11,666</u>
Total unrestricted revenues	31,915	76,729
<b><u>Net Assets Released from Restrictions:</u></b>		
Restrictions satisfied by awarding of scholarships	<u>6,125</u>	<u>4,550</u>
Total unrestricted revenues and other support	<u>38,040</u>	<u>81,279</u>
<b><u>Expenses:</u></b>		
Program services:		
Special events	7,476	45,841
Newsletter	16,016	18,199
Scholarships	6,125	4,550
Commemorative sales	3,342	1,671
Support services:		
Management and general	<u>8,106</u>	<u>11,939</u>
Total expenses	<u>41,065</u>	<u>82,200</u>
Decrease in unrestricted net assets	(3,025)	(921)
<b>TEMPORARILY RESTRICTED NET ASSETS</b>		
Scholarship contributions	2,622	36,987
Net assets released from restrictions:		
Restrictions satisfied by awarding of scholarships	<u>(6,125)</u>	<u>(4,550)</u>
Increase (decrease) in temporarily restricted net assets	<u>(3,503)</u>	<u>32,437</u>
Increase (decrease) in net assets	(6,528)	31,516
Net assets at beginning of year	<u>163,365</u>	<u>131,849</u>
Net assets at end of year	<u>\$ 156,837</u>	<u>\$ 163,365</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

**CHARITY HOSPITAL SCHOOL OF NURSING ALUMNI ASSOCIATION**  
**STATEMENTS OF CASH FLOWS**  
DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<b><u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u></b>		
Increase (decrease) in net assets	\$ (6,528)	\$ 31,516
Adjustments to reconcile change in net assets to net cash from (used for) operating activities:		
Unrealized (gain)/loss on investments	5,886	(9,823)
Increase in deferred revenue	<u>700</u>	<u>-</u>
Net cash from operating activities	<u>58</u>	<u>21,693</u>
<b><u>CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:</u></b>		
Purchase of investments through re-invested dividends	<u>(1,624)</u>	<u>(1,489)</u>
Net cash used for investing activities	<u>(1,624)</u>	<u>(1,489)</u>
Net increase (decrease) in cash and cash equivalents	(1,566)	20,204
Cash and cash equivalents at beginning of year	<u>108,903</u>	<u>88,699</u>
Cash and cash equivalents at end of year	<u>\$ 107,337</u>	<u>\$ 108,903</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

**CHARITY HOSPITAL SCHOOL OF NURSING ALUMNI ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007 AND 2006**

(1) **NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

Charity Hospital School of Nursing Alumni Association (the Association) provides support for current nursing students through scholarships and by raising funds for student activities. The Association members pay membership dues each year and sell commemorative items in order to raise funds.

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**Financial Statement Presentation**

Financial statement presentation follows the recommendations 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 Association 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.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Association considers certificates of deposit and all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Merchandise Inventory**

Inventory, which consists of merchandise for resale, is stated at the lower of cost (first-in, first-out method) or market.

**CHARITY HOSPITAL SCHOOL OF NURSING ALUMNI ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
DECEMBER 31, 2007 AND 2006

**(1) NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions**

The Association has adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

**Income Taxes**

The Association is a not-for-profit organization that is exempt from income taxes under Section 501(c)(7) of the Internal Revenue Code.

**(2) INVESTMENTS**

Investments are recorded at quoted market prices and are subject to normal market risk. Investments as of December 31, 2007 and 2006 are summarized as follows:

	<u>Fair Value</u>	<u>Carrying Value</u>
Unrestricted as of December 31, 2007:		
JP Morgan Chase common stock, 1,149 shares	<u>\$ 49,935</u>	<u>\$ 49,935</u>
Unrestricted as of December 31, 2006:		
JP Morgan Chase common stock, 1,115 shares	<u>\$ 54,197</u>	<u>\$ 54,197</u>

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended December 31, 2007 and 2006:

	<u>Unrestricted 2007</u>	<u>Unrestricted 2006</u>
Interest and dividends	\$ 4,240	\$ 1,843
Unrealized gain (loss)	<u>(5,886)</u>	<u>9,823</u>
Total investment return	<u>\$ (1,646)</u>	<u>\$ 11,666</u>



**CHARITY HOSPITAL SCHOOL OF NURSING ALUMNI ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 2007 AND 2006**

**(3) RESTRICTIONS ON NET ASSETS**

All of the restrictions are related to contributions received specifically for scholarships. Those restrictions are considered to expire when scholarships are awarded. As of December 31, 2007 and 2006, temporarily restricted net assets totaled \$43,424 and \$46,927, respectively.