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LSU ALUMNI ASSOCIATION AND SUBSIDIARY

Baton Rouge, Louisiana

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2009

FAULK & WINKLER LLC
Certified Public Accountants • Business Advisors

LSU ALUMNI ASSOCIATION AND SUBSIDIARY
Baton Rouge, Louisiana

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FAULK & WINKLER LLC
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
LSU Alumni Association
Baton Rouge, Louisiana

We have audited the consolidated statement of financial position of the **LSU ALUMNI ASSOCIATION AND SUBSIDIARY** (collectively referred to as the "Association") as of December 31, 2009, and the related consolidated statements of activities and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information has been derived from the Association's 2008 financial statements and, in our report dated March 23, 2009, we expressed an unqualified opinion on those statements.

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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the **LSU ALUMNI ASSOCIATION AND SUBSIDIARY** as of December 31, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental and statistical information on pages 15 and S-1 through S-6 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements, and, in our opinion, such information is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

Faulk & Winkler, LLC

Certified Public Accountants

Baton Rouge, Louisiana
March 6, 2010

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Exhibit A

LSU ALUMNI ASSOCIATION AND SUBSIDIARY

Baton Rouge, Louisiana

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2009
(with comparative amounts for 2008)

ASSETS

	2009	2008
CURRENT		
Cash	$ 770,514	$ 596,569
Pledges receivable, net	788,854	774,306
Receivables - other	421,153	513,906
Merchandise inventory	162,632	122,147
Total current assets	2,143,153	2,006,928
INVESTMENTS:		
Unrestricted	241,283	321,963
Endowment	13,332,471	10,556,044
LONG-TERM PLEDGES RECEIVABLE, net	543,474	811,950
PROPERTY AND EQUIPMENT, net	16,128,732	16,765,601
DEFERRED INCOME TAXES, net	337,000	136,000
OTHER ASSETS	174,446	168,863
Total assets	$ 32,900,559	$ 30,767,349

LIABILITIES AND NET ASSETS

	2009	2008
CURRENT LIABILITIES		
Accounts payable and other accruals	$ 265,136	$ 295,019
Deferred revenues	104,419	110,840
Total current liabilities	369,555	405,859
OTHER LIABILITIES	4,159,984	4,303,253
Total liabilities	4,529,539	4,709,112
NET ASSETS		
Unrestricted	11,874,181	10,544,444
Temporarily restricted	95,396	280,618
Permanently restricted	16,401,443	15,233,175
Total net assets	28,371,020	26,058,237
Total liabilities and net assets	$ 32,900,559	$ 30,767,349

The accompanying notes to consolidated financial statements are an integral part of this statement.

LSU ALUMNI ASSOCIATION AND SUBSIDIARY

Baton Rouge, Louisiana

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended December 31, 2009
(with comparative amounts for 2008)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals 2009	Totals 2008
REVENUE AND SUPPORT					
Donations	$ 1,605,981	$ 158,124	$ 1,168,268	$ 2,932,373	$ 3,425,149
Earned:					
Merchandise, sales, and trip	1,054,722	-	-	1,054,722	1,483,970
Hotel	3,071,786	-	-	3,071,786	3,670,079
Rental and catering	600,534	-	-	600,534	712,734
Investments:					
Dividend and interest	19,619	229,421	-	249,040	347,444
Realized (loss) gain	(77,049)	-	-	(77,049)	921,426
Unrealized gain (loss)	1,842,904	-	-	1,842,904	(3,963,589)
Other	689,064	-	-	689,064	867,720
Total revenue and support	8,807,561	387,545	1,168,268	10,363,374	7,464,933
NET ASSETS RELEASED FROM RESTRICTIONS	572,767	(572,767)	-	-	-
Total revenues, support, and reclassifications	9,380,328	(185,222)	1,168,268	10,363,374	7,464,933
EXPENSES					
Program	6,169,007	-	-	6,169,007	6,936,892
Fundraising	1,072,707	-	-	1,072,707	1,203,491
General and administrative	1,009,877	-	-	1,009,877	1,117,244
Total expenses	8,251,591	-	-	8,251,591	9,257,627
Change in net assets, before income taxes	1,128,737	(185,222)	1,168,268	2,111,783	(1,792,694)
INCOME TAX BENEFIT	201,000	-	-	201,000	80,000
Change in net assets	1,329,737	(185,222)	1,168,268	2,312,783	(1,712,694)
NET ASSETS					
Beginning of year	10,544,444	280,618	15,233,175	26,058,237	27,770,931
End of year	$ 11,874,181	$ 95,396	$ 16,401,443	$ 28,371,020	$ 26,058,237

The accompanying notes to consolidated financial statements are an integral part of this statement.

LSU ALUMNI ASSOCIATION AND SUBSIDIARY

Baton Rouge, Louisiana

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2009
(with comparative amounts for 2008)

	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 2,312,783	$ (1,712,694)
Adjustments for noncash items:		
Depreciation	678,779	801,868
Provision for doubtful accounts	(24,688)	(45,333)
Income tax benefit	(201,000)	(80,000)
Realized loss (gain) on investments - net	77,049	(921,426)
Unrealized (gain) loss on investments - net	(1,842,904)	3,963,589
Permanently restricted contributions - net	(1,168,268)	(1,543,265)
Change in operating assets and liabilities:		
Net change of pledges receivable	305,928	356,734
Net change in operating assets	19,373	(409,008)
Net change in operating liabilities	(179,573)	(291,395)
Net cash (used) provided by operating activities	(22,521)	119,070
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(4,630,631)	(9,010,426)
Proceeds from sale of investments	3,700,739	6,741,715
Acquisition of property and equipment	(41,910)	(263,733)
Net cash used by investing activities	(971,802)	(2,532,444)
CASH FLOWS FROM FINANCING ACTIVITIES		
Permanently restricted contributions - net	1,168,268	1,543,265
Net increase (decrease) in cash and cash equivalents	173,945	(870,109)
CASH AND CASH EQUIVALENTS		
Beginning of year	596,569	1,466,678
End of year	$ 770,514	$ 596,569

The accompanying notes to consolidated financial statements
are an integral part of this statement.

LSU ALUMNI ASSOCIATION AND SUBSIDIARY

Baton Rouge, Louisiana

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and operations

The **LSU ALUMNI ASSOCIATION AND SUBSIDIARY** (collectively referred to as the "Association") is a non-profit corporation organized to foster, protect, and promote the welfare of Louisiana State University and Agricultural and Mechanical College (the University) and to maintain a mutually beneficial relationship between the University and its alumni. The majority of the Association's revenues are derived from contributions made by individual alumni and various organizations, as well as revenues earned through the Alumni Center and Hotel. The Lod and Carole Cook Conference Center and Hotel, LLC (the Hotel), is a wholly-owned subsidiary that operates the for-profit activities of the Association. The Hotel and Alumni Center are located on land owned by Louisiana State University.

Basis of presentation and consolidation

The consolidated financial statements of the Association have been prepared on the accrual basis of accounting. All intercompany transactions and balances have been eliminated. The significant accounting policies are described below to enhance the usefulness of the consolidated financial statements. The Association reports information regarding their financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's consolidated financial statements for 2008, from which the summarized information was derived.

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 reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from those estimates. Estimates are used primarily when accounting for valuation and collection of receivables, depreciation, deferred revenue and deferred income taxes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

For purposes of the statement of cash flows, the Association considers all demand deposits and money market accounts to be cash and cash equivalents, except that cash and cash equivalents that are restricted by donors are included with restricted or endowed investments. The Association considers all highly liquid investments, money market funds and certificates of deposit with a maturity of three months or less at the date of acquisition to be cash equivalents.

Promises to give and contributions

Unconditional promises to give are recognized as revenue in the period received. Promises to give are recorded at realizable value if they are expected to be collected in one year and at fair value if they are expected to be collected in more than one year. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Pledges receivable are recorded net of an allowance for doubtful pledges that is based on management's estimate of collectability. The Association records contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Contributions are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to the appropriate classification. Contributions to permanently restricted funds are restricted by the donor to be maintained in perpetuity and the related income earned is expended according to the donor's stipulations.

Accounts receivable

Accounts receivable are recorded at cost, net of an allowance for doubtful accounts. A general allowance for doubtful accounts is based on management's estimate of the collectability of accounts receivable according to prior experience. Management considers accounts receivable delinquent based on contractual terms. The Association does not require collateral for its receivables. Accounts receivable over 90 days past due totaled $109,820.

Property and equipment

Property and equipment are carried at cost. Additions, renewals, and betterments that extend the life of assets are capitalized. Maintenance and repair expenditures are expensed as incurred.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment (continued)

Depreciation is provided using the straight-line method over the estimated useful lives of the property, ranging from three to thirty-nine years.

The Association does not capitalize its collections at the Andonie Museum, which consists of historical objects relating to LSU sports history which have been estimated to have a market value of approximately $650,000. The Association exhibits these collections at the Andonie Museum on the campus of LSU. There were no significant changes to collections during 2009.

Investment valuation and income recognition

The Financial Accounting Standards Board Accounting Standards Codification, *Fair Value Measurements*, (ASC 810), establishes a framework for measuring fair value which provides a fair value hierarchy that prioritizes the sources of pricing information (inputs) to valuation techniques used to measure fair value. The highest priority is given to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 810 are described as follows:

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets that the Association has the ability to access.

Level 2 – Inputs including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs that are unobservable and significant to the fair value measurement.

Investments in equity securities with readily determinable fair values and all investments in debt securities are recorded at fair value based on quoted market prices. Unrealized gains and losses are recorded in current year operations as increases or decreases in net assets. Dividend, interest, and other investment income are recorded as an increase in net assets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment valuation and income recognition (continued)

Donated investments are recorded at market value at the date of receipt, which is then treated as cost. Realized gains and losses on dispositions are based on the net proceeds and the cost of the securities sold, using the specific identification cost method. These realized gains and losses are recognized in the Association's current operations.

Income taxes and unrelated business income

The Association is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code for the majority of the Association's revenues. However, the Association's subsidiary, the Hotel, is a for-profit corporation for income tax purposes. Under the asset and liability method, deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income during the period that includes the enactment date.

The Association files Form 990 and Form 990-T tax returns in the U.S. federal jurisdiction and in Louisiana. Generally, the Association is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2005. The Association adopted the provisions of FASB ASC 740-10, Accounting for Uncertainty in Income Taxes, on January 1, 2009. Management of the Association believes it has no material uncertain tax positions and, accordingly it will not recognize any liability for unrecognized tax benefits.

Deferred revenues

Funds that are received for prepayment of lodging or deposits for events scheduled in the subsequent year are recorded as deferred revenues until they are earned.

Fair value of financial instruments

The carrying value of cash, receivables, prepaid expenses, accounts payable, accrued expenses, and deferred revenue approximate fair value due to the short-term maturity of these instruments. None of the financial instruments are held for trading purposes.

Advertising

Advertising costs are expensed as incurred. The amount charged to operations was $22,414 for 2009.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassification

Certain items reported in the 2008 financial statements have been reclassified to conform to the 2009 presentation.

NOTE 2 - INVESTMENTS

Investments (all measured using Level 1 inputs), at December 31, 2009, consisted of the following:

	Market Value	Cost
Fixed income	$ 7,377,531	$ 7,370,152
Equities	6,196,223	6,868,728
	$ 13,573,754	$ 14,238,880

NOTE 3 - PLEDGES RECEIVABLE

Unconditional pledges receivable at December 31, 2009, were as follows:

	Amount
Less than one year	$ 942,854
One to five years	567,000
	1,509,854
Less discount	(23,526)
	1,486,328
Allowance for uncollectible pledges	(154,000)
Total pledges receivable, net	$ 1,332,328

A discount rate of 3% was used in computing the net present value of these receivables.

(continued)

NOTE 4 - ACCOUNTS RECEIVABLE

At December 31, 2009, accounts receivable were as follows:

	Amount
Storm damage	$ 192,558
Room rental and occupancy	82,120
Catering	79,283
LSU Foundation	76,361
Other	33,143
	463,465
Allowance for uncollectible accounts	(42,312)
Total receivable	$ 421,153

NOTE 5 - PROPERTY AND EQUIPMENT

Property and equipment, and related service lives at December 31, 2009 were as follows:

Description	Service Life	Amount
Buildings and improvements	15 - 39 years	$ 20,691,495
Furniture and equipment	5 - 10 years	3,199,512
Automobiles	5 years	37,809
Software	3 years	25,824
		23,954,640
Less accumulated depreciation		(7,825,908)
		$ 16,128,732

Depreciation expense was $678,779 for 2009.

NOTE 6 - PROVISION FOR INCOME TAXES

The provision for income taxes consisted of a deferred income tax benefit of $201,000 from the Hotel's operations. The provision for income taxes is as follows:

	Amount
Income tax provision:	
Current income taxes	$ -
Deferred income tax benefit	201,000
Income tax benefit	$ 201,000

NOTE 6 - PROVISION FOR INCOME TAXES (CONTINUED)

The tax effects of temporary differences that give rise to significant portions of the deferred tax asset are as follows:

		Amount
Noncurrent deferred tax asset:		
Contribution carryforward	$	50,000
Net operating loss carryforward		357,000
Depreciation		(20,000)
		387,000
Valuation allowance		(50,000)
Noncurrent deferred tax asset, net	$	337,000

The Hotel had charitable contributions for 2006 of approximately $239,000; however, such deductions are limited to 10% of net taxable income. Since the Hotel has not had significant taxable income, the non-deductible portion of the contribution is carried forward through 2011 and is subject to sufficient taxable income to realize the benefit of the deduction. A valuation allowance has been recorded to reduce the carrying amount of the deferred tax asset to its estimated net realizable value.

At December 31, 2009, the Hotel had a net operating loss carryforward of approximately $1.7 million available through 2029. The Hotel's effective tax rate differs from the federal statutory rate, primarily due to lower rates on the first $100,000 of taxable income, certain nondeductible expenses, and state income tax (benefits).

NOTE 7 - OTHER LIABILITIES

Other liabilities at December 31, 2009 consist of the following:

		Amount
MBNA credit card deferred royalty	$	3,675,116
Deferred compensation		240,126
Annual leave		244,742
	$	4,159,984

MBNA Credit Card Deferred Royalty

The Association has a royalty agreement with MBNA, a credit card company, for use of its logo. Under the terms of the agreement, MBNA has paid the Association $5,000,000 as a royalty guarantee for the period of July 1, 2004 to June 30, 2011. The Association was paid $3,000,000 of the royalty guarantee during 2002 and $500,000 in 2005, 2006, 2007, and 2008. Earned royalties that began July 1, 2004 will be applied against all advances. Any remaining advance amount is refundable to MBNA if the Association breaches the agreement. Earned royalties for 2009 were approximately $179,000.

NOTE 8 - ENDOWMENT

The endowment net assets had activity during 2009 as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ (3,178,075)	$ 280,618	$15,233,175	$12,335,718
Investment return				
Interest and dividends	19,619	229,421	-	249,040
Appreciation, net	1,765,855	-	-	1,765,855
Total investment return	1,785,474	229,421	-	2,014,895
Contributions	1,605,981	158,124	1,168,268	2,932,373
Amounts appropriated for expenditure	-	(572,767)	-	(572,767)
	1,605,981	(414,643)	1,168,268	2,359,606
Endowment net assets, end of year	$ 213,380	$ 95,396	$16,401,443	$16,710,219

Unrestricted endowment net assets

Unrestricted endowment net assets are comprised of funds designated by the Board of Directors for operating purposes, including maintenance on buildings. Additionally, from time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Association to retain as a fund of perpetual duration.

Temporarily restricted endowment net assets

Temporarily restricted net assets of $95,396 at December 31, 2009 were available for scholarships and professorships.

The Association has a policy of appropriating 5% of the endowment fund's average market value for the preceeding 3 years for professorships and scholarships. Upon payment of professorships and scholarships, donor-restrictions are satisfied and temporarily restricted net assets are released from restrictions and reclassified as an increase in unrestricted net assets.

NOTE 8 - ENDOWMENT (CONTINUED)

Permanently restricted endowment net assets

The Association classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Association.

Return objectives

The long-term investment objective is to maintain the purchasing power of the endowment assets over the long-term while meeting current obligations. In addition, the investment program is expected to exceed a composite benchmark index comprised of market indices weighted in proportion to an asset allocation policy. Adequate liquidity shall be maintained to provide annual distributions of scholarships, professorships, and building and operating expenses.

To satisfy the long-term rate-of-return objectives, the Association relies on a total return strategy in which investment returns are achieved through both market appreciation (realized and unrealized), and interest and dividends. The Association uses a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

NOTE 9 - COMMITMENT

The Association has a deferred compensation plan (the Plan) covering the President of the Association. On December 31, 2008, the Plan was amended to suspend future contributions. The salary continuation distributions shall be payable thirty days after the President's retirement from active service with the Association. The liability for payments at December 31, 2009 was $240,126, which is recorded as other liabilities.

NOTE 10 - RENT EXPENSE

Rent and lease expense incurred for 2009 was $59,349. These rentals and leases are short term and cancelable by either party. The Association has also entered into a 99-year lease with the University for the land used by the Association and Hotel. The annual rent expense associated with this lease is nominal.

NOTE 11 - DONATED SERVICES

A substantial number of unpaid volunteers have made a significant contribution of their time to develop the Association's programs, principally in fund raising activities, operations, and board participation. The value of this donated time is not reflected in these statements since no objective basis for measurement or valuation is available.

NOTE 12 - RETIREMENT PLAN

The Association has a 401(k) retirement plan covering substantially all eligible employees. Employees are 100% vested in their contributions as well as discretionary Association matching and profit sharing contributions. Employees may contribute up to 25% of their compensation limited to $16,500 annually. The Association contributed $71,076 during 2009.

NOTE 13 - CONCENTRATION OF CREDIT RISK

Financial instruments which subject the Association to concentrations of credit risk consist primarily of investments in long-term corporate and governmental fixed income instruments. Management periodically evaluates the Association's credit risk associated with its investments, which are not collateralized. Future changes in market value may make such investments less valuable.

The Association typically maintains cash and cash equivalents and temporary investments in local banks that may, at times, exceed the FDIC limits. Management believes that this risk is limited.

NOTE 14 - RELATED PARTIES

During 2009, the Association paid $1,659,625 to the University and agencies of the University for reimbursement for personnel, various services, costs, and supplies.

The Association had funds invested with the LSU Foundation totaling approximately $76,000 at December 31, 2009. Also, the LSU Foundation rents office space from the Association, which was approximately $119,000 during 2009.

The Association earned $260,610 of hotel revenue in 2009 from various departments of the University.

The Association received $840,000 in rental income, and $176,000 in management fees from the Hotel. However, these transactions have been eliminated upon consolidation.

NOTE 15 - SUBSEQUENT EVENTS

In preparing these financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through March 6, 2010, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

LSU ALUMNI ASSOCIATION AND SUBSIDIARY

Baton Rouge, Louisiana

COMBINING SCHEDULE OF ACTIVITIES

For the year ended December 31, 2009
(with comparative amounts for 2008)

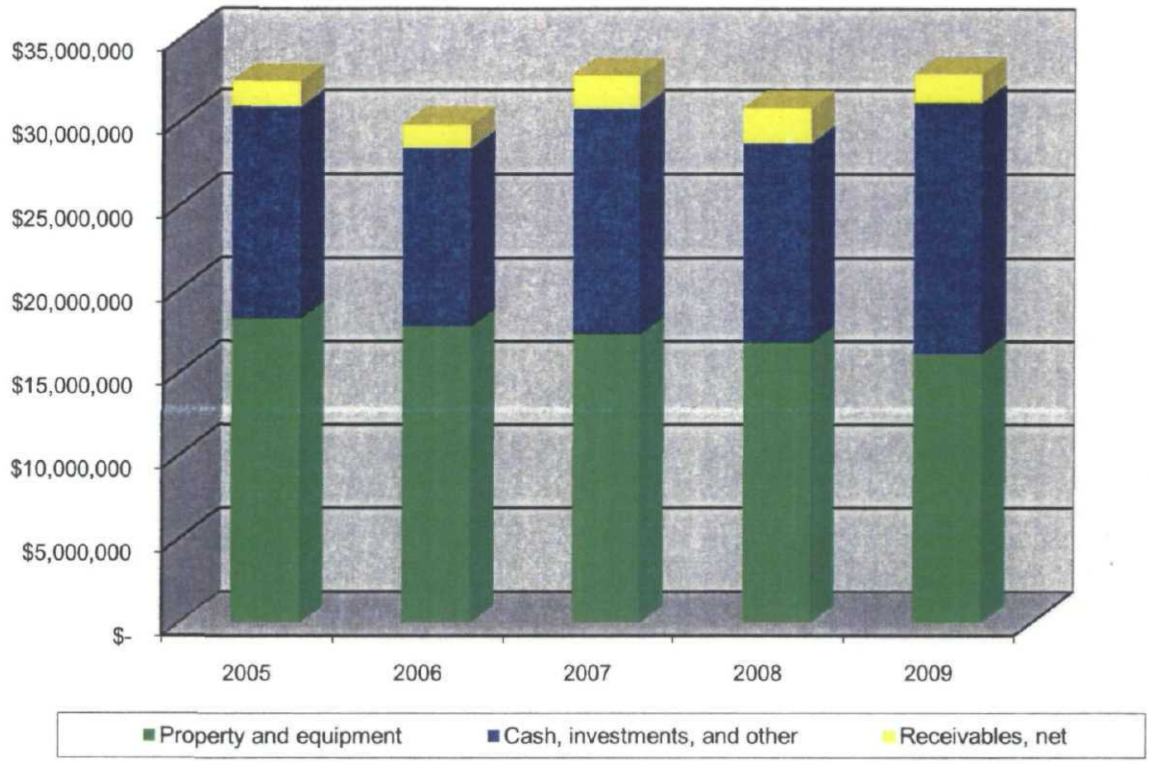
	Alumni Association	Restricted Fund	The Cook Hotel	Total 2009	Total 2008
Revenue and support:					
Donations	$ 1,603,313	$ 1,329,060	$ -	$ 2,932,373	$ 3,425,149
Earned:					
Merchandise, sales, and trips	129,249	-	925,473	1,054,722	1,483,970
Hotel	-	-	3,039,390	3,039,390	3,615,061
Food, beverage, and other	-	-	32,396	32,396	55,018
Rental and catering	469,862	-	130,672	600,534	712,734
Investments:					
Dividend and interest	17,348	229,421	2,271	249,040	347,444
Realized gain (loss)	(3,254)	(73,795)	-	(77,049)	921,426
Unrealized gain (loss)	52,763	1,790,141	-	1,842,904	(3,963,589)
Other:					
Advertising sales	-	-	115,991	115,991	118,196
On campus events	72,828	-	-	72,828	32,625
Golf tournament	39,728	-	-	39,728	24,034
MBNA royalty	179,400	-	-	179,400	225,975
Proceeds from insurance	-	-	22,464	22,464	170,094
Miscellaneous	235,116	-	23,537	258,653	296,796
Total revenue and support	2,796,353	3,274,827	4,292,194	10,363,374	7,464,933
Expenses:					
Personnel:					
Salaries	1,260,106	-	1,340,672	2,600,778	2,693,231
Staff benefits	219,298	-	209,065	428,363	589,666
Total	1,479,404	-	1,549,737	3,029,141	3,282,897
Occupancy:					
Depreciation	559,701	-	119,078	678,779	801,868
Utilities	168,000	-	443,423	611,423	737,078
Taxes	(13,833)	-	398,329	384,496	313,157
Repairs and maintenance	140,464	-	164,149	304,613	433,508
Professional and contracted services	100,315	-	120,929	221,244	274,768
Miscellaneous operating services	16,178	31,469	1,028	48,675	83,087
Supplies	37,222	-	77,526	114,748	163,238
Rent	19,873	-	39,476	59,349	57,463
Hotel operations	-	-	337,634	337,634	396,048
Total	1,027,920	31,469	1,701,572	2,760,961	3,260,215
Promotional:					
Scholarships	-	572,767	-	572,767	566,771
Travel and sports trips	113,413	-	539,246	652,659	771,629
Special events ticket purchases	353,725	-	-	353,725	341,615
Printing	139,573	-	8,302	147,875	128,297
Cost of merchandise sold	-	-	199,548	199,548	308,830
Postage	72,563	-	12,218	84,781	103,593
Official functions and entertainment	-	-	-	-	3,464
Catering	99,801	-	1,405	101,206	75,504
Promotional supplies	57,763	-	-	57,763	72,268
Other support	24,197	-	-	24,197	74,803
Advertising	4,282	-	18,132	22,414	71,621
Gifts of appreciation/donor recognition	28,490	-	-	28,490	46,097
Total	893,807	572,767	778,851	2,245,425	2,564,492
General and Administrative:					
Fees	-	31,887	124,111	155,998	41,472
Telephone	27,133	-	28,075	55,208	57,902
Provision for doubtful accounts	-	(60,000)	27,312	(32,688)	10,000
Auto insurance	12,907	-	5,231	18,138	18,802
Dues and subscriptions	16,684	-	2,724	19,408	21,847
Total	56,724	(28,113)	187,453	216,064	150,023
Total expenses	3,457,855	576,123	4,217,613	8,251,591	9,257,627
Change in net assets, before income taxes	(661,502)	2,698,704	74,581	2,111,783	(1,792,694)
Income tax benefit	-	-	201,000	201,000	80,000
Change in net assets	$ (661,502)	$ 2,698,704	$ 275,581	$ 2,312,783	$ (1,712,694)

See Independent Auditors' Report

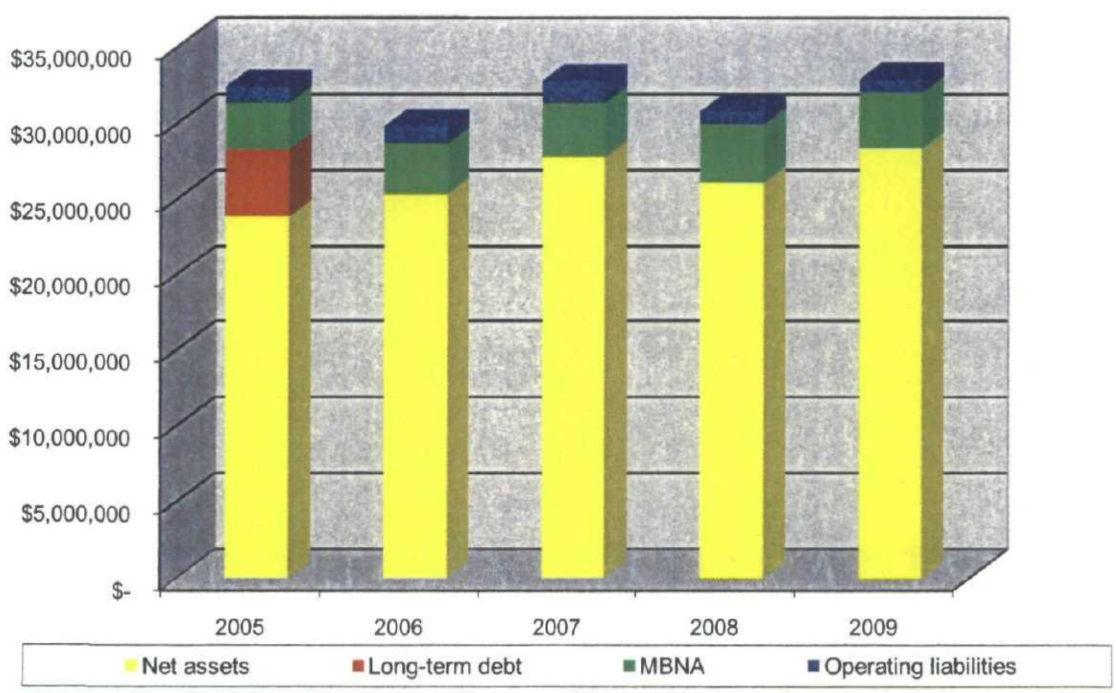
STATISTICAL INFORMATION

LSU ALUMNI ASSOCIATION AND SUBSIDIARY

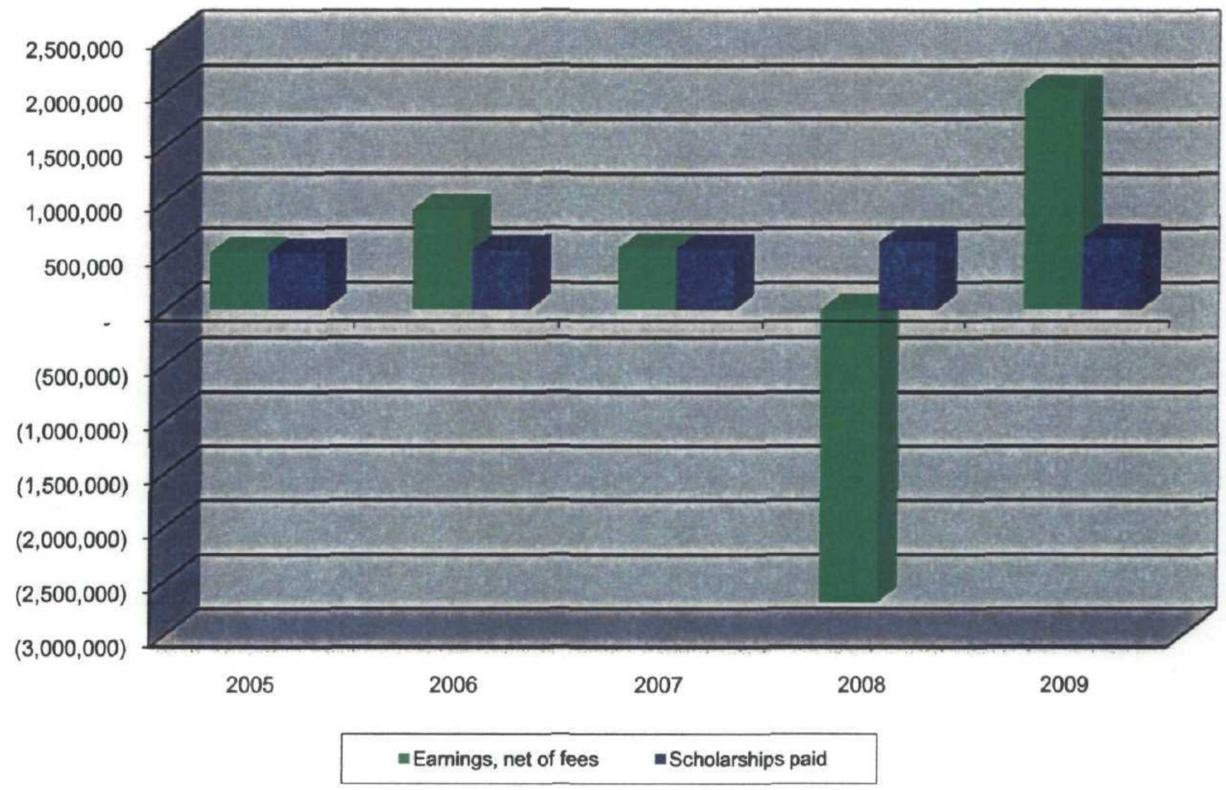
ASSETS



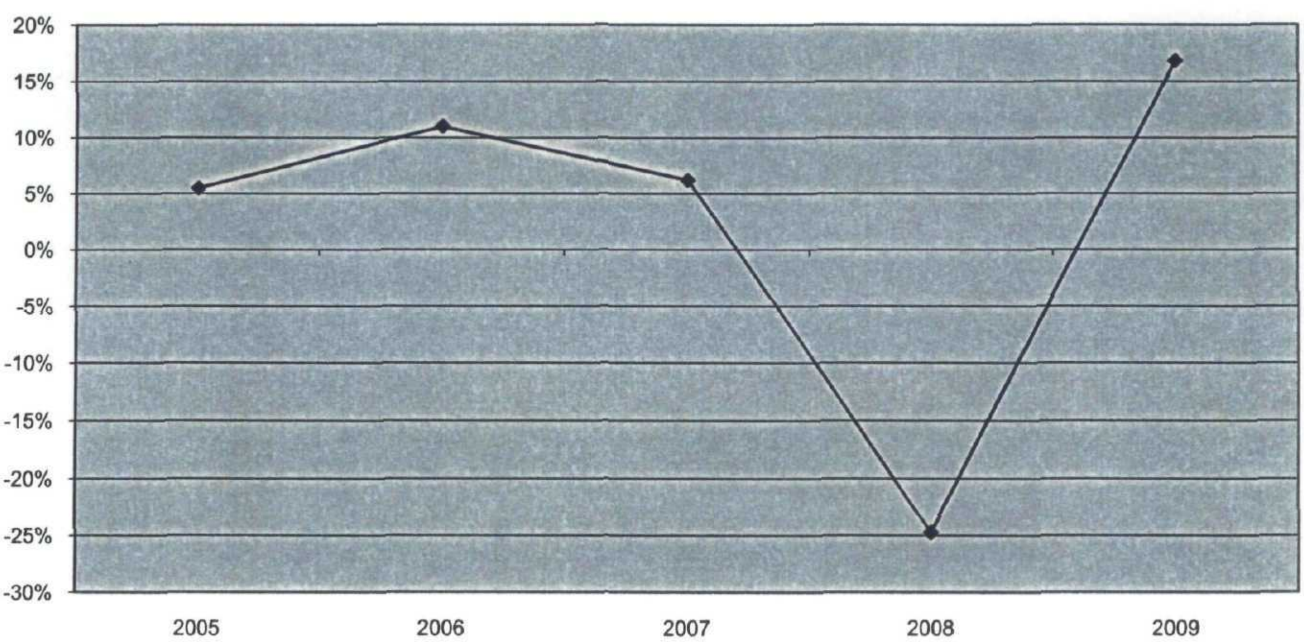
LIABILITIES AND NET ASSETS



ENDOWED INVESTMENT FUND EARNINGS/ SCHOLARSHIPS & PROFESSORSHIPS PAID

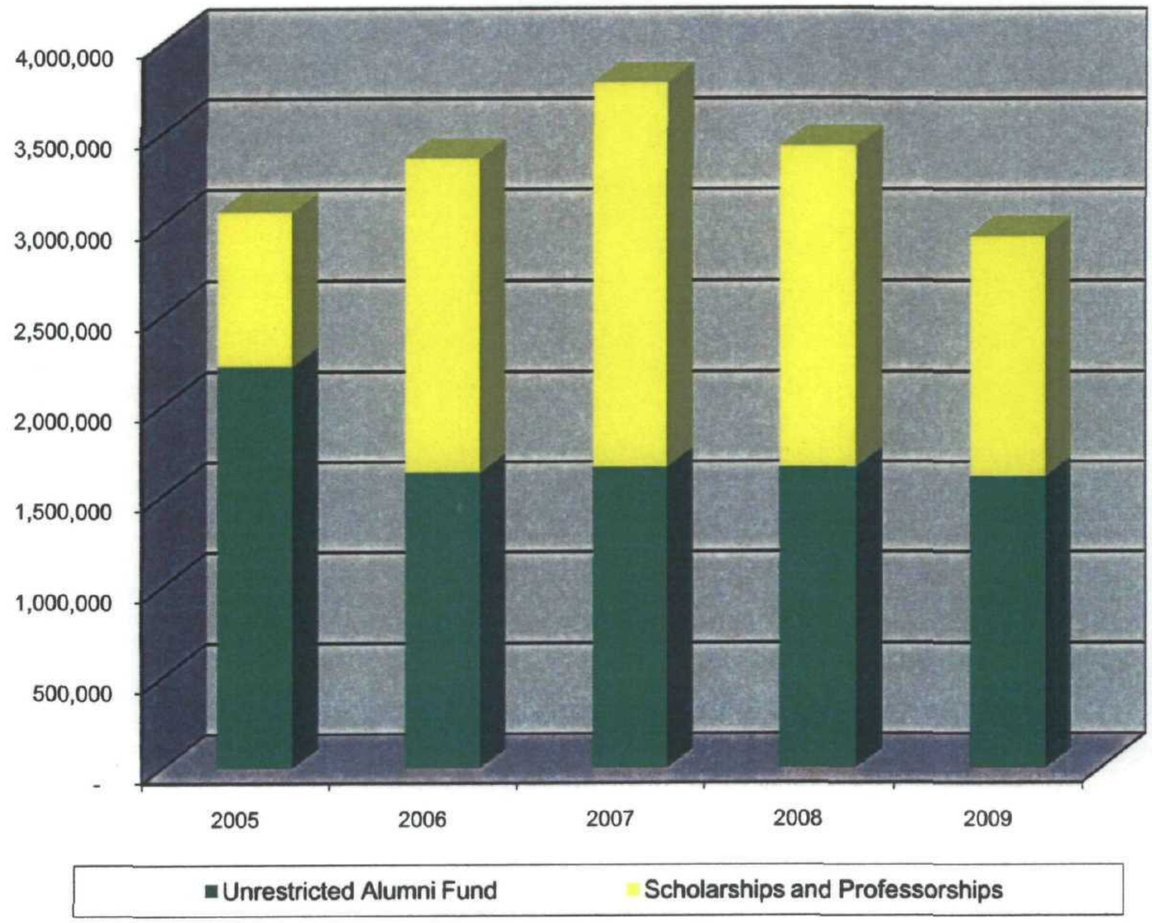


RETURN ON INVESTMENTS

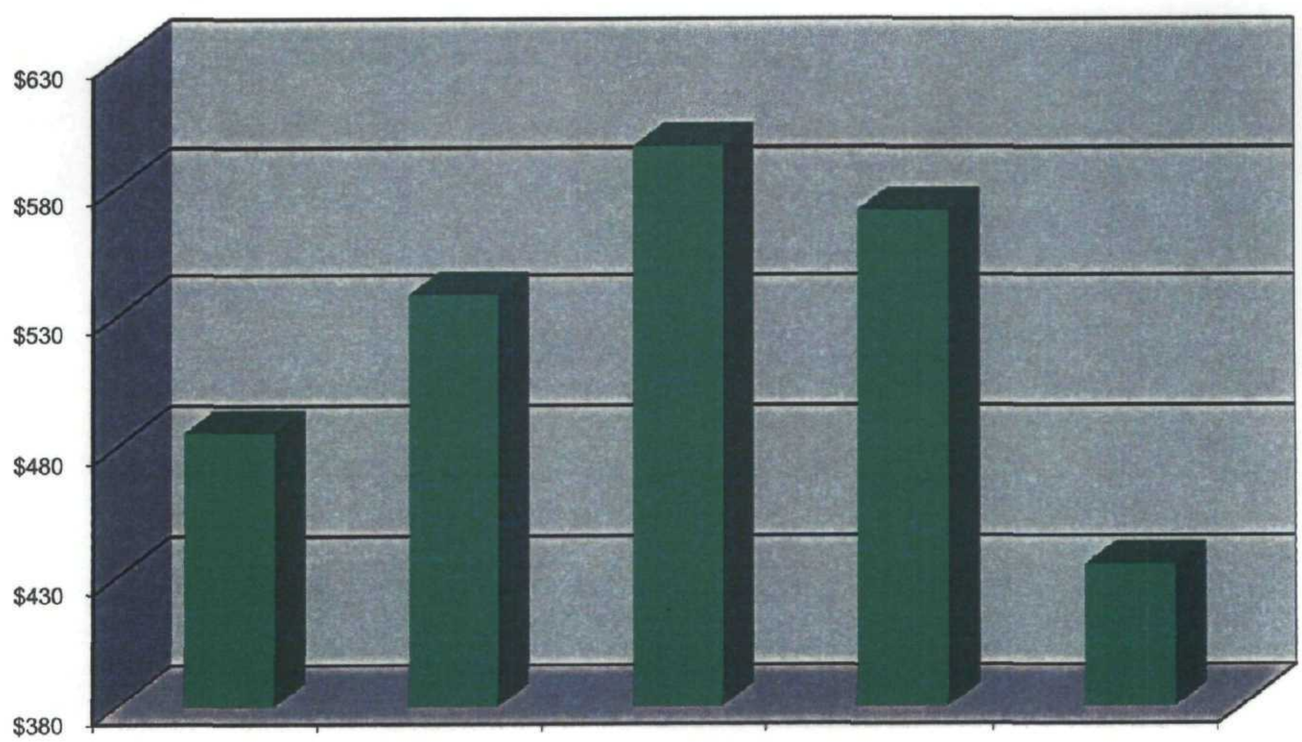


LSU ALUMNI ASSOCIATION AND SUBSIDIARY

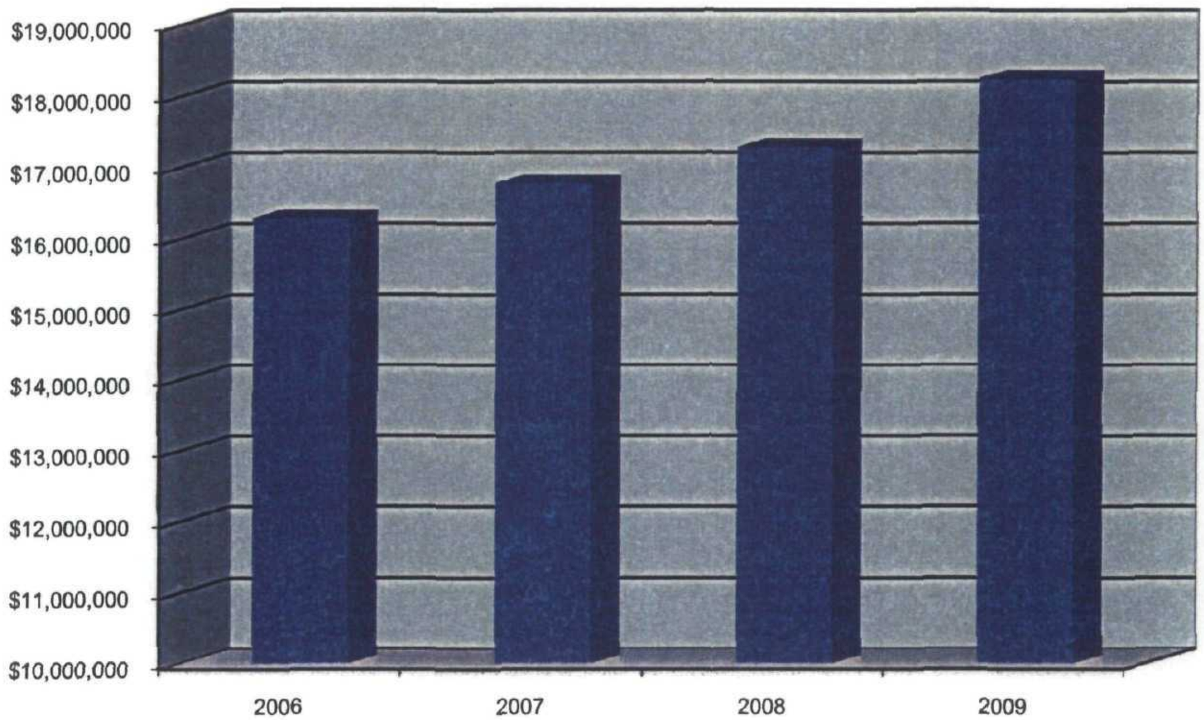
CONTRIBUTIONS



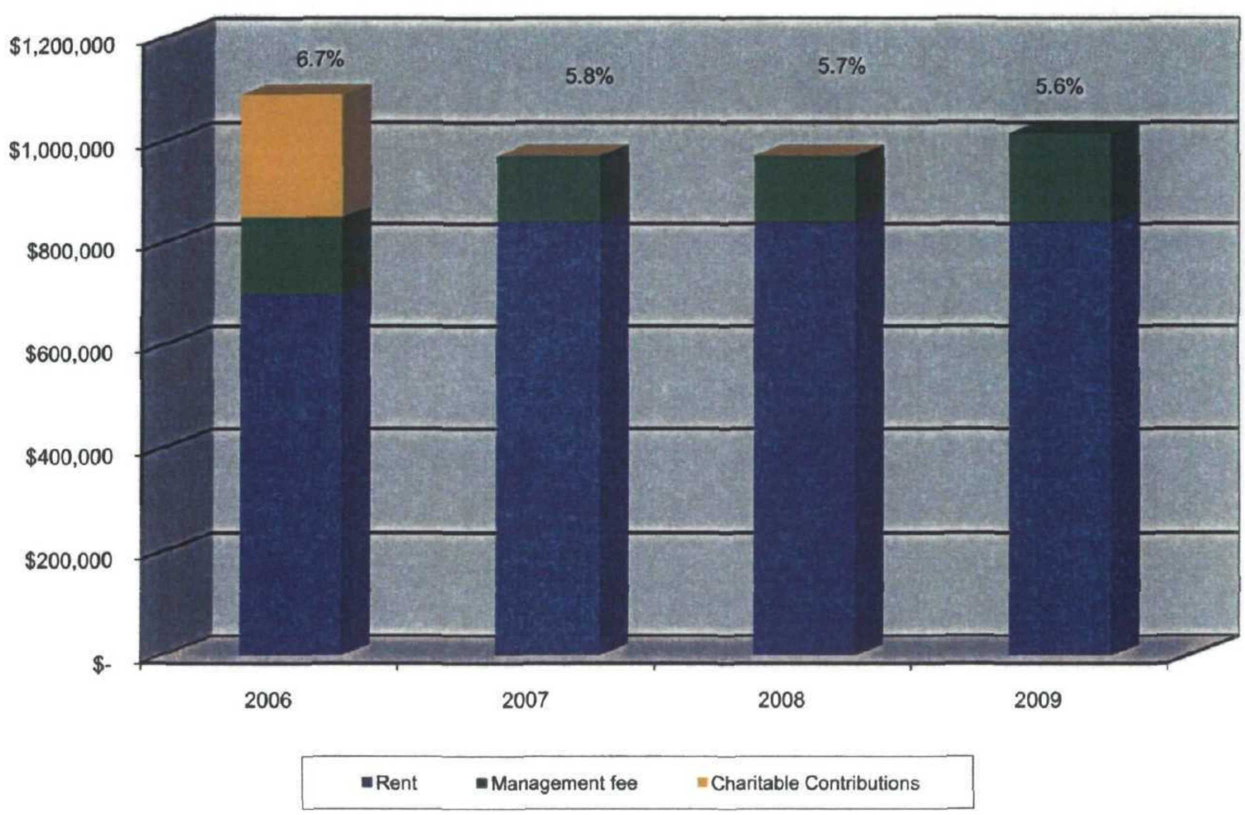
AVERAGE CONTRIBUTION PER MEMBER



LSU ALUMNI ASSOCIATION
HOTEL INVESTMENT - GROSS COST

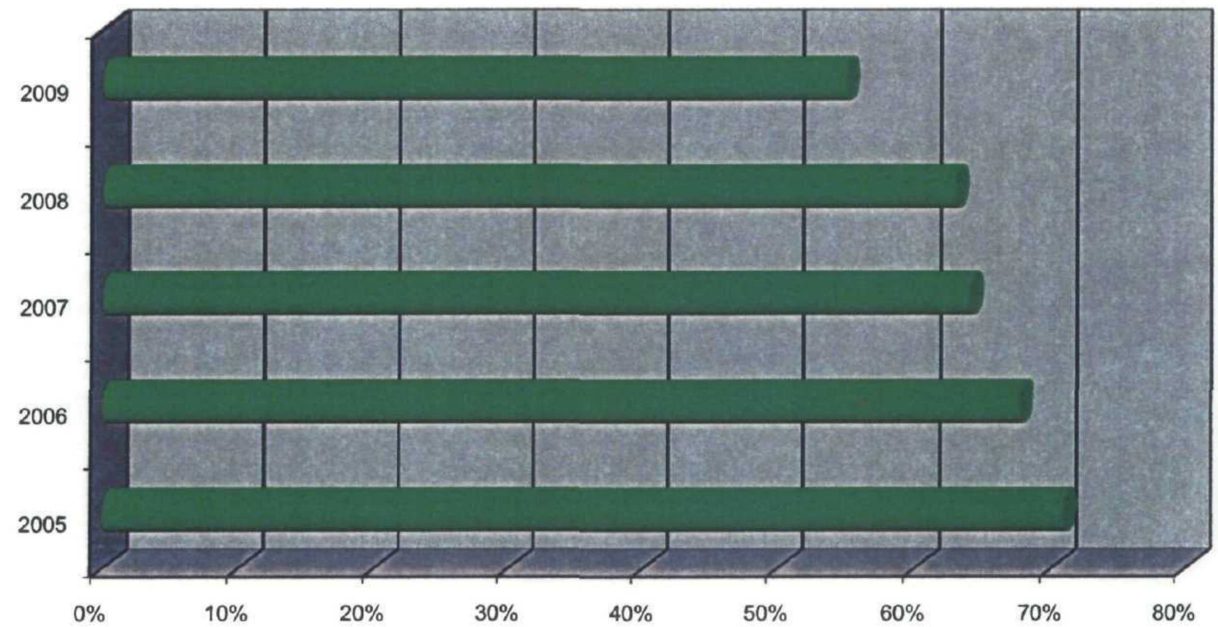


RETURN ON HOTEL INVESTMENT

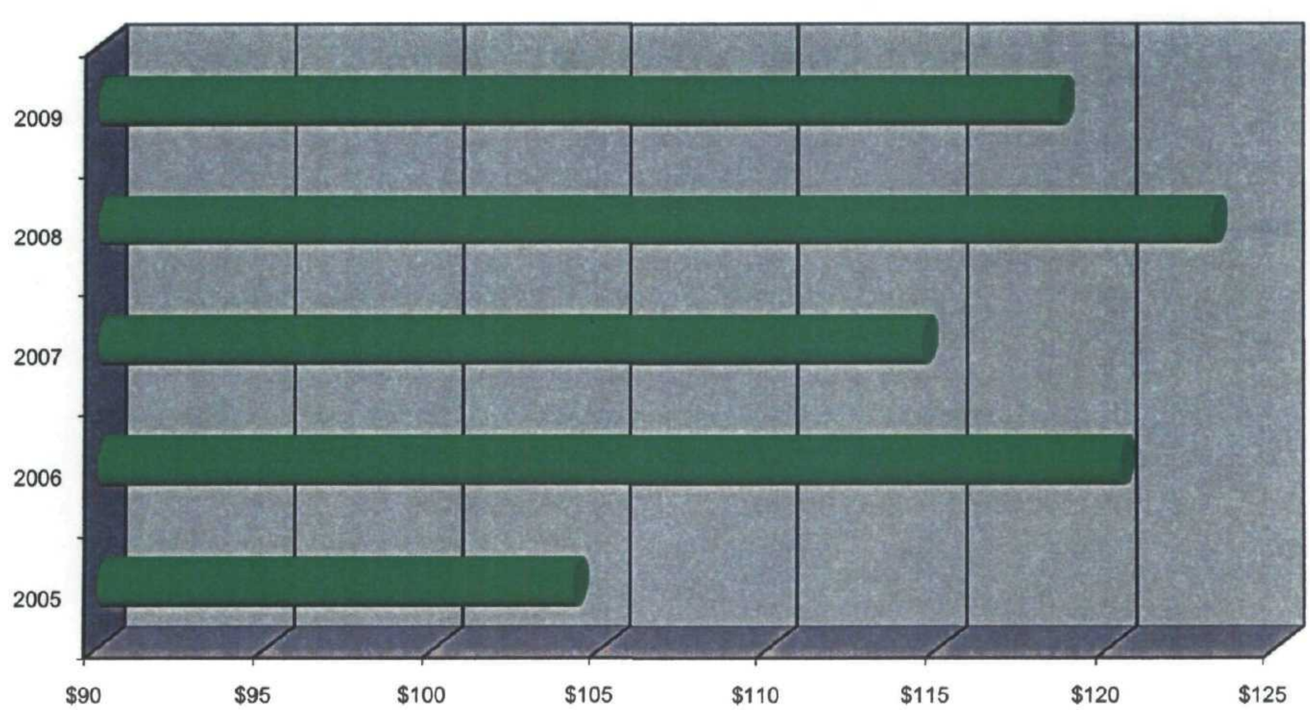


LOD AND CAROLE COOK HOTEL AND CONFERENCE CENTER

OCCUPANCY

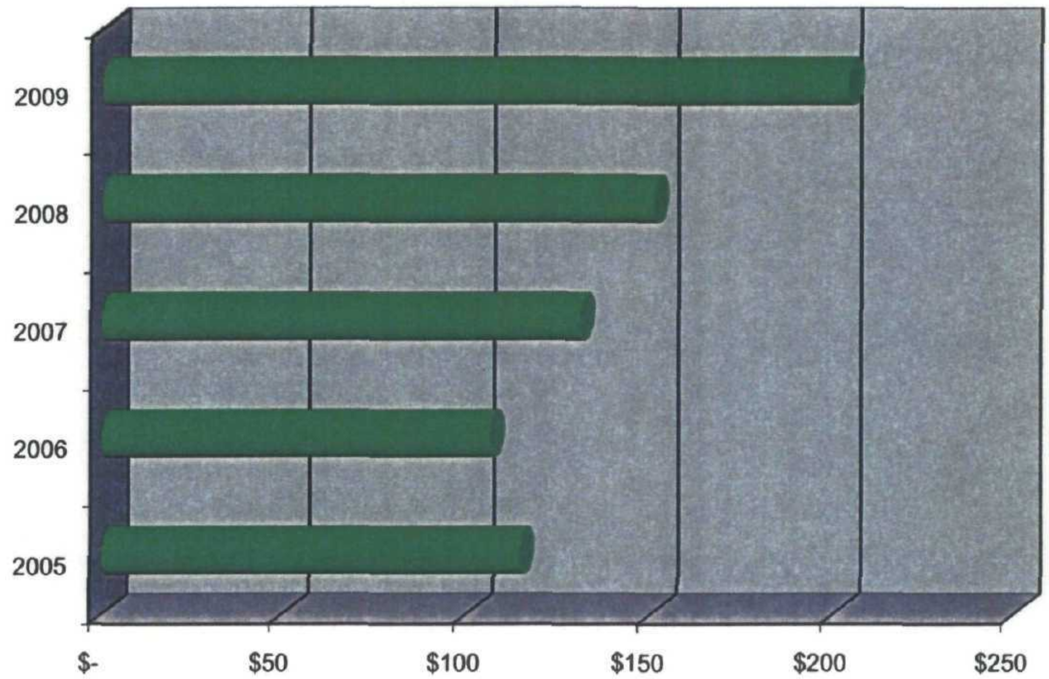


AVERAGE REVENUE PER OCCUPIED ROOM-NIGHT



LOD AND CAROLE COOK
HOTEL AND CONFERENCE CENTER

AVERAGE EXPENSE PER OCCUPIED ROOM-NIGHT



OPERATING EXPENSES