

THE UNIVERSITY OF SOUTHERN MISSISSIPPI ALUMNI ASSOCIATION

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Years Ended June 30, 2009 and 2008

THE UNIVERSITY OF SOUTHERN MISSISSIPPI ALUMNI ASSOCIATION

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INDEPENDENT AUDITOR'S REPORT

Officers and Board of Directors
The University of Southern Mississippi Alumni Association
Hattiesburg, Mississippi

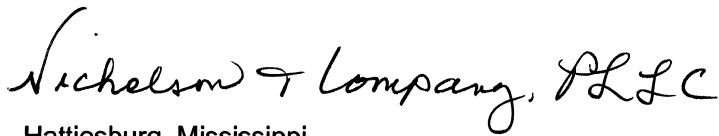
We have audited the accompanying statements of financial position of The University of Southern Mississippi Alumni Association (a Mississippi nonprofit corporation) as of June 30, 2009 and 2008, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Alumni 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 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 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 The University of Southern Mississippi Alumni Association as of June 30, 2009 and 2008, 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.

Officers and Board of Directors
The University of Southern Mississippi Alumni Association

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedules, listed in the foregoing table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. These supplemental schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Nicholson & Company, PLLC". The signature is written in black ink and is positioned above the printed text of the firm's name and location.

Hattiesburg, Mississippi
September 11, 2009

EXHIBIT A

THE UNIVERSITY OF SOUTHERN MISSISSIPPI ALUMNI ASSOCIATION

**STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2009 AND 2008**

ASSETS

	June 30,	
	2009	2008
CURRENT ASSETS		
Cash and cash equivalents	\$ 728,981	\$ 392,459
Accounts receivable	4,690	540
Accrued interest	10,811	17,919
Prepaid expenses and other assets	26,659	45,995
Receivable from USM Foundation	470,105	-
Total current assets	<u>1,241,246</u>	<u>456,913</u>
INVESTMENTS	<u>2,109,549</u>	<u>2,977,111</u>
PROPERTY AND EQUIPMENT		
Automobiles	68,255	64,818
Office furniture, fixtures and equipment	62,339	64,926
Less accumulated depreciation	<u>(83,842)</u>	<u>(108,357)</u>
Total property and equipment	<u>46,752</u>	<u>21,387</u>
Total assets	<u>\$ 3,397,547</u>	<u>\$ 3,455,411</u>

See accompanying notes.

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	-	\$	1,802
Accrued interest		2,187		-
Deferred revenue, current portion		163,523		215,816
Notes payable		470,105		-
Total current liabilities		<u>635,815</u>		<u>217,618</u>

NONCURRENT LIABILITIES

Deferred revenue, net of current portion		<u>64,871</u>		<u>56,558</u>
--	--	---------------	--	---------------

Total liabilities

		<u>700,686</u>		<u>274,176</u>
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UNRESTRICTED NET ASSETS

Undesignated		1,839,030		2,345,722
Designated - life memberships		<u>857,831</u>		<u>835,513</u>
Total net assets		<u>2,696,861</u>		<u>3,181,235</u>

Total liabilities and net assets

	\$	<u>3,397,547</u>	\$	<u>3,455,411</u>
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EXHIBIT B

THE UNIVERSITY OF SOUTHERN MISSISSIPPI ALUMNI ASSOCIATION

**STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2009 AND 2008**

	<u>June 30,</u>	
	<u>2009</u>	<u>2008</u>
UNRESTRICTED NET ASSETS		
Revenue, gains, and other support		
Membership revenue	\$ 333,755	\$ 329,398
Event revenue	62,379	42,394
Contributed support	626,494	666,400
Royalty income	114,959	117,112
Investment returns	(290,367)	(85,989)
Auxiliary revenue	75,733	50,785
Transfers from USM Foundation	470,105	-
Gain (loss) on disposal of property and equipment	2,200	(8,017)
Total revenues, gains and other support	<u>1,395,258</u>	<u>1,112,083</u>
EXPENSES		
Program services	1,605,753	1,147,649
Membership development	153,700	128,643
Auxiliary expenses	-	252
General and administrative	120,179	127,323
Total expenses	<u>1,879,632</u>	<u>1,403,867</u>
Total expenses	<u>1,879,632</u>	<u>1,403,867</u>
CHANGE IN UNRESTRICTED NET ASSETS	(484,374)	(291,784)
NET ASSETS		
Beginning of year	<u>3,181,235</u>	<u>3,473,019</u>
End of year	<u>\$ 2,696,861</u>	<u>\$ 3,181,235</u>

See accompanying notes.

EXHIBIT C

THE UNIVERSITY OF SOUTHERN MISSISSIPPI ALUMNI ASSOCIATION

**STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2009 AND 2008**

	<u>June 30,</u>	
	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (484,374)	\$ (291,784)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	10,060	7,255
Net unrealized (gains) losses on investments	201,617	201,475
Net realized (gains) losses on investments	171,309	(4,423)
(Gain) Loss on disposal of property and equipment	(2,200)	8,017
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable	(4,150)	3,176
Accrued interest	7,108	(8,503)
Prepaid expenses and other assets	19,336	(4,299)
Receivable from USM Foundation	(470,105)	-
Accounts payable	385	1,722
Deferred revenue	(43,980)	79,100
Net cash used by operating activities	<u>(594,994)</u>	<u>(8,264)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(73,798)	(918,692)
Proceeds from sale of investments	568,434	633,175
Proceeds from sale of property and equipment	-	362
Purchases of property and equipment	(33,225)	(4,196)
Net cash provided (used) by investing activities	<u>461,411</u>	<u>(289,351)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of bank loans	470,105	-
Net cash provided by financing activities	<u>470,105</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	336,522	(297,615)
CASH AT BEGINNING OF YEAR	<u>392,459</u>	<u>690,074</u>
CASH AT END OF YEAR	<u>\$ 728,981</u>	<u>\$ 392,459</u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

THE UNIVERSITY OF SOUTHERN MISSISSIPPI ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2009 AND 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities - The University of Southern Mississippi Alumni Association (the Alumni Association) is a non-profit corporation organized under the laws of the State of Mississippi to strengthen alumni programs and coordinate efforts of alumni on behalf of The University of Southern Mississippi. The Alumni Association depends on The University of Southern Mississippi to provide the staff and facilities for its operations.

Basis of Accounting - The Alumni Association's financial statements are prepared using the accrual basis of accounting. In accordance with this method of accounting, revenue is recognized in the period in which it is earned and expenses are recognized in the period in which they are incurred.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the purposes of the statements of cash flows, the Alumni Association considers all investments and certificates of deposit purchased with an original maturity of three (3) months or less and money market funds to be cash equivalents.

Investments - Investments are carried at fair market value, and realized and unrealized gains and losses are reported in the statements of activities. Fair value is determined using market prices or dealer quotes as of year end.

Property and Equipment - Property and equipment are recorded at cost and are depreciated over estimated useful lives as follows:

Automobiles	5 Years
Office furniture, fixtures and equipment	5 Years

Expenditures for acquisition, renewals or betterments are capitalized, whereas maintenance and repair costs that do not improve or extend the useful lives of the assets are expensed as incurred.

Deferred Revenue - Dues are assessed (a) on the membership anniversary date for each regular one and three year member and (b) at origination for life members. Regular dues are assessed based on the type of membership desired, i.e., single, joint or student. The portion of regular dues applicable to subsequent years has been deferred and will be recognized as revenue during such period. Life member dues are nonrefundable and are recognized in the period in which the dues are received.

THE UNIVERSITY OF SOUTHERN MISSISSIPPI ALUMNI ASSOCIATION

**NOTES TO FINANCIAL STATEMENTS
PAGE TWO
YEARS ENDED JUNE 30, 2009 AND 2008**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Designated Unrestricted Net Assets - Unrestricted net assets of the Alumni Association derived from the cumulative collection of lifetime membership dues are designated by the Board of Directors for use at its discretion to ensure the continuance of services to the Alumni Association's life members. See Note 6 for more details.

Contributed Services, Utilities and Facilities - All Alumni Association staff are employed by The University of Southern Mississippi. The Alumni Association provides funds to the University to supplement salaries of Alumni staff. Additionally, the Alumni Association is housed on the University's grounds and is provided equipment, furniture, rent, and utilities at no cost. These amounts are recorded at their fair value in the Alumni Association's statements of activities as contributions and related expense.

Advertising Costs - Advertising costs are expensed as incurred.

Income Taxes - The Alumni Association qualifies as an organization exempt from income taxation of revenues derived as a part of its exempt function under Section 501(c)(3) of the Internal Revenue Code. As required under Section 511 of the Internal Revenue Code, the Alumni Association files Form 990-T with the Internal Revenue Service on an annual basis to report income derived from activities unrelated to its exempt function and, as such, pays tax on its net income from these activities.

Reclassifications - Certain reclassifications have been made to the 2008 financial statements in order to conform to the 2009 presentation.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents are composed of the following as of June 30, 2009 and 2008:

	June 30,	
	2009	2008
Money market accounts	\$ 380,434	\$ 73,826
Cash	348,547	318,633
Total	\$ 728,981	\$ 392,459

THE UNIVERSITY OF SOUTHERN MISSISSIPPI ALUMNI ASSOCIATION

**NOTES TO FINANCIAL STATEMENTS
PAGE THREE
YEARS ENDED JUNE 30, 2009 AND 2008**

NOTE 3 - INVESTMENTS

The Alumni Association's investments at June 30, 2009 and 2008, consist of long-term certificates of deposits and marketable equity securities recorded at fair value as follows:

	June 30,	
	2009	2008
Long-term certificates of deposit	\$ 1,279,428	\$ 1,754,071
Marketable equity security funds	830,121	1,223,040
Total	\$ 2,109,549	\$ 2,977,111
Aggregate cost	\$ 2,537,645	\$ 3,204,719
Gross unrealized holding gains (losses)	(428,096)	(227,608)
Aggregate fair value	\$ 2,109,549	\$ 2,977,111

The following schedule summarizes the investment returns for the years ended June 30, 2009 and 2008:

	June 30,	
	2009	2008
Interest and dividend income	\$ 82,559	\$ 111,063
Unrealized gains (losses)	(201,617)	(201,475)
Realized gains (losses)	(171,309)	4,423
Total investment return	\$ (290,367)	\$ (85,989)

The following schedule summarizes the portion of investment returns allocated to the Life Membership Fund for years ended June 30, 2009 and 2008:

	June 30,	
	2009	2008
Interest and dividend income	\$ 24,179	\$ 25,679
Unrealized gains (losses)	(59,047)	(46,581)
Realized gains (losses)	(50,171)	1,024
Total designated investment returns	\$ (85,039)	\$ (19,878)

THE UNIVERSITY OF SOUTHERN MISSISSIPPI ALUMNI ASSOCIATION

**NOTES TO FINANCIAL STATEMENTS
PAGE FOUR
YEARS ENDED JUNE 30, 2009 AND 2008**

NOTE 4 - AFFINITY ADVANCE AND GROUP BANKCARD AGREEMENT

The Alumni Association entered into an Affinity Group Bankcard Agreement with MBNA America Bank ("MBNA") on June 22, 2002, for a five (5) year term. At the end of the initial term, the Association entered into exclusive negotiations with Bank of America ("BOA"), formerly MBNA, resulting in an addendum to the original agreement extending the relationship through June 30, 2014. Thereafter, the agreement shall automatically extend at the end of the current term or any renewal term for successive two (2) year periods, unless either party gives written notice of its intention not to renew at least ninety (90) days, prior to the last date of such term or renewal term, as applicable. The agreement can be terminated if there is a material default by either party in the performance of the terms and conditions of the agreement.

The agreement gives BOA the right and license to use the current and future respective name, trademarks, servicemarks, copyrights, and logo of the Alumni Association solely in connection with BOA's marketing of credit cards to Association members. In return, the Alumni Association will be given an annual sponsorship payment of \$85,000 per contract year. The advance is non-refundable to BOA provided that the Alumni Association fulfills all the obligations under the contract within the applicable contract year. The Alumni Association earns portions of the advance through a combination of various account activities.

Revenues are earned by a combination of events which include BOA's approval of credit card accounts, annual fees for existing credit card accounts, and royalties earned from charges posted to member accounts on a percentage basis. The agreement will expire on June 30, 2014.

As a result of recent tax cases and proceedings involving other similar entities, Alumni Association management treats any revenues earned through this agreement as non-taxable royalty income.

NOTE 5 - CONCENTRATION OF CREDIT RISKS

Cash and Cash Equivalents and Certificates of Deposit - As of June 30, 2009, the Alumni Association maintained cash deposits and certificates of deposit at commercial banks that exceeded the Federal Deposit Insurance Corporation (FDIC) limit in the amounts of \$228,611. In addition, the Alumni Association has a money market fund with a total balance of \$95,844 at June 30, 2009, none of which is insured or guaranteed by the U.S. Government.

THE UNIVERSITY OF SOUTHERN MISSISSIPPI ALUMNI ASSOCIATION

NOTES TO FINANCIAL STATEMENTS
PAGE FIVE
YEARS ENDED JUNE 30, 2009 AND 2008

NOTE 5 - CONCENTRATION OF CREDIT RISKS (Cont.)

Marketable Securities Funds - As of June 30, 2009, the Alumni Association maintained some of its investments in marketable security funds. Although these funds reduce risk through a diversification of investment holdings and are held with reputable brokers, they are exposed to market risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the Alumni Association's net assets.

NOTE 6 - LIFETIME MEMBERSHIP COMMITMENTS AND DESIGNATED FUNDS

As of June 30, 2009 and 2008, the Board-designated unrestricted net assets totaled \$858,379 and \$835,513, respectively. These funds have been designated by the Board of Directors to ensure continuance of services to the Alumni Association's lifetime members. Since these amounts resulted from an internal designation and are not donor-restricted, it is classified as a board-designated endowment and is reported as unrestricted net assets. The designated Life Membership Fund is detailed as follows:

	<u> </u> June 30, <u> </u>	
	<u> </u> 2009 <u> </u>	<u> </u> 2008 <u> </u>
Designated lifetime balances, beginning of year	\$ 835,513	750,863
90% of lifetime dues received during fiscal year	107,357	104,528
Investment earnings (losses)	<u> </u> (85,039) <u> </u>	<u> </u> (19,878) <u> </u>
Designated lifetime balance, end of year	<u> </u> \$ 857,831 <u> </u>	<u> </u> \$ 835,513 <u> </u>

The Alumni Association expends 10% of new life member dues in the fiscal year in which they are received to provide start-up costs for the new life memberships. Ninety percent (90%) of new life member dues are permanently designated in the year in which they are received.

THE UNIVERSITY OF SOUTHERN MISSISSIPPI ALUMNI ASSOCIATION

**NOTES TO FINANCIAL STATEMENTS
PAGE SIX
YEARS ENDED JUNE 30, 2009 AND 2008**

NOTE 6 - LIFETIME MEMBERSHIP COMMITMENTS AND DESIGNATED FUNDS (Cont.)

The Alumni Association has a spending policy of appropriating for distribution each year 5% of its board designated endowment fund's balance as of the end of the fiscal year preceding the fiscal year in which the distribution is planned. No amounts will be appropriated for spending in any year in which cumulative earnings are deficient due to cumulative investment losses. In establishing this policy, the Alumni Association considered the long-term expected investment return on its endowment. Accordingly, over the long term, the Association expects the current spending policy to allow its general endowment fund to grow at an average of 3% to 5% annually. This is consistent with the Alumni Association's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment returns.

To achieve that objective, the Alumni Association has adopted an investment policy that attempts to maximize total return consistent with an acceptable level of risk. Endowment assets are invested in a well diversified asset mix, which includes equities and fixed income securities, which is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 5%, while growing the fund if possible. Accordingly, the Alumni Association expects its endowment assets, over time, to produce an average rate of return of approximately 8% to 10%. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

NOTE 7 - OGLETREE HOUSE CONSTRUCTION PROJECT

The Alumni Association is currently coordinating a \$4 million construction project that began in January 2008 and is scheduled to end by September 4, 2009 in conjunction with The University of Southern Mississippi and with the assistance of the USM Foundation. The funds are being used by the University to provide renovations to the Ogletree House, which is to be leased to the Alumni Association upon completion. The building is the property of The University of Southern Mississippi. Private funds raised by the Alumni Association to be used for construction are being managed by the Foundation.

The Alumni Association will finance approximately \$900,000 of the project by using certificates of deposits owned by the Alumni Association as collateral against the loan. As of June 30, 2009, the Alumni Association had borrowed \$470,105 with the remaining funds to be borrowed in Fiscal Year 2010. Upon receipt of the borrowed funds, a transfer for an equal amount was made to The University of Southern Mississippi. In addition a receivable from the USM Foundation totaling \$470,105 has been recorded representing the USM Foundation's obligation to forward collections of pledges to the Alumni Association to fund principal repayments of debt.

THE UNIVERSITY OF SOUTHERN MISSISSIPPI ALUMNI ASSOCIATION

**NOTES TO FINANCIAL STATEMENTS
PAGE SEVEN
YEARS ENDED JUNE 30, 2009 AND 2008**

NOTE 8 - NOTES PAYABLE

As of June 30, 2009, the Alumni Association had notes payable to three banks in the amount of \$470,105. Interest rates are fixed and range from 4.16% to 4.75%. Principal will be paid in one lump sum and is due on maturity of each note. Interest is due in semi-annual payments. Maturity dates range from August 2009 to October 2009. However, it is the intention of the board to renew these notes on maturity. Notes are collateralized by certificates of deposit.

Subsequent to June 30, 2009, the Alumni Association had borrowed additional funds totaling \$130,000 to assist in the completion of the Ogletree House Construction Project (see Note 7). The note is dated July 2009 and matures July 2012. The interest rate is calculated using a rate of .75 percentage points over the index. The index rate is the rate of interest currently being paid on the collateralized certificate of deposit. The initial interest rate is 4.68% and is due in semi-annual installments, with principal due on maturity of note. Note is collateralized by certificates of deposit.

NOTE 9 - FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at June 30, 2009 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Investments	<u>\$ 2,109,549</u>	<u>\$ 2,109,549</u>	<u>\$ -</u>	<u>\$ -</u>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

SUPPLEMENTARY INFORMATION

SCHEDULE 1

THE UNIVERSITY OF SOUTHERN MISSISSIPPI ALUMNI ASSOCIATION

**SCHEDULES OF CASH, CASH EQUIVALENTS AND INVESTMENTS
YEARS ENDED JUNE 30, 2009 AND 2008**

	June 30,	
	2009	2008
Cash and cash equivalents		
Petty cash	\$ 400	\$ 400
Hancock Bank	252,303	318,233
Wells Fargo - money market and sweep accounts	380,434	11,189
J.P. Morgan - money market and sweep accounts	95,844	62,637
Total cash and cash equivalents	<u>728,981</u>	<u>392,459</u>
Investments		
Certificates of deposit - held by the following:		
Wells Fargo	151,814	550,248
Hancock Bank	134,078	177,600
Grand Bank	159,608	117,683
The First	129,034	123,999
Priority One	-	120,192
Regions Bank	191,772	184,377
Trustmark Bank	153,365	-
Community Bank	102,084	124,503
Citizens Bank	103,165	102,973
Heritage Bank	-	102,496
Bancorp South	154,508	150,000
Total certificates of deposit	<u>1,279,428</u>	<u>1,754,071</u>
Marketable security funds - held by J.P. Morgan	<u>830,121</u>	<u>1,223,040</u>
Total investments	<u>2,109,549</u>	<u>2,977,111</u>
Total cash, cash equivalents and investments	<u><u>\$ 2,838,530</u></u>	<u><u>\$ 3,369,570</u></u>

SCHEDULE 2

THE UNIVERSITY OF SOUTHERN MISSISSIPPI ALUMNI ASSOCIATION

**SCHEDULES OF REVENUE, GAINS AND OTHER SUPPORT
YEARS ENDED JUNE 30, 2009 AND 2008**

	June 30,	
	<u>2009</u>	<u>2008</u>
Membership revenue		
Annual	\$ 127,398	\$ 128,856
Three year	87,071	84,400
Lifetime	119,286	116,142
Total membership revenue	<u>333,755</u>	<u>329,398</u>
Event revenue		
Golf tournament	24,180	19,960
Other	38,199	22,434
Total event revenue	<u>62,379</u>	<u>42,394</u>
Contributed support		
Salaries, wages and related benefits	535,565	580,428
Facilities, utilities and equipment	66,893	65,972
Other contributed support	24,036	20,000
Total contributed support	<u>626,494</u>	<u>666,400</u>
Royalty income		
Affinity credit card	85,000	85,000
Official ring	6,084	7,897
Insurance participation	23,500	23,000
Other royalties	375	1,215
Total royalty income	<u>114,959</u>	<u>117,112</u>
Investment income		
Interest and dividends	82,559	111,063
Net realized and unrealized gains	(372,926)	(197,052)
Total investment income	<u>(290,367)</u>	<u>(85,989)</u>
Auxiliary revenue		
Advertising	65,230	45,083
Merchandise sales	195	245
Miscellaneous	10,308	5,457
Total auxiliary revenue	<u>75,733</u>	<u>50,785</u>
Transfers from USM Foundation	470,105	-
Gain (loss) on disposal of property and equipment	<u>2,200</u>	<u>(8,017)</u>
	<u>\$ 1,395,258</u>	<u>\$ 1,112,083</u>

SCHEDULE 3

THE UNIVERSITY OF SOUTHERN MISSISSIPPI ALUMNI ASSOCIATION

**SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2009**

	Program Services	Membership Development	Auxiliary Expenses	General and Administrative	Total
Advertising	\$ 150	\$ -	\$ -	\$ -	\$ 150
Athletic department support	15,000	-	-	-	15,000
Bank charges	-	-	-	4,076	4,076
Chapters' expenses	38,412	-	-	-	38,412
Conventions	-	-	-	4,922	4,922
Depreciation	10,060	-	-	-	10,060
Donations and sponsorships	60,867	-	-	-	60,867
Equipment and facilities rental	45,291	-	-	4,619	49,910
Hall of fame	9,942	-	-	-	9,942
Homecoming expenses	4,042	-	-	-	4,042
Insurance	-	-	-	10,239	10,239
Interest	2,187	-	-	-	2,187
Investment expenses	6,250	-	-	-	6,250
Football bowl	10,130	-	-	-	10,130
Locator services	-	-	-	3,274	3,274
Membership promotion	-	49,110	-	-	49,110
National and regional member dues	-	-	-	3,233	3,233
Open house/tailgating	18,520	-	-	-	18,520
Plaques	6,944	-	-	-	6,944
Postage	69,591	49,344	-	1,089	120,024
Presidential support	50,004	-	-	-	50,004
Printing	135,219	53,767	-	-	188,986
Professional fees	-	-	-	15,050	15,050
Program activities	41,182	-	-	-	41,182
Public relations	-	1,479	-	-	1,479
Repairs and maintenance	1,477	-	-	4,135	5,612
Salaries, wages and benefits	535,565	-	-	61,674	597,239
GA's/student workers	13,330	-	-	-	13,330
Student alumni	10,739	-	-	-	10,739
Supplies	7,718	-	-	858	8,576
Taxes	-	-	-	864	864
Telephone	9,397	-	-	1,056	10,453
Transfers to the University for capital improvements	470,105	-	-	-	470,105
Miscellaneous	-	-	-	3,020	3,020
Utilities	18,631	-	-	2,070	20,701
Website	15,000	-	-	-	15,000
Total expenses	\$ 1,605,753	\$ 153,700	\$ -	\$ 120,179	\$ 1,879,632

SCHEDULE 4

THE UNIVERSITY OF SOUTHERN MISSISSIPPI ALUMNI ASSOCIATION

SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2008

	<u>Program Services</u>	<u>Membership Development</u>	<u>Auxiliary Expenses</u>	<u>General and Administrative</u>	<u>Total</u>
Advertising	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Athletic department support	15,000	-	-	-	15,000
Bank charges	-	-	-	3,900	3,900
Chapters' expenses	24,757	-	-	-	24,757
Conventions	-	-	-	5,917	5,917
Depreciation	7,255	-	-	-	7,255
Donations and sponsorships	39,970	-	-	-	39,970
Equipment and facilities rental	47,921	-	-	4,986	52,907
Hall of fame	11,629	-	-	-	11,629
Homecoming expenses	3,608	-	-	-	3,608
Insurance	-	-	-	9,918	9,918
Football bowl	4,750	-	-	-	4,750
Locator services	-	-	-	3,272	3,272
Membership promotion	-	25,695	-	-	25,695
National and regional member dues	-	-	-	3,193	3,193
Open house	12,114	-	-	-	12,114
Plaques	8,706	-	-	-	8,706
Postage	79,896	43,649	-	1,383	124,928
Presidential support	50,004	-	-	-	50,004
Printing	122,756	43,314	-	-	166,070
Professional fees	-	-	-	12,935	12,935
Program activities	59,467	-	-	-	59,467
Public relations	-	985	-	-	985
Purchase of merchandise	-	-	252	-	252
Repairs and maintenance	1,819	-	-	10,795	12,614
Salaries, wages and benefits	580,428	-	-	64,789	645,217
GA's/student workers	15,146	-	-	-	15,146
Student alumni	8,800	-	-	-	8,800
Supplies	14,488	-	-	1,043	15,531
Taxes	-	-	-	201	201
Telephone	9,890	-	-	1,087	10,977
Market research	-	15,000	-	-	15,000
Miscellaneous	-	-	-	2,275	2,275
Utilities	14,500	-	-	1,629	16,129
Website	13,745	-	-	-	13,745
Total expenses	\$ 1,147,649	\$ 128,643	\$ 252	\$ 127,323	\$ 1,403,867