

OFFICIAL  
FILE COPY  
DO NOT SEND OUT  
Please carefully  
examine this  
copy and PLACE  
BACK IN FILE

STATE OF LOUISIANA  
OFFICE OF THE ATTORNEY GENERAL

# Southeastern Louisiana University Booster Club, Inc.

Audited Financial Statements  
Year Ended June 30, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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 11-20-98

Southeastern Louisiana University Booster Club, Inc.

*Audited Financial Statements*  
Year Ended June 30, 1997

TABLE OF CONTENTS

	Statement	Page
Independent Auditor's Report .....		3
Statement of Financial Position .....	A	4
Statement of Activities .....	B	5
Statement of Cash Flows .....	C	6
Notes to Financial Statements .....		7

**BRUCE HANRELL & CO.**  
CERTIFIED PUBLIC ACCOUNTANTS  
MEMBERSHIP FIRM OF THE STATE SOCIETY OF CPAs

NEW ORLEANS OFFICE  
P.O. Box 40 - 2nd Floor  
Baton Rouge, LA 70801  
Voice: (504) 382-4400  
Fax: (504) 382-4441

MEMBER  
American Institute of CPAs  
Institute of Certified Public Accountants

Bruce E. Hanrell, CPA

Walter A. Wood, CPA  
Michael P. Stone, CPA  
Rob E. Jones, CPA  
Charles T. Fisher, CPA  
James E. Roberts, CPA

100 West Mississippi State  
Park Plaza Suite 7  
Baton Rouge, LA 70805  
VOICE: (504) 342-6573  
FAX: (504) 342-3156

**INDEPENDENT AUDITOR'S REPORT**

**Board of Directors**

Southeastern Louisiana University Booster Club, Inc.  
Post Office Box 309  
Baton Rouge, Louisiana 70802

We have audited the accompanying statement of financial position of the Southeastern Louisiana University Booster Club, Inc. (a nonprofit organization) as of June 30, 1997, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Club's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. These 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 provides 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 Southeastern Louisiana University Booster Club, Inc. as of June 30, 1997, and the results of its activities and its cash flows for the year then ended in conformity with generally accepted accounting principles.



Bruce Hanrell & Company, CPAs  
A Professional Accounting Corporation

December 12, 1997

Southeastern Louisiana University Booster Club, Inc.

Statement A

Statement of Financial Position  
June 30, 1997

<b>Assets</b>		\$	26,505
Cash			25,000
Fixed Assets, Net		\$	<u>1,505</u>
<b>Total Assets</b>			<u>\$ 26,505</u>
<b>Liabilities and Net Assets</b>			
<b>Liabilities</b>		\$	218
Accrued Payroll Taxes			12,714
Accrued Interest Payable			26,498
Short-Term Note Payable			<u>178,117</u>
Long-Term Note Payable			<u>218,147</u>
<b>Total Liabilities</b>			<u>218,147</u>
<b>Net Assets:</b>			<u>(214,789)</u>
Unrestricted			<u>(80,475)</u>
Temporarily Restricted			<u>(134,314)</u>
<b>Total Net Assets</b>		\$	<u>54,006</u>
<b>Total Liabilities and Net Assets</b>			<u>\$ 26,505</u>

The accompanying notes are an integral part of these statements.

## Southeastern Louisiana University Booster Club, Inc.

Statement B

 Statement of Activities  
 Year Ended June 30, 1987

	Unrestricted	Temporarily Restricted	Total
<b>Revenue and Other Support:</b>			
Donations	\$ 5,750	\$ 68,634	\$ 74,384
Memberships	350	2,443	2,793
Sponsors	85,425	8,906	94,331
Baseball Stadium	-	76,055	76,055
Donated Services & Supplies	26,108	-	26,108
Interest	1,359	-	1,359
Miscellaneous	-	2,563	2,563
Net Assets Released From Restrictions:			
Cancellation of Program Restrictions	(136,265)	(136,265)	-
<b>Total Revenue and Other Support</b>	<u>278,549</u>	<u>22,361</u>	<u>300,910</u>
<b>Expenses:</b>			
General and Administrative	83,681	-	83,681
Supplies	23,014	-	23,014
Travel	22,380	-	22,380
Baseball Stadium	150	-	150
Depreciation	5,750	-	5,750
Interest	19,338	-	19,338
Cost of Withdrawal from TAAC (Note 9)	100,000	-	100,000
Miscellaneous	(7,322)	-	(7,322)
<b>Total Expenses</b>	<u>371,933</u>	<u>-</u>	<u>371,933</u>
<b>Increase (Decrease) in Net Assets Before Prior Period Adjustments</b>	<u>(93,384)</u>	<u>22,361</u>	<u>-71,023</u>
<b>Prior Period Adjustments:</b>			
Cancellation of Interest Expense (Note 9)	<u>(17,780)</u>	<u>-</u>	<u>(17,780)</u>
<b>Total Prior Period Adjustments</b>	<u>(17,780)</u>	<u>-</u>	<u>(17,780)</u>
<b>Net Assets, Beginning of Year</b>	<u>119,749</u>	<u>38,874</u>	<u>158,623</u>
<b>Net Assets, End of Year</b>	<u>\$ (214,384)</u>	<u>\$ 45,435</u>	<u>\$ (168,949)</u>

The accompanying notes are an integral part of these statements.

Statement of Cash Flows  
Year Ended June 30, 1997

<b>Cash Flows From Operating Activities</b>	<b>\$</b>	<b>5,083</b>
Change in Net Assets		5,083
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		5,538
Depreciation		218
Change in Accrued Payroll Taxes		12,714
Change in Accrued Interest Payable		<u>23,157</u>
Net Cash Provided (Used) by Operating Activities		
<b>Cash Flows From Investing Activities</b>		<u>(11,689)</u>
Purchase of Fixed Assets		<u>(11,689)</u>
Net Cash Provided (Used) by Investing Activities		
<b>Cash Flows From Financing Activities</b>		(32,873)
Financial Subsidies - Notes Payable		<u>(32,289)</u>
Correction of Interest Expense		<u>(584)</u>
Net Cash Provided (Used) by Financing Activities		
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>		<u>(49,479)</u>
Cash and Cash Equivalents, Beginning of Year		64,807
Cash and Cash Equivalents, End of Year	<b>\$</b>	<u>15,328</u>

The accompanying notes are an integral part of these statements.

**Southeastern Louisiana University Booster Club, Inc.**

**Notes to Financial Statements  
Year Ended June 30, 1997**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Southeastern Louisiana University Booster Club, Inc. (the Club) is a not-for-profit organization exempt from federal income tax under Section 501(c)(7) of the Internal Revenue Code. The Club was formed to promote and support, on all levels, the Southeastern Louisiana University Program, including the solicitation and acceptance of donations, for the purpose of providing scholarships and other benefits for the university and its athletic program.

The Southeastern Louisiana University Booster Club, Inc. was incorporated March 08, 1982, under the provisions of Louisiana Revised Statutes 12:201 et seq as a non-profit corporation.

**Basis of Accounting**

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

**Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanent by restricted support, depending on the existence and/or nature of any donor restrictions.

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.

**Permanents to Give**

Unconditional promises to give, if applicable, less an allowance for uncollectible amounts, are recognized as revenue in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

**Cash and Cash Equivalents**

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

**Fixed Assets, Depreciation and Amortization**

Fixed assets used by the Club are generally not recorded on the financial statements of the Club, since these assets are owned by Southeastern Louisiana University. For those assets purchased and owned by the Club, depreciation of property and equipment is computed using the straight-line method over the estimated useful lives of the respective assets.

Southwestern Louisiana University Booster Club, Inc.

Notes to Financial Statements  
Year Ended June 30, 1997

Donated Services and Supplies

A significant portion of the Southwestern Louisiana University Booster Club, Inc.'s functions are conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the volunteer's time does not meet the criteria for recognition under SFAS No. 116. These donated services and supplies that do enhance a non-financial asset and services that require a specialized skill are recorded as an asset or expenditure depending on the nature of the donation and whether the value of the donation can be readily determined.

NOTE 2 - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets, totaling \$68,435, at June 30, 1997, are available for the support of university and athletic programs.

NOTE 3 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs are summarized on a functional basis below:

Program	Operating Services	Supplies	Tariff	Badman	Dupe	Interco	TAAC	Other	Total
General Fund	\$ 34,058	\$ 6,368	\$ 5,443	\$ -	\$ 5,738	\$ 563	\$180,000	\$ 13,223	\$195,132
Basketball	27,386	3,898	150	-	-	-	-	-	31,434
Stadium	-	-	-	150	-	18,750	-	-	18,900
Basketball (Other)	32,044	874	2,583	-	-	-	-	-	35,501
Basketball (Women)	552	614	1,836	-	-	-	-	-	3,002
Golf	14,197	4,829	5,738	-	-	-	-	-	24,764
Softball	838	3,185	1,849	-	-	-	-	-	5,872
Tennis (Men)	52	165	-	-	-	-	-	-	217
Tennis	-	1,121	323	-	-	-	-	-	1,444
Women's Athletic	-	34	-	-	-	-	-	-	34
Training Room	-	78	42	-	-	-	-	-	120
Volleyball	1,586	1,821	3,644	-	-	-	-	-	7,051
Tennis (Women)	-	311	359	-	-	-	-	-	670
Cheerleaders	538	397	1,568	-	-	-	-	-	2,503
Senior	-	2,336	-	-	-	-	-	-	2,336
Total	\$ 85,081	\$ 25,014	\$ 22,398	\$ 150	\$ 5,738	\$ 18,313	\$180,000	\$ 17,223	\$272,517

**Southeastern Louisiana University Booster Club, Inc.**

**Notes to Financial Statements  
Year Ended June 30, 1997**

**NOTE 4 - FIXED ASSETS**

Property, plant, and equipment consist of the following:

Equipment	\$	7,191
Furniture		9,745
Truck		28,161
Accumulated Depreciation		<u>(18,556)</u>
Net Property, Plant and Equipment	\$	<u>26,541</u>

**NOTE 5 - DEBT**

The Club has a note payable for construction of the baseball stadium at Southeastern Louisiana University. Construction of the Stadium, under the ownership of Southeastern Louisiana University, was completed in the fiscal year ending June 30, 1993. The note payable, at an annual interest rate of 8.500%, dated September 15, 1994, had an original loan amount of \$350,000, with a maturity date of September 1, 1998. Under conditions of the loan agreement there is a "pledge and assignment of the first \$24,080 of the revenue received from cooperative sponsorship contracts, including, but not limited to basketball, baseball, Strawberry Stadium, and Summer Camp packages for the year 1993, and for each successive year until such loan is paid in full." As of June 30, 1997, the loan had a principal balance of \$211,625, of which \$36,837 was recorded as the current portion of the debt.

The Club also has a note payable for the purchase of a truck. The note payable, at an annual interest rate of 8.750%, dated August 23, 1995, had an original loan amount of \$8,538, with a maturity of August 23, 1999. As of June 30, 1997, the loan had a principal balance of \$3,982, of which \$3,413 was recorded as the current portion of the debt.

The future maturities of the notes payable, including interest payments of \$38,476, are as follows:

Year Ending <u>June 30</u>	<u>Truck Note</u>	<u>Stadium Note</u>	<u>Total</u>
1998	\$ 3,676	\$ 54,000	\$ 57,676
1999	618	54,000	54,618
2000	-	54,000	54,000
2001	-	54,000	54,000
2002	-	53,704	53,704
	<u>\$ 4,294</u>	<u>\$ 309,704</u>	<u>\$ 314,000</u>

Southwestern Louisiana University Booster Club, Inc.

Notes to Financial Statements  
Year Ended June 30, 1997

**NOTE 4 - DONATED SERVICES AND SUPPLIES**

Donated services of \$26,180 consisting of loan underwriting services and donation of services and materials that the Club would normally have had to purchase were recorded for the fiscal year ending June 30, 1997. For SFAS 116, loan underwriting services were recorded since a specialized service was provided, and the fees were provided at competitive market rates. The remaining donations met the criteria of enhancing non-financial assets. In addition, the value of the services and materials provided were readily determinable.

**NOTE 5 - UNRESTRICTED NET ASSETS**

Unrestricted net assets of the Club as of June 30, 1997 show a negative balance of \$204,288. The negative balance exists because the Club has assumed responsibility for payment of construction expenses of the Southwestern Louisiana University Baseball Stadium by borrowing and equipment of the costs by the Club. As noted in note 5 (BART), Southwestern Louisiana University owns the Baseball Stadium. Expenditures for the Stadium are recorded in financial records of the Club, with the liability for debt related to the Stadium to be repaid by a pledge of future revenues of the Club. For SFAS 116, the stadium construction expenditures exceeded the current temporarily restricted revenues and beginning of the year unrestricted net assets for the Stadium by \$289,976. The balance of Unrestricted Net Assets is as follows:

Excess Expenditures for Baseball Stadium	\$	(209,976)
Available for Unrestricted Expenditures		<u>6,312</u>
Unrestricted Net Assets, June 30, 1997	\$	<u>(214,288)</u>

**NOTE 6 - RELATED PARTY TRANSACTIONS**

During the fiscal year ending June 30, 1997, the Southwestern Louisiana University Booster Club, Inc. occupied an office provided by Southwestern Louisiana University. Since the value of the facilities used by the Club was not readily determinable, no related donation income is recorded. In addition, and in accordance with Louisiana Revised Statute 17:2588, the Club is of the opinion that all expenditures and in-kind services, except unrestricted funds used for administration, from the university. These amounts greatly exceed the cost of housing, personnel, and other support furnished to the Club by the University.

Southeastern Louisiana University Booster Club, Inc.

Notes to Financial Statements  
Year Ended June 30, 1997

NOTE 9 - PRIOR PERIOD ADJUSTMENTS

Prior period adjustment, totaling \$(13,270) was made to correct the beginning Unrestricted Net Assets. The correction consists an understatement of accrued interest expense for the note payable on the baseball stadium.

	Unrestricted Net Assets	Change in Net Assets
06/30/96 Unrestricted Net Assets (Before Prior Period Adjustment)	\$ (176,248)	\$ 28,217
Prior Period Adjustment:		
Understatement of Accrued Interest on Baseball Stadium Note	(13,270)	(13,270)
06/30/96 Unrestricted Net Assets (After Prior Period Adjustment)	<u>\$ (189,518)</u>	<u>\$ 14,947</u>

NOTE 18 - COST OF WITHDRAWAL FROM TRAC

On January 28, 1997, the Booster Club paid \$180,000 to Trans America Athletic Conference for the early withdrawal from the conference per a negotiated agreement dated August 2, 1996.