

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

Francis C. Harrell, CPA

Walter A. Ward, CPA
Kathleen F. Bess, CPA
John B. Jones, CPA
Charles F. Brown, CPA

809 West Mississippi Park
Park Place Suite 7
Hammond, LA 70403
VOICE: (504) 342-6573
FAX: (504) 342-9156

HOUSTON OFFICE
P.O. Box 43 - 402 0016 St.
Houston, LA 70044
VOICE: (281) 229-0884
FAX: (281) 229-0881

MEMBERS
American Institute of CPAs
Institute of Louisiana CPAs

INDEPENDENT AUDITORS' REPORT

Board of Directors
Southeastern Louisiana University Booster Club, Inc.
Post Office Box 309
Hammond, Louisiana 70402

We have audited the accompanying statement of financial position of the Southeastern Louisiana University Booster Club, Inc. (a nonprofit organization) as of June 30, 1996, 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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, 1996, and the results of its activities and its cash flows for the year then ended in conformity with generally accepted accounting principles.


Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

November 1, 1996

Southeastern Louisiana University Booster Club, Inc.

Statement B

Statement of Activities
Year Ended June 30, 1996

	Unrestricted	Temporarily Restricted	Total
Revenue and Other Support			
Donations	\$ 3,791	\$ 41,328	\$ 45,119
Memberships	637	4,500	5,137
Sponsorships	78,618	8,268	86,886
Baseball Stadium	-	11,277	11,277
Donated Services & Supplies	18,280	-	18,280
Interest	1,365	-	1,365
Miscellaneous	-	1,863	1,863
Net Assets Released From Restrictions: Satisfaction of Program Restrictions	35,247	(75,847)	-
Total Revenue and Other Support	<u>138,298</u>	<u>(8,052)</u>	<u>130,246</u>
Expenses			
General and Administrative	51,598	-	51,598
Supplies	26,146	-	26,146
Travel	18,333	-	18,333
Baseball Stadium	9,108	-	9,108
Depreciation	3,365	-	3,365
Interest	21,898	-	21,898
Miscellaneous	4,818	-	4,818
Total Expenses	<u>145,466</u>	<u>-</u>	<u>145,466</u>
Change in Net Assets	36,400	(8,185)	28,215
Net Assets, Beginning of Year	<u>(218,145)</u>	<u>26,214</u>	<u>(191,931)</u>
Net Assets, End of Year	<u>\$ (179,745)</u>	<u>\$ 18,029</u>	<u>\$ (161,716)</u>

The accompanying notes are an integral part of these statements.

Southwestern Louisiana University Booster Club, Inc.

Statement C

Statement of Cash Flows
Year Ended June 30, 1996

Cash Flows From Operating Activities	
Change in Net Assets	\$ 18,217
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided (Used) by Operating Activities:	
Depreciation	3,763
Net Cash Provided (Used) by Operating Activities	<u>21,980</u>
Cash Flows From Investing Activities	
Purchase of Fixed Assets	(12,350)
Net Cash Provided (Used) by Investing Activities	<u>(12,350)</u>
Cash Flows From Financing Activities	
Proceeds From Notes Payable	7,400
Principal Reduction - Notes Payable	(20,700)
Net Cash Provided (Used) by Financing Activities	<u>(13,300)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(7,670)
Cash and Cash Equivalents, Beginning of Year	99,581
Cash and Cash Equivalents, End of Year	\$ <u>91,911</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, 1998**

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)(3) 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 programs.

The Southeastern Louisiana University Booster Club, Inc. was incorporated March 18, 1982, under the provisions of Louisiana Revised Statutes 33:321 et seq as a merged-fiduciary 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 permanently 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.

Promises 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, decrease 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.

Southeastern Louisiana University Booster Club, Inc.

**Notes to Financial Statements
Year Ended June 30, 1996**

NOTE 4 - FIXED ASSETS

Property, plant, and equipment consist of the following:

Equipment	\$ 7,281
Furniture	4,145
Truck	12,561
Accumulated Depreciation	<u>(4,730)</u>
Net Property, Plant, and Equipment	\$ <u>19,257</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 8.5089%, dated September 15, 1994, had an original loan amount of \$150,808, with a maturity date of September 1, 1999. Under conditions of the loan agreement, there is a "pledge and assignment of the first \$54,000 of the revenue received from corporate sponsorship revenue, including, but not limited to, baseball, basketball, Starbuckery Stadiums, and Summer Camp packages for the year 1994, and for each successive year until such loan is paid in full." As of June 30, 1996, the loan had a principal balance of \$243,283, of which \$31,498 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 9.7715%, dated August 23, 1995, had an original loan amount of \$9,530, with a maturity of August 23, 1999. As of June 30, 1996, the loan had a principal balance of \$7,493, of which \$2,118 was recorded as the current portion of the debt.

The future maturities of the notes payable, including interest payments of \$81,875, are as follows:

Year Ending <u>June 30</u>	<u>Truck Note</u>	<u>Stadium Note</u>	<u>Total</u>
1997	\$ 3,676	\$ 34,080	\$ 37,756
1998	3,676	34,080	37,756
1999	813	34,080	34,893
2000	-	34,080	34,080
2001	-	34,080	34,080
2002	-	33,794	33,794
	\$ <u>8,165</u>	\$ <u>205,794</u>	\$ <u>213,959</u>

NOTE 6 - DONATED SERVICES AND SUPPLIES

Donated services of \$18,308 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, 1996. For SFAS 116, loan underwriting services were recorded since a specialized service was provided, and the loan was provided at competitive market rates. The remaining donations met the criteria of valuing non-financial assets. In addition, the value of the services and materials provided were readily determinable.

Southeastern Louisiana University Baseball Club, Inc.

**Notes to Financial Statements
Year Ended June 30, 1996**

NOTE 7 - UNRESTRICTED NET ASSETS

Unrestricted net assets of the Club as of June 30, 1996 show a negative balance of \$179,149. The negative balance exists because the Club has assumed responsibility for payment of construction expenses of the Southeastern Louisiana University Baseball Stadium by borrowing and repayment of the costs by the Club. As noted in note 5 (DEBT), Southeastern 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 \$295,497. The balance of Unrestricted Net Assets is as follows:

Excess Expenditures for Baseball Stadium	\$	(295,497)
Available for Unrestricted Expenditures		116,347
Unrestricted Net Assets, June 30, 1996	\$	<u>(179,149)</u>

NOTE 8 - RELATED PARTY TRANSACTIONS

During the fiscal year ending June 30, 1996, the Southeastern Louisiana University Baseball Club, Inc. occupied an office provided by Southeastern Louisiana University. Since the value of the facilities used by the Club must not readily determinable, no related donation income is recorded. In addition, and in accordance with Louisiana Revised Statutes 17:2196, the Club is of the opinion that all expenditures and in-kind services, except unrestricted funds used for administration, benefit 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.

Audited Financial Statements
Year Ended June 30, 1996

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Southeastern Louisiana University Booster Club, Inc.

Audited Financial Statements
Year Ended June 30, 1996

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: JAN 08 1997

Southwestern Louisiana University Booster Club, Inc.

Statement A

Statement of Financial Position
June 30, 1996

Assets

Cash	\$	89,697
Fixed Assets, Net		<u>39,721</u>
Total Assets	\$	<u>129,418</u>

Liabilities and Net Assets

Liabilities:

Short-Term Note Payable	\$	88,812
Long-Term Note Payable		<u>315,072</u>
Total Liabilities		<u>403,884</u>

Net Assets:

Unrestricted		(178,740)
Temporarily Restricted		<u>18,034</u>
Total Net Assets		<u>(160,706)</u>
Total Liabilities and Net Assets	\$	<u>129,418</u>

The accompanying notes are an integral part of these statements.