

**NORTHEAST LOUISIANA UNIVERSITY
ATHLETIC SCHOLARSHIP FOUNDATION**

JUNE 30, 1998

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Under provisions of state law, this report is a public document. A copy of this report has been submitted to the auditor, or authorized officer of the institution for which this report is audited for the Legislative Auditor General, at the office of the parish clerk of court.

1998 Date: **MAR 03 1999**



Luffey
Huffman
& Monroe

(A Professional Accounting Corporation)
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA
Francis I. Huffman, CPA
L. Fred Monroe, CPA
Esther Atteberry, CPA
Carolyn A. Clarke, CPA

INDEPENDENT AUDITORS' REPORT

Board of Directors Northeast Louisiana University Athletic Scholarship Foundation

We have audited the accompanying statement of financial position of **Northeast Louisiana University Athletic Scholarship Foundation** (the Foundation) as of June 30, 1998 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the Foundation as of June 30, 1997 were audited by other auditors, whose report dated October 22, 1997 expressed an unqualified opinion on those financial statements.

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 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 principals 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 Foundation as of June 30, 1998, and the changes in its net assets and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules 1, 2 and 3 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Luffey, Huffman & Monroe (APAC)

December 8, 1998

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MEMBERS OF THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

**NORTHEAST LOUISIANA UNIVERSITY
ATHLETIC SCHOLARSHIP FOUNDATION
STATEMENTS OF FINANCIAL POSITION**

	June 30,	
	1998	1997
ASSETS		
Cash and Cash Equivalents	\$ 33,252	\$ 142,195
Contributions Receivable	235,697	-
Accounts Receivable	-	5,000
Interest Receivable	-	3,670
Prepaid Expenses	5,246	10,106
Bank Trust Funds:		
Cash and Cash Equivalents	112,812	27,800
Investments, at Market	168,762	581,132
Advance Deposits on Malone Stadium Suites	655,000	50,000
Property and Equipment, Net of Accumulated Depreciation of \$54,437 in 1998 and \$52,327 in 1997	104,217	105,837
Net Investment in Leases	-	6,280
Other Assets	101,768	73,640
	<u>1,416,754</u>	<u>1,005,660</u>
TOTAL ASSETS	\$ 1,416,754	\$ 1,005,660
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	\$ 180,729	\$ 417,017
Accrued Interest Payable	8,066	-
Note Payable	595,000	50,000
Deferred Income	43,102	107,000
Total Liabilities	<u>826,897</u>	<u>574,017</u>
Net Assets		
Unrestricted	38,529	239,847
Temporarily Restricted, Programs	367,189	28,783
Temporarily Restricted, Scholarships	25,841	-
Permanently Restricted	158,298	163,013
Total Net Assets	<u>589,857</u>	<u>431,643</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 1,416,754	\$ 1,005,660

The accompanying notes are an integral part of these financial statements.

**NORTHEAST LOUISIANA UNIVERSITY
ATHLETIC SCHOLARSHIP FOUNDATION
STATEMENTS OF ACTIVITIES**

	Year Ending June 30,	
	1998	1997
Changes in Unrestricted Net Assets		
Revenues and Gains:		
Contributions - Cash	\$ 289,883	\$ 346,741
Contributions - Non-Cash	298,786	318,850
Investment Income	38,315	56,149
Other Income	42,232	52,658
Total Unrestricted Revenues and Gains	669,216	774,398
Net Assets Released From Restrictions		
Satisfaction of Program Restrictions	250,565	253,140
Total Unrestricted Revenues, Gains and Other Support	919,781	1,027,538
Expenses		
Program Services:		
Scholarships	192,565	422,296
University/Sports Promotion	385,662	414,155
Depreciation Expense	19,234	16,066
Supporting Services:		
Staff Support	98,451	118,658
Interest Expense	43,332	-
Other Expenses	7,922	11,468
Materials and Supplies	22,948	27,521
Professional Fees	10,278	14,170
Departments	264,177	206,908
Fund Raising	63,246	54,426
Total Expenses	1,107,815	1,285,668
Decrease in Unrestricted Net Assets Before Reclassification	(188,034)	(258,130)
Reclassification of Prior Year Temporarily Restricted Net Assets With Deficit Balances (See Note 1, Reclassification)	(13,284)	-
Decrease in Unrestricted Net Assets	(201,318)	(258,130)

(Continued)

**NORTHEAST LOUISIANA UNIVERSITY
ATHLETIC SCHOLARSHIP FOUNDATION
STATEMENTS OF ACTIVITIES (CONCLUDED)**

	Year Ending June 30,	
	1998	1997
Changes in Temporarily Restricted Net Assets		
Contributions - Cash	404,605	102,731
Contributions - Non-Cash	-	1,000
Investment Income	10,825	-
Other Income	180,888	162,853
Transfer To Permanently Restricted Net Assets	(3,800)	-
Net Assets Released From Restrictions	<u>(250,565)</u>	<u>(250,844)</u>
Increase in Temporarily Restricted Net Assets Before Reclassification	341,953	15,740
Reclassification of Prior Year Temporarily Restricted Net Assets (See Note 1, Reclassification)	9,010	-
Reclassification of Prior Year Temporarily Restricted Net Assets With Deficit Balances (See Note 1, Reclassification)	13,284	-
Increase in Temporarily Restricted Net Assets	<u>364,247</u>	<u>15,740</u>
 Changes in Permanently Restricted Net Assets		
Contributions - Cash	495	1,775
Transfer From Temporarily Restricted Net Assets	3,800	23,644
Net Assets Released From Restrictions	-	<u>(2,296)</u>
Increase in Temporarily Restricted Net Assets Before Reclassification	4,295	23,123
Reclassification of Prior Year Temporarily Restricted Net Assets (See Note 1, Reclassification)	<u>(9,010)</u>	-
Increase (Decrease) in Permanently Restricted Net Assets	<u>(4,715)</u>	<u>23,123</u>
 Increase (Decrease) in Net Assets	158,214	(219,267)
 Net Assets at Beginning of Year	<u>431,643</u>	<u>650,910</u>
 NET ASSETS AT END OF YEAR	<u>\$ 589,857</u>	<u>\$ 431,643</u>

The accompanying notes are an integral part of these financial statements.

**NORTHEAST LOUISIANA UNIVERSITY
ATHLETIC SCHOLARSHIP FOUNDATION
STATEMENTS OF CASH FLOWS**

	<u>June 30,</u>	
	<u>1998</u>	<u>1997</u>
Cash Flows From Operating Activities		
Increase (Decrease) in Net Assets	\$ 158,214	\$ (219,267)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	19,234	16,066
Gain on Sale of Equipment	-	(1,360)
Change in:		
Contributions and Accounts Receivable	(230,697)	(2,810)
Interest Receivable	3,670	(107)
Prepaid Expenses	4,860	(10,106)
Cash Surrender Value of Life Insurance Policies	(28,128)	(22,260)
Deferred Income	(63,898)	(3,000)
Interest Payable	8,066	-
Accounts Payable	(236,288)	181,484
Total Adjustments	<u>(523,180)</u>	<u>157,907</u>
Net Cash Used by Operating Activities	<u>(364,966)</u>	<u>(61,360)</u>
Cash Flows From Investing Activities		
Proceeds From Sale of Equipment	-	19,000
Purchase of Equipment	(17,615)	(101,387)
Advance on Malone Stadium Suites	(605,000)	(50,000)
(Increase) Decrease in Bank Trust Funds	412,370	(40,157)
Lease Payments Received	6,280	12,125
Net Cash Used by Investing Activities	<u>(203,965)</u>	<u>(160,419)</u>
Cash Flows From Financing Activities		
Bank Loan Repayment	(60,000)	-
Proceeds From Draw on Bank Loan	605,000	50,000
Net Cash Provided by Financing Activities	<u>545,000</u>	<u>50,000</u>
Net Decrease in Cash and Cash Equivalents	<u>(23,931)</u>	<u>(171,779)</u>
Cash and Cash Equivalents at Beginning of Year	<u>169,995</u>	<u>341,774</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 146,064</u>	<u>\$ 169,995</u>

(Continued)

**NORTHEAST LOUISIANA UNIVERSITY
ATHLETIC SCHOLARSHIP FOUNDATION
STATEMENTS OF CASH FLOWS (CONCLUDED)**

	June 30,	
	1998	1997
CASH AND CASH EQUIVALENTS INCLUDED ON STATEMENT OF FINANCIAL POSITION:		
Cash in Banks	\$ 33,252	\$ 142,195
Cash in Bank Trust Funds	<u>112,812</u>	<u>27,800</u>
TOTAL CASH AND CASH EQUIVALENTS AS INCLUDED ON STATEMENT OF FINANCIAL POSITION	<u>\$ 146,064</u>	<u>\$ 169,995</u>
<i>Cash Paid For Interest</i>	<u>\$ 35,266</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

**NORTHEAST LOUISIANA UNIVERSITY
ATHLETIC SCHOLARSHIP FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998**

Note 1 - Organization

Northeast Louisiana University Athletic Scholarship Foundation (the Foundation) is a legally autonomous fund-raising foundation that raises funds for the benefit of Northeast Louisiana University (the University) student-athletes and to enhance the University's image through athletic excellence. The mission of the Foundation is to raise funds for athletic scholarships; help finance all support groups with travel, materials and supplies, and equipment; and to build, upgrade and maintain the University's athletic facilities.

The stated duties of the Foundation are to select and form an interested sports group to act as a 40-person Board of Directors and leaders of the annual fund drive; to keep and maintain up-to-date records on all donors, both present and past; to form, guide and direct various satellite clubs in north Louisiana towns so that interest in the University will be created and maintained; to create and act on special projects for extra funds; and to aid and assist with promoting and marketing the University's student-athletes.

The most visible products of the University are the athletic teams fielded by the University. Images are created by what people perceive you to be. Through local and national news media coverage it is the desire and commitment of the Foundation to make the University the best it can be, with the student-athletes leading the way.

Basis of Presentation

The financial statements have been prepared on an accrual basis and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its *Audit Guide for Not-For-Profit Organizations*.

Accounting Pronouncements

In June 1993, the Financial Accounting Standards Board (the FASB) Issued Statements of Financial Accounting Standards (SFAS) No. 116, *Accounting for Contributions Received and Contributions Made* and No. 117, *Financial Statements of Not-for-Profit Organizations*. Further, in November 1995, the FASB Issued SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. The Foundation has adopted the foregoing pronouncements.

Financial Statement Classification

The net assets of the Foundation are reported in three classes as follows:

**NORTHEAST LOUISIANA UNIVERSITY
ATHLETIC SCHOLARSHIP FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998**

1. Unrestricted - includes all resources received without donor restrictions to be used in support of the Foundation's operations at the sole discretion of the Foundation.
2. Temporarily Restricted - includes amounts that have been donated subject to donor-imposed stipulations that will or will not be met by action of the Foundation and/or the passage of time.
3. Permanently Restricted - represents amounts contributed to the Foundation that are subject to restrictions imposed by the gift instruments. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on the related investments for general or specific purposes as may be expressed by the donor.

Reclassification

For the year ended June 30, 1997 the following net assets were improperly classified and have been corrected on the statement of activities for the year ended June 30, 1998:

1. Unrestricted Net Assets with a deficit balance of \$13,284 were reported as Temporarily Restricted Net Assets.
2. Temporarily Restricted Net Assets of \$9,010 were reported as Permanently Restricted Net Assets.

Contributions

In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor-imposed restrictions. Contributions are recognized as support when received or when an unconditional promise to give is received.

Donated Services and Materials

Noncash donations include both materials and services. These donations are recorded at their fair market value on the date of donation. In accordance with SFAS No. 116, donated services are recognized only when they create or enhance a nonfinancial asset, or when they are specialized skills provided by entities or persons possessing those skills that would be purchased if they were not donated. For the years ended June 30, 1998 and 1997, the Foundation received various donations of materials and/or services in the amount of \$298,786 and \$318,850, respectively, which enhanced the Foundation as a whole.

**NORTHEAST LOUISIANA UNIVERSITY
ATHLETIC SCHOLARSHIP FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998**

Investment Policies

The Foundation accounts for its investments in accordance with SFAS 124. Marketable equity securities for which a fair market value is not readily determinable are recorded at cost, which approximates market. Investments in debt securities and marketable equity securities for which fair market value is readily determinable are reported at fair value. Gains and losses on all investments are recorded as increases or decreases (as appropriate) in net assets in the accompanying Statement of Activities.

For the year ended June 30, 1998, interest, dividends and royalties are reported net of trustee fees of \$3,269.

Income Tax Status

The Foundation is a nonprofit corporation exempted from Federal income taxes as other than a private foundation under Section 501(c)(3) of the Internal Revenue Code.

Cash Equivalents

For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affected 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 period. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts were reclassified to conform with current year presentation.

**NORTHEAST LOUISIANA UNIVERSITY
ATHLETIC SCHOLARSHIP FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998**

Note 2 - Property and Equipment

Property and equipment are recorded at cost on the date of purchase or fair market value on the date of donation. Capitalization policies of the Foundation are in accordance with the threshold as prescribed by the Louisiana Legislature. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets ranging from 3 to 15 years. The balances of equipment owned by the Foundation by major category are as follows at June 30, 1998 and 1997:

	1998	1997
Ski Boat	\$ 24,298	\$ 22,990
Van for golf team	14,969	15,788
Weight equipment	73,897	73,897
Other	14,073	14,342
Computer equipment	7,151	7,151
Furniture and fixtures	8,907	8,907
Camera and video equipment	6,712	6,712
Ice Machine	3,962	3,692
Equipment	4,685	4,685
Total	<u>158,654</u>	<u>158,164</u>
Less: Accumulated depreciation	<u>(54,437)</u>	<u>(52,327)</u>
Net	<u>\$ 104,217</u>	<u>\$ 105,837</u>

Note 3 - Bank Trusts

The investments held at June 30, 1998 and 1997 include the following which are stated at their fair values as determined by the various banks that maintain the trust accounts. The types of investments are as follows at June 30,

	1998	1997
Cash Equivalents	\$ 112,812	\$ 27,800
Mortgage-backed securities	157,519	249,926
Mutual Funds	-	305,974
Equity Funds	11,243	28,902
Total	<u>281,574</u>	<u>612,602</u>
Less: Accrued Interest	<u>-</u>	<u>(3,670)</u>
TOTAL BANK TRUST FUNDS	<u>\$ 281,574</u>	<u>\$ 608,932</u>

**NORTHEAST LOUISIANA UNIVERSITY
ATHLETIC SCHOLARSHIP FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998**

Bank trust fund investment return is summarized as follows for June 30,

	1998	1997
Interest and dividend income	\$ 33,455	\$ 32,286
Net realized and unrealized gains	15,685	17,517
TOTAL	\$ 49,140	\$ 49,803

Note 4 - Investment in Leases

In a prior year, the Foundation entered into a lease agreement with the University for a passenger bus. Lease payments of \$6,280 were received from the University during the year ended June 30, 1998, which paid the obligation in full. The net investment in the lease at June 30, 1997 was as follows:

	Passenger Bus
Payments Receivable	\$ 6,280
Less: Unearned Income	(744)
Net Investment in Lease	\$ 5,536

Note 5 - Operation I-A

During 1992, NLU launched Operation 1-A in an effort to raise \$1,000,000 so the football program could advance from 1-AA to 1A.

A summary of the transactions since the inception of Operation 1-A is as follows:

	1992 to 1996	1997	1998	Total
Cash Contributions	\$ 961,715	\$ 36,399	\$ 800	\$ 998,914
In-Kind Services	52,602	0	0	52,602
Transfer From Quasi- Endowment Fund	479,552	0	0	479,552
Total Contributions	1,493,869	36,399	800	1,531,068
Stadium Expenses	1,461,668	0		1,461,668
Other Expenses	80,917	0		80,917
Total Expenses	1,542,585	0	0	1,542,585
BALANCE	\$ (48,716)	\$ 36,399	\$ 800	\$ (11,517)

**NORTHEAST LOUISIANA UNIVERSITY
ATHLETIC SCHOLARSHIP FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998**

The deficit of \$11,517 has been absorbed by the Unrestricted Net Assets. As additional contributions are made, they will be classified as increases to Unrestricted Net Assets.

Note 6 - Insurance Program

During fiscal 1991, the Foundation began an insurance program whereby boosters could make their contributions in the form of life insurance policies. Each contributor's life insurance is funded by the insured with the Foundation as the owner and beneficiary.

For the year ended June 30, 1998, contributions in the form of premiums of \$32,548 were made. The cash value of these policies increased by \$28,128 which reduced insurance expense to \$4,420. The value of \$101,768 is reported in the statement of financial position as other assets.

For the year ended June 30, 1997, contributions in the form of premiums of \$27,964 were made. The cash value of these policies increased by \$22,260 which reduced insurance expense to \$5,704. The value of \$73,640 is reported in the statement of financial position as other assets.

Note 7 - Funds Available

Included in the Statement of Financial Position under temporarily restricted net assets are funds available for scholarships. These consist of earnings from invested endowment funds. Changes in funds available during the year ended June 30, 1998 and 1997, were as follows:

	1998	1997
Funds available -- Beginning of Year	\$ 9,010	5,647
Earnings	10,825	7,720
Contributions	-	235
Special events, net	7,615	5,424
Transfer to Principal	-	(7,720)
Scholarships and support	<u>(1,609)</u>	<u>(2,296)</u>
Funds available -- End of Year	\$ <u>25,841</u>	<u>9,010</u>

Note 8 - Contributions Receivable

Contributions Receivable represents the net present value of amounts committed to be paid to the Foundation over a ten-year period by benefactors granted rights to use the

**NORTHEAST LOUISIANA UNIVERSITY
ATHLETIC SCHOLARSHIP FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998**

Malone Stadium Suites. The receivables are anticipated to be collected in the following time periods:

Year Ending June 30,	Total Due	Premium	Net Contribution	Costs	Net Receivable
1999	\$ 78,500	\$ 6,565	\$ 71,935	\$ (32,480)	\$ 39,455
2000 – 2004	392,500	79,865	312,635	(162,400)	150,235
2005 – 2008	215,500	39,573	175,927	(129,920)	46,007
Totals	<u>\$ 686,500</u>	<u>\$ 126,003</u>	<u>\$ 560,497</u>	<u>\$ (324,800)</u>	<u>\$ 235,697</u>

Anticipated costs are tickets to football and basketball games and food for the occupants of the suites during the football games.

Note 9 - Advanced Deposits on Malone Stadium Suites

The Foundation paid the State of Louisiana for the Malone Stadium Suites as costs were incurred. In return for payment for the suites, the Foundation received the right to use the suites to further the mission of the Foundation. Since the Foundation does not own the suites, the amounts paid for these rights are to be amortized over the ten-year life of the initial agreements entered into with the contributors. Such amortization will begin in the year ending June 30, 1999. Accordingly, no amortization expense is recognized for the year ended June 30, 1998.

Note 10 - Notes Payable and Long-term Debt

On February 3, 1997, the Foundation entered into a multiple-draw loan agreement with a local financial institution to finance the construction of the Malone Stadium Suites. On March 20, 1998 this agreement was converted into a fixed loan agreement bearing an annual interest rate of 8% payable quarterly and annual principal reductions of \$60,000 due on February 1 of each year with a final payment of \$415,000 due on February 1, 2002. The Foundation's obligation for principal and interest for the next four fiscal years are:

**NORTHEAST LOUISIANA UNIVERSITY
ATHLETIC SCHOLARSHIP FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 1998**

Fiscal Year Ending June 30,	Principal	Interest	Total
1999	\$60,000	\$47,074	\$107,074
2000	60,000	42,327	102,327
2001	60,000	37,374	97,374
2002	415,000	25,453	440,453
Total	<u>\$595,000</u>	<u>\$152,225</u>	<u>\$747,228</u>

Interest expense for the year ended June 30, 1998 was \$43,332.

Note 11 - Disclosures About Risk and Concentrations

The Foundation's financial instruments consist primarily of cash, investments in bank trust funds, cash surrender value of life insurance policies and contributions receivable. Cash held by financial institutions is insured through the FDIC. However, the Foundation faces credit risk with the investments held in the bank trust funds and the cash surrender value of life insurance policies. This risk is mitigated as much as possible through the utilization of high-quality, credit-worthy financial institutions and insurance carriers. Market risk faced with the investments held in the bank trust funds is mitigated through diversification. Contributions receivable are stated at their net present value using a discount rate of 8%, which is a reasonable estimate of the fair value of these receivables. No collateral is required on contributions receivable.

Note 12 - Deferred Income

Deferred income at June 30, 1998 and 1997 was related to the following:

	1998	1997
Prepayments on Malone Stadium Suites	\$ -	\$ 54,000
Other Deferred Income	-	5,000
Hole-In-One Competition	11,102	-
Affinity Card Program	32,000	48,000
Total	<u>\$ 43,102</u>	<u>\$ 107,000</u>

The income related to the Hole-In-One Competition was recognized in July 1998 when that event was held. The Affinity Card Program is amortized on a straight-line basis over the five-year period for which the initial payment received in 1996 applies. Income recognized for each year ended June 30, 1998 and 1997 was \$16,000.

Supplementary

Information

NORTHEAST LOUISIANA UNIVERSITY ATHLETIC SCHOLARSHIP FOUNDATION
ANALYSIS OF TEMPORARILY RESTRICTED ASSETS, PROGRAMS
FOR THE YEAR ENDED JUNE 30, 1998

Restricted Funds	Balance June 30, 1997	Contributions			Transfers To		Other Expenses		Balance June 30, 1998
		Contributions	Other Revenue	Other Funds	Scholarships	Other Expenses			
Baseball	\$17,323	\$ 19,026	\$ 40,607	-	\$ (5,000)	\$ (57,868)		\$ 14,088	
Men's Basketball	-	125	-	-	-	-		125	
Coaches Media - Football	-	3,436	53,308	-	-	(56,744)		-	
Coaches Media - Basketball	-	-	18,725	-	-	(16,400)		2,325	
Coaches Media - Baseball	367	-	7,600	-	-	-		7,967	
Football	-	4,416	-	-	-	(4,416)		-	
Golf	16,513	18,350	50,090	(3,800)	-	(76,040)		5,113	
LeRoy Scholarship	943	-	-	-	(943)	-		-	
Men's Tennis	1,331	300	109	-	(1,000)	(327)		413	
Men's Track	3,000	6,720	348	-	(8,000)	(861)		1,207	
National Youth Sports Prg.	678	800	-	-	-	(1,121)		357	
Softball	718	4,456	2,487	-	(3,000)	(4,101)		560	
Student Athletic Board	-	1,079	-	-	-	(1,079)		-	
Swimming	-	8,038	-	-	-	(8,038)		-	
Volleyball	195	2,007	-	-	-	(2,202)		-	
Women's Athletics	939	350	-	-	(1,000)	(16)		273	
Women's Basketball	-	1,145	-	-	-	(581)		564	
Women's Tennis	60	160	-	-	-	(220)		-	
Malone Stadium Suites Licensing	-	334,197	-	-	-	-		334,197	
TOTAL	\$ 42,067	\$ 404,605	\$ 173,274	\$ (3,800)	\$ (18,943)	\$ (230,014)		\$ 367,189	

**NORTHEAST LOUISIANA UNIVERSITY ATHLETIC SCHOLARSHIP FOUNDATION
ANALYSIS OF TEMPORARILY RESTRICTED NET ASSETS, SCHOLARSHIPS
FOR THE YEAR ENDED JUNE 30, 1998**

FUNDS AVAILABLE

Endowment	Balance June 30, 1997 Funds Available	Earnings	Special Events (Net)	Scholarships & Support	Balance June 30, 1998 Funds Available
Burroughs	(\$462)	\$831			\$369
Druhan	6	14			20
Huffman	100	420			520
Huntsman	-	2,260			2,260
Malone	60	1,940			2,000
Martin	8,114	2,792	7,615	(1,609)	16,912
Myers	29	51			80
Parker	1,185	1,395			2,580
Shows	(22)	1,122			1,100
TOTAL	\$9,010	\$10,825	\$7,615	(\$1,609)	\$25,841

**NORTHEAST LOUISIANA ATHLETIC SCHOLARSHIP FOUNDATION
ANALYSIS OF PERMANENTLY RESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 1998**

ENDOWMENT PRINCIPAL

Endowment	Balance June 30, 1997 Endowment Principal	Contributions	Transfers To Endowment Principal	Balance June 30, 1998 Endowment Principal
Burroughs	\$11,567	\$ 245		\$11,812
Druhan	179			179
Huffman	5,983			5,983
Huntsman	32,289			32,289
Malone	27,661			27,661
Martin	39,906			39,906
Myers	731			731
Parker	19,704	189	1,900	21,793
Shows	15,983	61	1,900	17,944
TOTAL	\$154,003	\$ 495	\$ 3,800	\$158,298



Luffey
Huffman
& Monroe

(A Professional Accounting Corporation)
CERTIFIED PUBLIC ACCOUNTANTS

John L. Luffey, MBA, CPA
Francis I. Huffman, CPA
L. Fred Monroe, CPA
Esther Atteberry, CPA
Carolyn A. Clarke, CPA

**Board of Directors
Northeast Louisiana University Athletic Scholarship Foundation**

In planning and performing our audit of the financial statements of the **Northeast Louisiana University Athletic Scholarship Foundation** (the Foundation), as of June 30, 1998, and for the year then ended, certain matters came to our attention which we believe should be conveyed to the Board. This letter will summarize our comments and suggestions regarding those matters. This letter does not affect our report dated December 8, 1998, on the financial statements.

1. Failure to report fair value received by contributors.

Finding:

The Internal Revenue Code requires under Section 6115 that organizations which receive quid pro quo contributions in excess of \$75 provide written documentation to the contributors which informs them of contributions which are not 100% deductible and provides the contributor with a good faith estimate of the value of goods and services received.

The Foundation provided such documentation to all contributors for the tax year ended December 31, 1997 with the exception of contributors who have been licensed to use the Malone Stadium Suites.

Recommendation:

The Foundation should provide documentation as prescribed by Section 6115 of the Internal Revenue Code on future contributions pursuant to the licensing agreements for use of Malone Stadium Suites.

Management's Corrective Action Plan:

The Foundation will provide required documentation for future Malone Stadium Suites contributions beginning with the year ended December 31, 1998 as well as continue providing required documentation to all other contributors.

**Board of Directors
Northeast Louisiana University
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Management Letter
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- 2. Consummating licensing agreements with contributors prior to receiving written authority from Northeast Louisiana University.**

Finding:

The Foundation paid for the construction of the Malone Stadium Suites in return for rights to use the suites from Northeast Louisiana University (the University) to service the debt of this undertaking. While the Foundation has received good faith, verbal approval to proceed with entering the licensing agreements, they have not received written authority to do so. Lack of written authority leaves open the possibility of the verbal agreement being misunderstood.

Recommendation:

The Foundation should execute a written agreement with the University granting authority for use of the Malone Stadium Suites as soon as possible.

Management's Corrective Action Plan:

The Foundation is formalizing a written agreement with the University and expects to finalize this agreement in the near future.

Ruffalo, Huffman & Moore (APAC)

December 8, 1998