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SOUTHERN UNIVERSITY QUARTERBACK CLUB
EAST BATON ROUGE AREA CHAPTER, INC.
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 1998

Under provisions of state law, this report is a public document. A copy of this report has been furnished to the auditor 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 June 16, 1999

PATRICIA LEGO LEWIS
Certified Public Accountant

SOUTHERN UNIVERSITY QUARTERBACK CLUB

EAST BATON ROUGE AREA CHAPTER, INC.

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 1998

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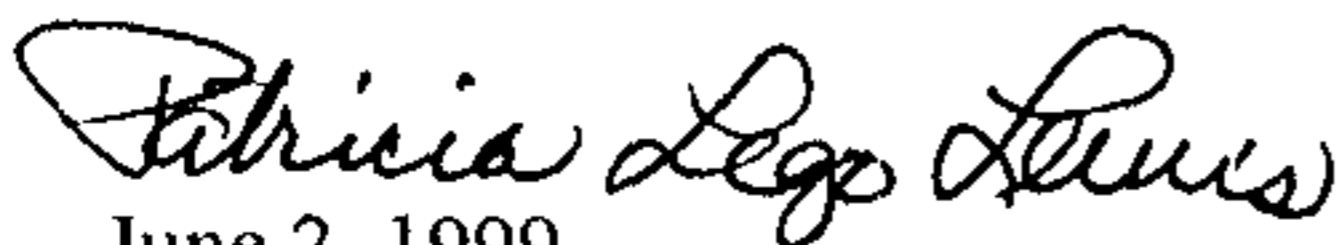
Independent Auditor's Report

The Board of Directors
Southern University Quarterback Club
East Baton Rouge Area Chapter, Inc.

I have audited the accompanying statement of financial position of Southern University Quarterback Club, East Baton Rouge Area Chapter, Inc. (a Louisiana not-for-profit corporation) as of December 31, 1998 and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted the audit in accordance with generally accepted auditing standards. Those standards require that I 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. I believe my audit provides a reasonable basis for my opinion.

In my opinion the financial statements referred to above present fairly, in all material respects, the financial position of Southern University Quarterback Club as of December 31, 1998, and the changes in net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.


June 2, 1999

**SOUTHERN UNIVERSITY QUARTERBACK CLUB
EAST BATON ROUGE AREA CHAPTER, INC.**

Statement of Financial Position

December 31, 1998

Assets	
Current Assets	
Cash	\$ 1,026

Total Current Assets	1,026
Non Current Assets	
Vehicle and Equipment	2,800
Investments	16,099

Total Non Current Assets	18,899
Total Assets	\$ 19,925
	=====
Liabilities and Net Assets	
Net Assets	\$ 19,925

Total Liabilities and Net Assets	\$ 19,925
	=====

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

**SOUTHERN UNIVERSITY QUARTERBACK CLUB
EAST BATON ROUGE AREA CHAPTER, INC.**

Statement of Activities

Year Ended December 31, 1998

Changes in Unrestricted Net Assets

Unrestricted Support and Revenues

Membership Dues		\$ 6,067
Raffle Sales	-----	9,785
Building Fund	-----	463
Interest Income	-----	718
Annual Event Revenues	-----	46,087

Total Unrestricted Support & Revenues		63,120
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Expenses

Fund Raising Expenses		17,688
Management and General	-----	4,145
Annual Events Expenses	-----	52,226
		74,059

Decrease in Net Assets		(10,939)
Net Assets at Beginning of Year		30,864

Net Assets at End of Year		\$ 19,925
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The accompanying notes are an integral part of these financial statements.

**SOUTHERN UNIVERSITY QUARTERBACK CLUB
EAST BATON ROUGE AREA CHAPTER, INC.**

Statement of Cash Flows

Year Ended December 31, 1998

Cash Flows from Operating Activities	
Decrease in Net Assets	\$ (10,939)
Depreciation	700

Net Cash Used by Operating Activities	(10,239)

Cash Flow from Financing Activities	
Decrease in Investments	(3,026)

Net Cash Provided by Financing Activities	(3,026)

Net Decrease in Cash	(13,265)
Cash at Beginning of Year	14,291

Cash at End of Year	\$ 1,026
	=====

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

**SOUTHERN UNIVERSITY QUARTERBACK CLUB
EAST BATON ROUGE AREA CHAPTER, INC.**

Statement of Functional Expenses

Year Ended December 31, 1998

Supporting Services

	<u>Events</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
Accounting	\$	\$ 76	\$ 400	\$ 476
Advertising	762	300		1,062
Bank Charges		82	58	140
Contributions		220	500	720
Depreciation	700			700
Fees	662		100	762
Hospitality			498	498
Insurance			2,115	2,115
Licenses	96		146	242
Members Paraphanailia		1,319		1,319
Office Expense		622		622
Raffle Prizes			12,265	12,265
Rental		1,075	640	1,715
Repairs			281	281
Storage	150			150
Transportation		451		451
Travel			623	623
Trips & Tickets	49,856		62	49,918
	\$ <u>52,226</u>	\$ <u>4,145</u>	\$ <u>17,688</u>	\$ <u>74,059</u>

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

**SOUTHERN UNIVERSITY QUARTERBACK CLUB
EAST BATON ROUGE AREA CHAPTER, INC.**

Notes to Financial Statements

For the Year Ended December 31, 1998

Note 1: Nature of Organization and Significant Accounting Policies

Southern University Quarterback Club, East Baton Rouge Area Chapter, Inc. a non profit organization dedicated to supporting the athletic programs of Southern University by assisting in bringing publicity and information about the programs to the attention of the public, there by increasing attendance at games,, and encouraging quality high school athletes to consider Southern University for their next level of academic and sports participation. Revenues are derived principally from the Organization's programs and from contributions.

Support and Expenses. Contributions received are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as unrestricted unless they are designated as support for future periods. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. As of December 31, 1998, all assets were unrestricted.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

Donated Services, Goods and Facilities. A substantial number of volunteers have donated numerous hours to the Organization's program services and fund-raising campaigns during the year; however, these donated services are not reflected in the financial statements since they do not require specialized skills.

Use of 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. Actual results could differ from those estimates.

Cash and Cash Equivalents. Cash and cash equivalents consist of cash held in checking and savings accounts. Management believes the Quarterback Club is not exposed to any significant credit risk on cash and cash equivalents.

Investments. Investments in equity securities were measured at fair value in the statement of financial position. Investment income or loss (including gains and losses on investments, interest, and dividends if applicable) is included in the statement of activities as increases or decreases in unrestricted net assets.

Vehicle and Equipment. Vehicle and equipment acquisitions are recorded at estimates at December 31, 1998. Depreciation is provided over the estimated useful lives of the assets and computed on the straight-line method.

Income Taxes. The Organization is a nonprofit corporation whose revenue is derived from contributions and other fund-raising activities and is not subject to federal or state income taxes.

Note 2: Vehicle and Equipment

Vehicle	\$ 800
Equipment	2,000

Total	\$ 2,800
	=====

Note 3: Investments

Investments consist of money funds stated at fair value at December 31, 1998.

Note 4: Lease Commitments

The Organization leases its meeting facilities under an operating lease which is ongoing without an expiration date on file. Rental fees are \$50 per meeting.

Note 5: Board of Directors' Compensation

The Board of Directors is a voluntary board; therefore, no compensation has been paid to any member.

Note 6: Functional Allocation of Expenses

the costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

**SOUTHERN UNIVERSITY QUARTERBACK CLUB
EAST BATON ROUGE AREA CHAPTER, INC.**

Schedule of Findings

December 31, 1998

1. Reportable Condition: The financial statements for Southern University Quarterback Club, East Baton Rouge Area Chapter, Inc. has not been audited timely in the past as required by Louisiana Revised Statute 17:3390. This statute requires that Alumni Associations, foundations and other private non-profit organizations that raise private funds for the support of public institutions of higher education be audited annually.

Cause: The management of the organization was not aware of the requirement.

Effect: There is no material effect to these financial statements.

Recommendation: All future financial statements be audited annually.

Management Response: The organization concurs with this recommendation.