

SOUTHERN UNIVERSITY ALUMNI FEDERATION

FINANCIAL STATEMENTS

JUNE 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 07/09/01

DARRYL D. THOMAS
CERTIFIED PUBLIC ACCOUNTANT

SOUTHERN UNIVERSITY ALUMNI FEDERATION

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activity	3
Statements of Cash Flows	4
Statement of Functional Expenses	5
NOTES TO FINANCIAL STATEMENTS	6-8

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Southern University Alumni Federation
Baton Rouge, Louisiana

We have audited the accompanying statement of financial position of Southern University Alumni Federation, (a nonprofit corporation), as of June 30, 1999, and the related statements of activity and cash flows for the year then ended. These financial statements are the responsibility of Southern University Alumni Federation's management. Our responsibility is to express an opinion on the 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 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 Southern University Alumni Federation, as of June 30, 1999, and the results of operations and its cash flows for the year then ended.

As discussed in Note 7 to the financial statements, the Organization has restricted current liabilities which currently exceeds its ability to repay if a demand for payment is initiated by the debtors that raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to this matter is also described in Note 7.


Darryl D. Thomas, CPA

Duncanville, Texas
November 21, 2000

**SOUTHERN UNIVERSITY ALUMNI FEDERATION
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1999**

ASSETS

Cash	\$447,200
Certificate of Deposit	27,583
Land	66,500
Property, Plant & Equipment (Net of Accumulated Depreciation of \$4,358)	<u>15,090</u>
TOTAL ASSETS	<u>\$556,373</u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts Payable	\$36,248
Holding Accounts Payables	450,808
Lease Obligations Payable	<u>9,128</u>
TOTAL LIABILITIES	496,184
Net Assets	
Unrestricted	93,138
Restricted	<u>(32,949)</u>
TOTAL NET ASSETS	<u>60,189</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$556,373</u>

The accompanying notes are an integral part of this statement

**SOUTHERN UNIVERSITY ALUMNI FEDERATION
STATEMENT OF ACTIVITY
FOR THE YEAR ENDED JUNE 30, 1999**

	<u>UNRESTRICTED</u>	<u>RESTRICTED</u>
REVENUES		
Contribution and Support	\$188,718	\$51,378
Interest Income	2,420	5,238
Royalties	15,100	
In Kind Services - Southern University	<u>150,911</u>	<u> </u>
Total Revenues	<u>357,149</u>	<u>56,616</u>
EXPENSES		
Program	164,212	40,703
General	44,646	
Fundraising	3,359	
In Kind Services - Southern University	<u>150,911</u>	<u> </u>
Total Expenses	<u>363,128</u>	<u>40,703</u>
CHANGE IN NET ASSETS (DEFICIT)	(5,979)	15,913
NET ASSETS AT BEGINNING OF YEAR	<u>99,117</u>	<u>(48,862)</u>
NET ASSETS AT END OF YEAR	<u>\$93,138</u>	<u>(\$32,949)</u>

The accompanying notes are an integral part of this statement

**SOUTHERN UNIVERSITY ALUMNI FEDERATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1999**

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets \$9,934

Adjustments to reconcile revenues in excess of expenses
to net cash provided by operating activities:

Depreciation 2,722

Increase in accounts payables 13,248

Increase in holding accounts payables 136,044

NET CASH PROVIDED BY OPERATING ACTIVITIES 161,948

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of fixed assets (3,922)

NET CASH USED IN INVESTING ACTIVITIES (3,922)

CASH FLOWS FROM FINANCING ACTIVITIES:

Payments on lease obligations (2,070)

NET CASH USED IN FINANCING ACTIVITIES (2,070)

NET INCREASE IN CASH 155,956

CASH, BEGINNING OF YEAR 291,244

CASH, ENDING OF YEAR \$447,200

The accompanying notes are an integral part of this statement

**SOUTHERN UNIVERSITY ALUMNI FEDERATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 1999**

	<u>PROGRAM</u>	<u>GENERAL</u>	<u>FUND RAISING</u>	<u>TOTAL</u>
Accounting		4,000		4,000
Bank Charges		1,242		1,242
Bayou Classic	20,842			20,842
Condolences		594		594
Conference 1999	25,177			25,177
Conference 1998	52,245			52,245
Depreciation		2,722		2,722
Dues & Affiliations		315		315
Equipment Rental		364		364
Executive Meetings		3,122		3,122
Homecoming/Reunions	847			847
Hospitality		2,539		2,539
Interest		1,446		1,446
National Elections - 1999		1,910		1,910
Office Expense	3,675	2,268		5,943
Postage	965	650		1,615
President's 300 Campaign			3,015	3,015
Professional Services		6,870		6,870
Royalties	4,199			4,199
Salaries		11,682		11,682
Scholarships	21,827			21,827
Southernite	6,159			6,159
Telephone		3,620		3,620
Tennis Shoes			344	344
Tickets	58,026			58,026
Travel	9,275	1,302		10,577
University Support	1,156			1,156
Vesper	522			522
Total Expenses	204,915	44,646	3,359	252,920

The accompanying notes are an integral part of this statement

SOUTHERN UNIVERSITY ALUMNI FEDERATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Southern University Alumni Federation, is a non-profit corporation established in 1941 with the objective to cultivate and perpetuate an organization of its members and to promote the welfare of Southern University and its graduates.

Basis of Presentation

In 1997, the organization adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, it is required to report information regarding the nature and amount of its net assets. Accordingly, it has reclassified its financial statements to present net assets.

Revenues and expenses are recognized and reported in the financial statements when they are earned and incurred.

Property Plant and Equipment

Southern University Alumni Federation follows the practice of recording all fixed assets at cost. Depreciation is calculated over the estimated useful lives of the respective assets on a straight-line basis.

Supplies and Materials

Office supplies and maintenance materials are charged to expense when purchased.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures.

SOUTHERN UNIVERSITY ALUMNI FEDERATION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE 2 - RESTRICTED NET ASSETS

The organization separately discloses the donor imposed restricted cash assets. Accordingly, all net assets are properly accounted for as restricted and unrestricted net assets.

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash consist of demand deposit, NOW and time deposit accounts. Some of the cash accounts are restricted by donors.

	<u>Unrestricted</u>	<u>Restricted</u>	<u>TOTAL</u>
Cash - Checking	\$ 23,105	\$	\$ 23,105
Bayou Classic		223,968	223,968
Holding Accounts		23,127	23,127
Scholarships		43,960	43,960
Life Membership		37,239	37,239
Building Fund		37,157	37,157
Emergency Fund	3,180		3,180
Alumni Federation	3,056		3,056
Legal Defense		1,948	1,948
Shelton Beychok-Scholarship		50,460	50,460
Total	<u>\$ 29,341</u>	<u>\$ 417,859</u>	<u>\$ 447,200</u>

NOTE 4 - LAND

The organization received two parcels of land as donations which are recorded on the books at the fair market value at the time of transfer.

NOTE 5 - Holding Accounts

Southern University Alumni Federation manages the cash receipts and disbursements for various organizations, University Departments and individuals. The funds are recorded as restricted cash with a corresponding restricted liability.

Bayou Classic	\$ 223,968
SUAF Alumni Chapters	67,242
Shelton Beychok-Scholarship	50,460

SOUTHERN UNIVERSITY ALUMNI FEDERATION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1999

SU Law Center	25,427
SU Band	31,975
Various Other Funds	<u>51,736</u>
Total	<u>\$ 450,808</u>

NOTE 6 - CAPITAL LEASE

The Organization entered into a sixty month capital lease on September 22, 1997 which meets the transfer of ownership test. An asset was recorded in the amount of \$12,575 with accumulated depreciation of \$3,144 as of June 30, 1999. This lease has monthly payments of \$293 with an imputed interest rate of 14%. The remaining balance as of June 30, 1999 was \$9,128. Future minimum lease payments are as follows:

2000	\$ 2,380
2001	2,740
2002	3,150
2003	<u>858</u>
Total	<u>\$ 9,128</u>

NOTE 7 - GOING CONCERN

At the time of the report, the Organization is faced with a current liability of \$450,808 due to various accounts which they manage the receipt and disbursement of funds. If a demand for payment is initiated by debtors the organization would have a restricted cash shortage of approximately \$32,949. This raises substantial doubt about its ability to continue as a going concern. However, management is in the process of establishing fund raising events to obtain the funds for payment of the liability.

NOTE 8 - INCOME TAXES

No provision for income tax have been included in the financial statements since Southern University Alumni Federation, is a non-profit corporation, exempt under IRC Section 501(c)(3).