



State of Tennessee

Justin P. Wilson, State Comptroller

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Audit of Riverdale High School Quarterback Club Uncovers Cash Payments to Coaches and Missing Concession Money

Riverdale High School's football team has had tremendous success on the field over the last two decades - winning four state championships and finishing as state runner-up five times.

However, a review by the Comptroller's Division of Municipal Audit found a number of off-the-field problems not with the championship players, but with a group of adults that raises money to support the Rutherford County football powerhouse.

The investigative audit uncovered numerous problems with the collection and accounting of funds by the Riverdale High School Quarterback Club that appear to have led to thousands of dollars in missing or misspent fundraiser profits.

Also, auditors found that the club paid at least \$7,000 to the school's athletic director, an assistant football coach and a volunteer wrestling coach in violation of school board and Tennessee Secondary School Athletic Association rules. Auditors were unable to find any documentation that the club issued IRS Form 1099 for tax purposes to those three individuals.

The audit, which covers the period from January 1, 2008 to June 30, 2009, was launched in the fall of 2008 but its completion was delayed by a year because club officers refused to produce documents auditors needed to finish their work.

The findings of the audit, outlined in letters sent to Riverdale High School Quarterback Club and Rutherford County school officials today, also disclosed that the Quarterback Club ran its concession stand in violation of state law for the 2008 football season by not maintaining proper documentation of expenses and profits. Because records were inadequate, state auditors were unable to determine whether the lower-than-expected profit was the result of theft, mismanagement or other reasons. The audit noted that the former club president, who was in charge of ordering products for the concession stand, was also the salesman for the company from which most concession products were purchased.

Documentation of other fundraising activities by the club was also inadequate, making it impossible for auditors to determine if fundraising proceeds were properly deposited or misappropriated. The club's treasurer didn't issue any receipts for collections between January 1,

2008 and June 30, 2009 and documentation was insufficient to determine if deposits were made for at least two of the fundraising activities.

Auditors also discovered that the Quarterback Club's debit card was used to purchase alcoholic beverages and that the club received and deposited collections from season ticket sales which, according to state law, belonged to the school.

"It is obvious that the students, parents, teachers and administrators at Riverdale High School have a great deal of pride in their football team," Comptroller Justin P. Wilson said. "It's very unfortunate that poor record-keeping and accounting practices by the Riverdale High School Quarterback Club could distract from the on-field accomplishments of the team and its student-athletes. Also, in the future, I hope club officials will be more mindful of the requirements they have to provide certain financial information to our auditors."

To view the report online, go to:

http://www.comptroller1.state.tn.us/RA_MA_Financial/Report_Investigative.aspx

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Media contact: Blake Fontenay, Communications Director, (615) 253-2668 or blake.fontenay@tn.gov