

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
Grambling, Louisiana

**COMPILATION REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
June 30, 2012**

BY

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**Compilation Report
And
Financial Statements
For The Year Ended
June 30, 2012**

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Accountant's Compilation Report

Board of Directors
Grambling University Athletic Foundation
Grambling, Louisiana 71245

I have compiled the accompanying statement of financial position of the Grambling University Athletic Foundation (a nonprofit organization) as of and for the year ended June 30, 2012 and the related statements of activities, cash flows and functional expenses for the year then ended. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The supplementary information contained in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. I have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

I am not independent with respect to Grambling University Athletic Foundation.

Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
January 24, 2013

FINANCIAL STATEMENTS

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION

Statement A

Statement of Financial Position

June 30, 2012

Assets

Cash and Cash Equivalents	\$ 96,142
Accounts Receivable	400
Investments	61,798
Property, Furniture, and Equipment, (Net, Note C)	<u>38,054</u>
Total Assets	<u><u>\$ 196,394</u></u>

Liabilities and Net Assets

Liabilities:

Accrued Liabilities	<u>\$ -</u>
Total Liabilities	<u>-</u>

Net Assets:

Unrestricted Net Assets	68,351
Temporarily Restricted Net Assets	<u>128,043</u>
Total Net Assets	<u>196,394</u>
Total Liabilities and Net Assets	<u><u>\$ 196,394</u></u>

See Compilation Report and Notes to Financial Statements.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
Statement of Activities
For the Year Ended
June 30, 2012

Statement B

UNRESTRICTED NET ASSETS	
Contribution Income	\$ 35
Fundraisers	11,233
Membership Dues	15,627
Other Revenue	
Dividend Income	1,042
Interest Income	1
Other Income	3,007
Total Support Revenue	30,945
TOTAL UNRESTRICTED SUPPORT	30,945
 Net Assets Released from Restrictions	
Restrictions Satisfied by Payments	53,486
TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATION	84,431
 Expenses	
General and Administrative Expenses	8,572
Program Expense	94,343
Total Expenses	102,915
Change in Unrestricted Net Assets	(18,484)
 TEMPORARILY RESTRICTED NET ASSETS	
Fundraisers	374
Contribution Income	12,712
Dividend Income	11
Interest Income	527
Gains on Investments	13
TOTAL TEMPORARILY RESTRICTED SUPPORT	13,637
Net Assets Released from Restrictions	
Restrictions Satisfied by Payments	(53,486)
Change in Temporarily Restricted Net Assets	(39,849)
Change in Net Assets	(58,333)
Net Assets as of Beginning of Year	254,648
Other Changes in Net Assets	
Prior Period Adjustment	79
Total Other Changes in Net Assets	79
Net Assets as of End of Year	\$ 196,394

See Compilation Report and Notes to Financial Statements.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
Statement of Cash Flows
For the Year Ended
June 30, 2012

Operating Activities	<u>All Funds</u>
Change in Net Assets	\$ (58,333)
Adjustments to Reconcile Change in Net Assets to Net	
Cash Used by Operating Activities:	
Provision for Depreciation	8,456
Total Adjustments	<u>8,456</u>
Net Cash Used by Operating Activities	<u>(49,877)</u>
Cash Provided by Investing Activities:	
Cash Provided from Investments	9,969
Net Cash Used by Investing Activities	<u>9,969</u>
Net Decrease in Cash and Cash Equivalents	(39,908)
Cash and Cash Equivalents as of Beginning of Year	<u>136,050</u>
Cash and Cash Equivalents as of the End of Year	<u><u>\$ 96,142</u></u>

See Compilation Report and Notes to Financial Statements.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
Statement of Functional Expenses
For the Year Ended
June 30, 2012

	General and Administrative	Program Services	Total Expenses
Bank Services	\$ 116	\$ -	\$ 116
Courtesies	-	1,136	1,136
Departmental	-	50,244	50,244
Depreciation	8,456	-	8,456
Insurance	-	2,344	2,344
Office Expenses and Supplies	-	2,912	2,912
Printing	-	331	331
Professional Services	-	16,680	16,680
Scholarships	-	13,400	13,400
Telephone	-	3,987	3,987
Travel and Mileage	-	3,309	3,309
	<hr/>	<hr/>	<hr/>
Total Functional Expenses	\$ 8,572	\$ 94,343	\$ 102,915

See Compilation Report and Notes to Financial Statements.

**Grambling University Athletic Foundation.
Grambling, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 2012**

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Grambling University Athletic Foundation (the Foundation) is an independent, nonprofit corporation organized for the purpose of improving and expanding the athletic programs at Grambling State University in compliance with National Collegiate Athletic Association (NCAA) regulations. Support for the Foundation's efforts is funded primarily from membership dues, contributions and fundraising activities. The Foundation is not focused on financial gain but rather the enhancement of Grambling State University, particularly its athletic program.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Revenue Recognition

In order to comply with restrictions, which donors place on grants and other gifts as well as designations made by its governing board, the principles of reporting net assets are used. Revenue and public support consists mainly of fundraising, and contributions. Grants and other contributions of cash and other assets are reported as permanently restricted or temporarily restricted if they are received with donor restrictions or restrictions designated by the governing board. Contributions are considered to be unrestricted unless restricted by the donor. All assets over which the Board of Directors has discretionary control have been included in the General Fund.

Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires the use of management's estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Support and Revenue

The organization is funded substantially by membership dues and contributions. Contributions that are restricted by time by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a time restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**Grambling University Athletic Foundation
Notes to the Financial Statements (Continued)**

Cash and Cash Equivalents

The Organization considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents for purposes of the statement of cash flows exclude permanently restricted cash and cash equivalents. Under state law, the agency may deposit funds in demand accounts, interest bearing accounts, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Carrying values approximate their fair values because of short term maturities of the financial instruments.

Contributed Services

The organization receives significant services donated by members from the various communities it serves in conducting its programs. No amounts have been reflected in the financial statements for those services.

Property, Furniture, and Equipment

The Organization records donations of property, furniture and equipment as support at their fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Assets purchased by the Organization are recorded at costs.

The organization record, at cost, purchases of property and equipment in excess of \$5,000 as fixed assets. Donations of property and equipment are recorded at fair market value at the time of donation. Depreciation is calculated on the straight line method over the useful lives of its respective assets.

Automobiles	5 Years
Computer Equipment	5 Years
Equipment	8 Years
Office Furniture	8 Years

Income Taxes

The organization is a nonprofit corporation, exempt under section 501 (c) (3) of the internal revenue code and did not conduct unrelated business activities. Therefore, no provision for corporate income taxes has been included in the financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain tax position that more likely than not would not be sustained

Grambling University Athletic Foundation
Notes to the Financial Statements (Continued)

upon examination by the IRS. Management has analyzed the tax positions taken by the Organization, and has concluded that as of January 24, 2013 there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by Internal Revenue Service for the years ended June 30, 2010, 2011, and 2012; however, there are currently no audits for any tax period in progress.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

NOTE B. CASH AND CASH EQUIVALENTS

For the period ended June 30, 2012, the Organization had the following cash and no cash equivalents:

Temporarily Restricted	\$	96,142
Unrestricted		-
Total	\$	<u>96,142</u>

NOTE C. PROPERTY, FURNITURE AND EQUIPMENT

A summary of changes in property, plant and equipment for the year ended June 30, 2012 is as follows:

	Balance @				Balance @	
	07/01/11	Additions	Retirements		06/30/12	
Automobiles	\$ 63,422	\$ -	\$ -		\$ 63,422	
Furniture & Equipment	4,341	-	-		4,341	
Depreciation	(21,253)	(8,456)	-		(29,709)	
Total	<u>\$ 46,510</u>	<u>\$ (8,456)</u>	<u>\$ -</u>		<u>\$ 38,054</u>	

NOTE D. FUNCTIONAL ALLOCATION OF EXPENSES

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

Grambling University Athletic Foundation
Notes to the Financial Statements (Continued)

NOTE E. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 19, 2012, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE F. DESCRIPTION OF LEASING ARRANGEMENTS

During the year under audit, the Foundation entered into a short-term lease arrangement with the Grambling University National Alumni Association that provided the Foundation with the use of an office, the use of dining area, restrooms, and kitchen area within the structure of its Alumni House located at 386 R. W. E. Jones Drive, Grambling, Louisiana 71245. The lease is renewable in six-month intervals and calls for payments of \$250.00 monthly.

SUPPLEMENTAL INFORMATION

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
Schedule of Account Activity and Balances
July 1, 2011 through June 30, 2012

	EXPENSES									June 30, 2012
	Balance June 30, 2011	Support Revenue	Supporting Service				Interfund Transfers			
			Program	Management and General	Fund Raising	Total Expenses	Other		Total Transfers	
							3% Fee	Transfers		
Ruston Lincoln CVB	9,700	0	0	0	0	0	0	0	0	9,700
* Athletic Auxiliary	(8,218)	0	0	0	0	0	0	0	0	(8,218)
Baseball	(19)	125	0	0	0	(4)	0	(4)	0	102
Basketball-Men's	58	25	0	0	0	(1)	0	(1)	0	82
Basketball-Women's	354	1,361	1,410	0	0	1,410	(41)	0	(41)	264
Bowling	60	0	0	0	0	0	0	0	0	60
Cheerleaders	(2,005)	0	0	0	0	0	0	0	0	(2,005)
Culverhouse-Scholarships	118,700	519	43,193	0	0	43,193	(16)	0	(16)	76,010
External Relations (Golf Tournament)	3,641	0	0	0	0	0	0	0	0	3,641
Football-Banquet	2,454	5,540	3,391	0	0	3,391	(166)	500	334	4,937
Football	1,213	1,738	236	0	0	236	(52)	0	(52)	2,663
Fred Hobdy Scholarship	287	0	0	0	0	0	0	0	0	287
Golf	193	0	0	0	0	0	0	0	0	193
Grambling Legends	(663)	0	0	0	0	0	0	0	0	(663)
GSU Middle School	180	0	0	0	0	0	0	0	0	180
Leonard Griffin	3,427	7	0	0	0	0	(0)	0	(0)	3,434
Currie Foundation	749	0	0	0	0	0	0	0	0	749
Orchesis Dance	881	2,150	1,435	0	0	1,435	(65)	0	(65)	1,532
Radio Promotions	358	0	0	0	0	0	0	0	0	358
Robert Piper Scholarship	805	0	0	0	0	0	0	0	0	805
Soccer	219	0	219	0	0	219	0	0	0	0
Softball	265	2,122	2,847	10	0	2,857	(64)	210	146	(324)
Sports Information	(27)	0	0	0	0	0	0	0	0	(27)
Sports Medicine	388	0	0	0	0	0	0	0	0	388
Student Affairs	2,695	0	201	0	0	201	0	0	0	2,494
State Farm Life Season Book	6,187	0	0	0	0	0	0	0	0	6,187
Tennis	49	-	-	-	-	0	0	-	-	49
Track	167	25	0	0	0	0	(1)	0	(1)	191
Volleyball	577	0	542	0	0	542	0	0	0	35
Total Temporarily Restricted Net Assets	142,675	13,612	53,474	10	0	53,484	(408)	710	302	103,104
Unrestricted Net Assets										
** Operating (Includes net investment in equipment)	(37,106)	1,043	17,323	8,563	0	25,886	408	(710)	(302)	(62,250)
Football Concession	27,342	0	0	0	0	0	0	0	0	27,342
Savings (Former Escrow)	9,060	0	0	0	0	0	0	0	0	9,060
Scarves & Ties	399	0	0	0	0	0	0	0	0	399
* Tiger Club	109,803	29,904	23,545	0	0	23,545	0	0	0	116,162
RV Parking	2,494	0	0	0	0	0	0	0	0	2,494
Board Designated										
Eddie Robinson Educational Fund	59	24	0	0	0	0	0	0	0	83
Total Unrestricted Net Assets	112,052	30,971	40,868	8,563	0	49,431	408	(710)	(302)	93,290
Total Net Assets	254,727	44,583	94,342	8,573	0	102,915	0	0	0	196,394

See Compilation Report and Notes to Financial Statements.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
Schedule of Payments Made to Grambling State University Employees
For the Year Ended
June 30, 2012

<u>Employees</u>	<u>Payments</u>
Giles, Terrance	\$ 425
Greene, Tony	300
Simmons, Patricia	5,000
Spencer, Antonio	200
Wilson, Greg	2,750
Total Payments to GSU Employees	\$ 8,675

See Compilation Report and Notes to Financial Statements.