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GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
GRAMBLING, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1993

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewer, county and other appropriate public officials. The report is available for public inspection at the State Budget office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: _____

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
GRAMBLING, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997

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Hulsey, Harwood & Co.

A Professional Accounting Corporation

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Grambling University Athletic Foundation
Grambling, Louisiana

We have audited the accompanying statement of financial position of Grambling University Athletic Foundation (a nonprofit organization) as of June 30, 1997, 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 Grambling University Athletic Foundation as of June 30, 1996, were audited by other auditors whose report dated September 12, 1997 expressed an unqualified opinion on these statements.

We conducted our audit in accordance with generally accepted auditing standards. These 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 aspects, the financial position of Grambling University Athletic Foundation as of June 30, 1997, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 1 to the financial statements, in 1996 the Organization changed its method of accounting for contributions and its method of financial reporting and financial statement presentation.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information identified as schedules in the accompanying index is presented for purposes 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 aspects in relation to the basic financial statements taken as a whole.

HULSEY, HARBROOK & CO., CPAs
A Professional Accounting Corporation

Hulsey, Harbrook & Co.
Merroe, La.

June 25, 1998

GRANBING UNIVERSITY ATHLETIC DEPARTMENT
STATEMENT OF FINANCIAL POSITION
JUNE 30, 1991

ASSETS	Unrestricted	Temporarily Restricted	Total	
			1991	1990
Cash	\$ 116,289	\$ -	\$ 116,289	\$ 111,655
Certificates of deposit	-	2,363	2,363	2,295
Accounts receivable	1,688	-	1,688	-
Prepays receivable	1,528	-	1,528	-
Notes	2,511	-	2,511	19,840
Equipment	4,128	-	4,128	1,112
Accumulated depreciation	(4,396)	-	(4,396)	(25,838)
Due from unrestricted net assets (Note 3)	-	80,527	80,527	58,443
Investments	40,825	-	40,825	31,882
TOTAL ASSETS	\$ 166,786	\$ 80,886	\$ 247,671	\$ 206,605
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	\$ 2,794	\$ -	\$ 2,794	\$ 2,832
Due to restricted net assets (Note 3)	188,421	-	188,421	98,443
Total liabilities	191,215	-	191,215	101,275
Net Assets				
Unrestricted				
Designated by the board				
Bayern Clinic account	-	-	-	30,787
Endowment relations account	2,724	-	2,724	885
GI/SP Quasi-Endowment	40,825	-	40,825	21,417
Equipment	2,235	-	2,235	1,617
Undesignated	14,509	-	14,509	33,506
Total unrestricted net assets	60,293	-	60,293	97,642
Temporarily Restricted	-	180,493	180,493	60,716
Total Net Assets	60,293	180,493	240,786	158,358
TOTAL LIABILITIES AND NET ASSETS	\$ 251,509	\$ 180,493	\$ 432,001	\$ 316,663

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

**GRAMBLING UNIVERSITY'S ATHLETIC FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

	Unrestricted	Temporarily Restricted	Total	
			2007	2006
Support and revenues:				
Contributions	\$ 16,811	\$ 174,009	\$ 190,740	\$ 69,009
Fund raising:				
Concessions	5,636	-	5,636	4,068
Region Clinic	17,839	-	17,839	263,798
Gift Clinic	8,380	-	8,380	-
Interest	3,809	73	3,981	3,088
Miscellaneous	1,860	-	1,860	3,798
Gain on the sale of assets	775	-	775	-
Unrestricted gifts	4,338	-	4,338	2,747
Net Assets Released from Restrictions: Satisfaction of Program Restrictions	<u>(33,845)</u>	<u>(115,845)</u>	<u>-</u>	<u>-</u>
Total support and revenue	96,079	62,164	238,208	351,373
Expenses:				
Program services	\$ 155,486	\$ -	\$ 155,486	\$ 115,432
Supporting services:				
Management and general	11,878	-	11,878	28,894
Fund raising	<u>26,257</u>	<u>-</u>	<u>26,257</u>	<u>162,991</u>
Total supporting services	<u>38,135</u>	<u>-</u>	<u>38,135</u>	<u>191,885</u>
Total expenses	183,621	-	183,621	298,406
Excess (Deficiency) of support and revenue over expenses	8,054	62,164	58,338	52,967
Other sources and uses:				
Transfers to other entities	<u>(8,336)</u>	<u>-</u>	<u>(8,336)</u>	<u>-</u>
Support, revenue, and other sources over expenses and other uses	(2,282)	62,164	6,900	52,967
Net Assets at Beginning of Year	91,643	60,736	108,389	85,184
NET ASSETS AT END OF YEAR	\$ 89,361	\$ 122,899	\$ 191,110	\$ 138,151

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

**GEORGETOWN UNIVERSITY ALUMNI FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1997**

	<u>1997</u>	<u>1996</u>
Cash flows from operating activities:		
Income in Net Assets	\$ 6,000	\$ 11,876
Adjustments to reconcile income in net assets to net cash provided by operating activities:		
Depreciation	790	1,000
Unrealized gains on securities	(9,793)	(2,747)
(Increase) decrease in operating assets:		
Accounts receivable	(2,000)	1,500
Bodges receivable	(1,200)	
Increase (decrease) in operating liabilities:		
Accounts payable	(4,811)	(2,841)
Total adjustments	<u>(13,514)</u>	<u>(5,088)</u>
Net cash provided (used) by operating activities	<u>(7,514)</u>	<u>6,788</u>
Cash flows from investing activities:		
Payments for property and equipment	(1,000)	-
Purchase of Edible G. Robinson investments	<u>(3,171)</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>(4,171)</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>(11,685)</u>	<u>6,788</u>
Transfers:		
Transfers from (to) other net assets	-	(1,350)
Cash and cash equivalents, beginning of year	<u>111,738</u>	<u>97,238</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 100,053</u>	<u>\$ 103,586</u>

CASH AND CASH EQUIVALENTS ARE PRESENTED ON THE STATEMENT OF FINANCIAL POSITION AS:

Cash	\$14,289
Certificates of deposit	<u>2,365</u>
Total cash and cash equivalents	<u>\$16,654</u>

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

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
GRAMBLING, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - NATURE OF ACTIVITIES & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Grambling University Athletic Foundation (the Foundation) is an independent corporation organized and designed to work cooperatively in support of the athletic programs of Grambling State University in compliance with NCAA Regulations. Income is derived primarily from contributions and fund raising activities. The Foundation does not participate in the gate receipts from any athletic activity. These receipts belong to the University to defray the expenses of their athletic programs.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis.

Basis of Presentation

Prior to 1997, the financial statements were prepared on the accrual basis of fund accounting and included an Unrestricted Fund, Restricted Fund, Equipment Fund, and quasi-employment Fund. Revenue and expenses for all funds were maintained as self-balancing accounts. All re-designated funds were recorded in the Unrestricted Fund. In 1997, the Foundation adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Foundation is required to present a statement of cash flows, as well as to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

A description of the three net assets categories follows:

Unrestricted Net Assets: Net assets that are not subject to donor imposed stipulations.

Temporarily Restricted Net Assets: Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or by passage of time.

Permanently Restricted Net Assets: Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
GRAMBLING, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - NATURE OF ACTIVITIES & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

Certain 1996 amounts have been reclassified to conform to current year financial statement presentation.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment in excess of \$500 is capitalized at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.

Investments

The Foundation adopted SFAS No. 124, "Accounting for Certain Investments Held by Non-for-Profit Organizations," in 1997. Under SFAS No. 124, 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. As permitted by SFAS No. 124, the Organization has retroactively applied the provisions of this new Statement by restating net assets as of June 30, 1996. As reflected in unrestricted net assets, the quasi-endowment fund as of June 30, 1996, was increased by \$2,743, which represents the unrealized gains on investments not recognized previously. The effect of this new Statement on the Foundation's change in net assets for 1996 and 1997 was an increase of \$2,747 and \$9,185 respectively, from what would have been reported under prior accounting principles. These effects are included in changes in the Quasi-endowment net assets because the gains and losses are restricted.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
GRAMBLING, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1997

NOTE 1 - NATURE OF ACTIVITIES & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Foundation qualifies as a publicly-supported organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Contributions to the Foundation are tax deductible within the limitations prescribed by the Code.

Donated Services and Facilities

Personnel and occupancy are provided by Grambling State University to the Foundation as needed. The Foundation provides vehicles for use by the athletic departments. During the year ended June 30, 1997, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. The use of the facilities of the Foundation is donated by the University. The fair value of such use cannot be objectively determined.

Contributions

The Foundation also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made," in 1997. The Foundation previously recorded contributions when received. In accordance with SFAS No. 116, contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. 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. As permitted by SFAS No. 116, the Foundation has recognized the cumulative effect of the provisions of this new statement in its 1997 statement of activities. There was no cumulative effect adjustment needed.

The Foundation uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
GRAMBLING, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEAR ENDED JUNE 30, 1997

NOTE 2 - 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. Accordingly, actual results could differ from these estimates.

NOTE 3 - BANK ACCOUNTS

The Foundation has one operating bank account through which all transactions, except the Bayou Classic's, are handled. The operating bank account is reported in Unrestricted Net Assets. The receivable in Restricted Net Assets represents cash due from Unrestricted Net Assets.

NOTE 4 - BAYOU CLASSIC ACCOUNT

The major fund raisers for Grambling University Athletic Foundation are the Bayou Classic Piggyback, Battle of Bands/Greek Show and other adjunct activities of the annual Bayou Classic football game. The Foundation and Southern University Alumni Association coordinate the planning and responsibility for these events and share the net proceeds. The organization representing the home team for the Football Classic has the planning and fiscal responsibility for that year. The Foundation was the visitor for the current year's event; therefore, the Bayou Classic revenue and fund-raising expenses are less than the prior year because they do not include fiscal transactions of the aforementioned activities.

NOTE 5 - QUASE-ENDOWMENT FUND

In September, 1994 the Board established The Eddie G. Robinson Education Endowment with an original investment of \$25,000. There are to be no withdrawals for five years after which 50 percent of the earnings will be available for scholarships and the remaining 50 percent added to the corpus. The endowment is invested with American Mutual Funds with the earnings reinvested for additional shares. As reflected in unrestricted net assets at June 30, 1997, the historical value of this fund was \$31,822 and the market value was \$40,925. Capital gains on the fund totaled \$8,355 for the year ended June 30, 1997.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
 GRAMBLING, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (Continued)
 FOR THE YEAR ENDED JUNE 30, 1997

NOTE 6 - SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

The Foundation's cash and cash investments are held in multiple financial institutions located in the same geographic region. The balances are insured by Federal Deposit Insurance Corporation coverage of up to \$100,000 at each institution. At June 30, 1997, the Foundation has \$48,170 of these cash and cash investments uninsured.

NOTE 7 - PROMISE TO GIVE

Unconditional promises to give consist of the following:

	1997	1996
Unrestricted promises	\$ 1,375	\$ -
Less unamortized discount	-	-
Net unconditional promises to give:	\$ 1,375	\$ -
Amounts due in:		
Less than one year	\$ 1,375	
One to five years	-	
Total	\$ 1,375	

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
JUNE 30, 1997

	<u>Supporting Services</u>			<u>Total</u>	
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>1997</u>	<u>1996</u>
Awards	\$ -	\$ -	\$ -	\$ -	\$ 10,790
Casual Labor	-	-	-	-	3,060
Concessions	-	-	-	-	1,565
Departmental expenses	154,997	-	-	154,997	94,121
Maintenance and repair	-	-	-	-	-
Miscellaneous	-	-	9,478	9,478	11,487
Office expenses	-	4,634	-	4,634	2,361
Professional fees	-	6,841	9,058	15,899	43,414
Promotional fees	-	-	-	-	65,533
Rental	-	-	-	-	-
Supplies	-	503	-	503	13,436
Travel	-	-	1,651	1,651	49,357
Vehicle expenses	-	-	-	-	3,121
Total expenses before disposition of equipment	<u>154,997</u>	<u>11,978</u>	<u>20,131</u>	<u>187,126</u>	<u>297,496</u>
Depreciation	489	-	341	790	1,090
Total supporting services	<u>489</u>	<u>-</u>	<u>341</u>	<u>790</u>	<u>1,090</u>
Net assets released from restrictions					
TOTAL EXPENSES	<u>\$ 155,486</u>	<u>\$ 11,978</u>	<u>\$ 20,482</u>	<u>\$ 187,936</u>	<u>\$ 298,486</u>

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
ANALYSIS OF RESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 1997

	Balance July 1, 1996	Deposit Income	Expenses		Transfers From (to) Other Net Assets	Balance June 30 1997
			Awards	Other Expenses		
Restricted Net ASSETS						
Athletic Auxiliary	\$ 22,152	\$ 60,488	\$ -	\$ 23,268	-	\$ 60,182
Basketball Fund	3,447	182	-	2,378	-	281
Broadcast	15	27,080	-	27,080	-	15
Charcoalaters	3,442	15,516	-	18,184	-	864
College Publications	3,884	178	-	2,288	-	1,774
Football Camp	-	-	-	-	-	-
Football Fund	945	1,142	-	1,645	-	442
Golf Fund	3,847	8,379	-	3,888	-	8,347
Operating Middle School	180	-	-	-	-	180
Lacrosse Griffin	2,293	72	-	-	-	2,365
Men's Basketball Fund	3,178	142	-	3,828	-	(248)
Coaches' Dinner	13,888	27,288	-	27,188	-	13,988
Sports Information	(2,882)	37,428	-	25,282	-	3,744
Tennis Fund	127	285	-	-	-	412
Track	828	258	-	-	-	1,086
Volleyball	308	257	-	500	-	62
Women's Sports	6,821	3,274	-	4,278	-	5,817
Totals	\$ 80,738	\$ 175,801	\$ -	\$ 132,848	\$ -	\$ 183,691



Hulsey, Harwood & Co.

A Professional Accounting Corporation

Certified Public Accountants

August 3, 1998

The Board of Directors
Grumbling University Athletic Foundation
Grumbling, LA

In planning and performing our audit of the financial statements of Grumbling University Athletic Foundation for the year ended June 30, 1997, we considered the Foundation's internal control structure in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, we noted certain matters involving internal control and its operation that we have presented for your consideration.

Incomplete Books and Records

We noted several balance sheet accounts were not reconciled at year-end. These accounts included accounts receivable, investments, accounts payable and general fixed assets. In addition, numerous multi-adjusting journal entries were required. As a result, the actual increase in net assets of the Foundation was higher than anticipated. Due to these deficiencies, any interim financial statements may not have been reliable. We recommend that mandatory procedures be implemented so that interim financial statements can be relied on.

Concentration of Cash

The Foundation maintains its unrestricted cash in one commercial bank. At year-end, the amount of deposit exceeded the federally insured limits by approximately \$38,370. Because the Foundation has a high volume of cash inflows and outflows, most of its cash will need to be maintained at one institution. The Foundation needs to feel comfortable that this bank is financially sound, whether it be by inquiries or some other means.

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Failure to Comply with State Law

In order to comply with state law, an audit report should have been submitted to the Office of Legislative Audits within six months of year-end. Halsey, Harwood & Co. did not engage in the audit until March 9, 1998, eight months after year-end. The estimated completion date was May 15th, but due to miscommunications between the Foundation and Halsey, Harwood & Co., actual fieldwork did not begin until June 24th. This matter of non-compliance should be corrected before fiscal year June 30, 1998's deadline arrives.

In the prior year auditor's management letter, improvements in internal controls were suggested in two areas. Changes were made in these areas during the year ended June 30, 1997. They are as follows:

Cash Receipts

It was suggested that all persons handling money be bonded. During the year, the Grantmaking University Athletic Foundation obtained bonding from Western Surety Co. for \$100,000 in blanket coverage for those employees who handled cash. This bonding will decrease the Foundation's vulnerability to employee misappropriating funds. For protection against cash misappropriation and to provide a deterrent to dishonesty, we recommend that the Foundation continue to be bonded.

Organizational Structure

A small number of persons have significant control over and responsibility for the accounting system. Since it was not cost effective to employ more people, this weakness was addressed by implementing the Financial Scoring Committee's approval and review procedures. This committee diverts responsibility away from the key employees through their approval procedures for all expenditures.

This report is intended solely for the information and use of the Board of Directors, management, and others, within the Foundation.

HALSEY, HARWOOD & CO., CPA's
A Professional Accounting Corporation



Monroe, Louisiana



GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
P. O. Box 593
Grambling, Louisiana 71242

08/15/98

August 13, 1998

Halsey, Harwood & Co.
1908 N. 18th Street, 5th Floor
Monroe, LA 71201

Dear Sir:

Here with is our response to the management letter presented regarding the year end June 30, 1997 audit of the Grambling University Athletic Foundation, Inc.

Inaccurate Books and Records

Management agrees with the finding and have taken steps to reconcile year end balances though not material they are important in presenting the financial statements of the Foundation. A new accounting system is expected to be implemented.

Concentration of Cash

Management agrees with the finding and believes that because of the high volume of inflows and outflows of cash, the Foundation will need to maintain its funds in one financial institution. We will explore the possibility of maintaining a separate account for unrestricted and restricted funds.

Failure to Comply with State Law

Management agrees with the finding and is prepared to begin the audit for year end June 30, 1998 to avoid non-compliance.

If you have any questions, please let us know.

Sincerely,



Russell LeDoy
Account Manager

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