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# GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED

Grambling, Louisiana

## FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT WITH SUPPLEMENTAL INFORMATION As of and For The Year Ended December 31, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, 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: July 2, 1998

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED  
Grambling, Louisiana

Financial Statements and Independent Auditor's Report  
For the Year Ended December 31, 1997

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# Dobby Gray

CERTIFIED PUBLIC ACCOUNTANT

• Accounting Services

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• Management Advisory Services

Telephone: (504) 887-8900 • Fax: (504) 887-8940 • 8080 Martin Luther King, Jr. Ave. • P. O. Box 1102 • Greentree, Louisiana 70039

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Grumbler University National Alumni  
Association, Incorporated  
Grumbler, Louisiana

I have audited the accompanying Statement of Financial Position of Grumbler University National Alumni Association, Incorporated (a private nonprofit organization) as of December 31, 1997, and the related Statements of Activities, Cash Flows, and Functional Expenses for the year then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. These 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 statements presentation. I believe that 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 Grumbler University National Alumni Association, Incorporated as of December 31, 1997, and the results of its operations and changes in fund balances for the year then ended in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information and schedules are presented for purposes of additional analysis and is not a required part of the basic financial statements taken as a whole.

## FINANCIAL STATEMENTS

COLOMBIARD UNIVERSITY AIR PROGRAM ALUMNI ASSOCIATION, INC.  
 STATEMENT OF FINANCIAL POSITION  
 AS OF DECEMBER 31, 1987

	General Fund	Life Membership Fund	Building Fund	Total All Funds
<b>ASSETS</b>				
Cash in Bank	\$4,184	\$50,849	\$4,395	\$59,428
Investments		35,800		35,800
Accounts Receivable	12,880			12,880
Due From General Fund		7,800	2,780	10,580
Physical Properties:				
Land			500	500
Building			126,895	126,895
Equipment			1,388	1,388
Furniture & Fixtures			23,895	23,895
<b>Total Assets</b>	<b>\$18,064</b>	<b>\$141,742</b>	<b>\$159,362</b>	<b>\$319,168</b>
<b>LIABILITIES</b>				
Due To Endowment Fund	\$1,750			\$1,750
Due To Life Membership Fund	6,183			6,183
Due To Building Fund	2,789			2,789
Notes Payable			43,818	43,818
<b>Total Liabilities</b>	<b>10,722</b>	<b>0</b>	<b>43,818</b>	<b>54,540</b>
<b>Net Assets</b>				
Unrestricted Operating	8,272			8,272
Permanently restricted		141,742	115,643	257,185
<b>Total Net Assets</b>	<b>8,272</b>	<b>141,742</b>	<b>115,643</b>	<b>265,257</b>
<b>Total Liabilities and Net Assets</b>	<b>\$18,984</b>	<b>\$141,742</b>	<b>\$159,362</b>	<b>\$319,168</b>

See accompanying notes to financial statements.

**COVINGTON UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	General Fund	Life Membership Fund	Building Fund	Total All Funds
<b>Public Support and Revenue</b>				
<b>Public Support:</b>				
Received Direct-Dues	\$27,200			\$27,200
Received Direct-Fundations	\$7,288		400	\$7,688
Received Direct-National Meetings	\$4,757			\$4,757
Received Direct-Contribution Bldg. Fund			\$9,430	\$9,430
Received Direct-Contribution Income	1,270			1,270
<b>Total Public Support</b>	<b>\$39,515</b>	<b>0</b>	<b>\$9,830</b>	<b>\$49,345</b>
<b>Revenue:</b>				
Chapter Assessments	1,500	\$6,654	\$80	\$8,234
Scholarship	4,000			4,000
				0
<b>Other Revenues:</b>				
Interest and Investment Income	414	1,064	88	1,566
Miscellaneous Income	240			240
<b>Total Revenue</b>	<b>6,000</b>	<b>\$7,718</b>	<b>\$88</b>	<b>\$13,806</b>
<b>Total public support and revenue</b>	<b>\$45,515</b>	<b>\$7,718</b>	<b>\$10,480</b>	<b>\$63,713</b>
<b>Functional Expenses</b>				
Administrative expenses	\$3,440	1,000	11,000	\$15,440
Scholarship expense	4,000			4,000
Fundraising expense	\$8,015		470	\$8,485
<b>Total functional expenses</b>	<b>\$15,455</b>	<b>\$1,000</b>	<b>\$11,470</b>	<b>\$27,925</b>
<b>Excess/(deficiency) of public support &amp; revenue over functional expenses</b>	<b>(1,000)</b>	<b>\$6,718</b>	<b>(1,070)</b>	<b>\$4,648</b>
<b>Transfers</b>				
				0
<b>Change in net assets</b>	<b>(1,000)</b>	<b>\$6,718</b>	<b>(1,070)</b>	<b>\$4,648</b>
Net assets at beginning of year	7,813	100,883	64,800	173,496
Net Transfer In/Out		(1,810)	1,070	0
Adjustment to beginning net assets	0			0
<b>Net assets at end of year</b>	<b>\$6,813</b>	<b>\$105,791</b>	<b>\$64,800</b>	<b>\$177,404</b>

See accompanying notes to financial statements.

**GRAMMING UNIVERSITY NATIONAL GOLFERS ASSOCIATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 1997**

**STATEMENT 6**

	General Fund	Life Membership	Boating Fund	Total All Funds
<b>Operating activities:</b>				
Change in net assets	(\$1,668)	\$20,898	\$48,016	\$67,146
Adjustments to reconcile change in assets				
Cash provided by operating activities:				
(Increase/(decrease) in accounts receivable	3,186	(657)		2,529
(Increase/(decrease) in accounts payable	(71,733)		27,480	(44,253)
Inter-fund transfers		(7,815)	1,800	(6,015)
Adjustment to beginning net assets	421			421
<b>Net cash provided by operating activities</b>	<b>(6,730)</b>	<b>19,211</b>	<b>76,316</b>	<b>88,796</b>
<b>Investing activities:</b>				
Investment			(76,000)	(76,000)
Adjustment to furniture and fixtures			(24)	(24)
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>-</b>	<b>(76,024)</b>	<b>(76,024)</b>
<b>Financing activities:</b>				
Loan proceeds to purchase building				
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(6,730)</b>	<b>19,211</b>	<b>0,292</b>	<b>12,773</b>
Cash and cash equivalents at beginning of year	13,998	116,809	708	131,515
Cash and cash equivalents at end of year	6,168	136,020	900	143,088
Less permanently-restricted cash and cash equivalents		(123,949)	(8,000)	(131,949)
<b>Unrestricted cash at the end of year</b>	<b>\$6,168</b>	<b>-</b>	<b>-</b>	<b>\$6,168</b>

See accompanying notes to financial statements.

**DRAWLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2007**

	General Fund	Life Membership Fund	Building Fund	Total All Funds
<b>Administrative expenses:</b>				
Travel-Office Staff	\$0,000			\$0,000
Insurance	180			180
Travel-Officers	4,207			4,207
Advertising	188			188
Printing & Reproduction	883			883
Postage	3,827			3,827
Telephone	2,748			2,748
Utilities	808		1,424	2,232
Office Supplies	1,640			1,640
Maintenance	374			374
National Meetings/Workshops	28,540			28,540
Professional Services	2,800			2,800
Accounting/Auditing	8,534			8,534
Charitable/Student Welfare	88			88
Legal Expenses	25			25
Miscellaneous	8,084		50	8,134
Bank Service Charges	114	0	111	225
Homecoming Supplies	428			428
Adult Day Expenses	5,629			5,629
Alumni House Expenses	1,800		4,800	6,600
Interest Expense		418	4,178	4,596
Property Taxes			190	190
Debt Interest-Account Mgt. Supplies	410	808	207	1,425
<b>Total Administrative Expenses</b>	<b>73,442</b>	<b>1,226</b>	<b>11,055</b>	<b>85,723</b>
<b>Scholarship:</b>				
Scholarships-Awarded	4,500			4,500
<b>Total Scholarship Expenses</b>	<b>4,500</b>	<b>0</b>	<b>0</b>	<b>4,500</b>
<b>Fundraising:</b>				
Fundraising Expense			415	415
Balls	1,000			1,000
Life Membership Pkg.	2,800			2,800
Bayou Classic General Expense	12,897			12,897
Bayou Classic Concert Expenses	20,720			20,720
Regular Membership Pkg.	874			874
<b>Total Fundraising Expenses</b>	<b>28,291</b>	<b>0</b>	<b>415</b>	<b>28,706</b>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$146,808</b>	<b>\$1,226</b>	<b>\$11,470</b>	<b>\$169,504</b>

See accompanying notes to financial statements.



**GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED**  
**Grambling, Louisiana**

**Notes To The Financial Statements**  
**For The Year Ended December 31, 1997**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The **GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED** is a private non-profit organization domiciled in the State of Louisiana at Grambling, Louisiana in Lincoln Parish. The Association is officially recognized as a tax-exempt (non-profit) organization under Section 501(c)(3) of the Internal Revenue Service Code. The Association is supported primarily through contributions and donations from members and fundraising promotions. The objectives of the Association are:

- To facilitate better communication and a closer relationship between Grambling State University, its graduates and friends.
- To cooperate with the University's Administration, Field Services, and other Alumni organizations in the promotion of worthwhile activities for the Grambling State University faculty, staff, alumni, students, prospective students and friends.
- To encourage the highest degree of professional ethics and scholarship in the alumni and students.
- To stimulate school loyalty, devotion, and responsibility.
- To further encourage professional enthusiasm, initiative, and growth.
- To provide a National Association to channel information to support local, state, regional and national programs.
- To provide suitable headquarters, offices and facilities to direct Alumni Affairs and to channel information to support local, state, regional and national programs.
- To study any propositions concerning the mutual relationship of the University and the various allied organizations to the end that both will benefit from their close association.
- To legislate through bylaws or by resolution upon any subject of general concern to the members of this organization.
- To promote a "Greater Grambling" through the work of the Alumni Association.
- To secure financial assistance for Grambling State University through the following methods: Cash, Securities, Requests, Life-income, Real

**GRAMBLING UNIVERSITY NATIONAL  
ALUMNI ASSOCIATION, INCORPORATED**  
Grambling, Louisiana

Notes to the Financial Statements(Continued)

Page 2

- Estate, Insurance, Specified Property, Annual Dues, and Annual Fund Drives.
- To establish Alumni chapters throughout the nation to assist Grambling State University in achieving the above goals, as well as, educational excellence, financial security, humanitarian ideals, athletic and social prominence.

Membership in the association is composed of University graduates and attendees, as well as, faculty and staff members. The Board of Directors of the Association consists of seven (7) members. The members serve without compensation.

**A. BASIS OF PRESENTATION**

The Association follows standards of accounting and financial reporting as described by AICPA Statement of Position 78-10, "Accounting Principles and Reporting Practices for Certain Nonprofit Organizations". The accompanying financial statements of the **GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED** have been prepared on the accrual basis of accounting. Contributions are recorded when received unless unacceptable to accrual.

**B. PUBLIC SUPPORT AND REVENUE**

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 dues, chapter assessments, fundraising, and contributions. Dues and other contributions of cash and other assets are reported as permanently 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.

**C. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The carrying amounts of cash, cash equivalents, investments, and notes payable are reported in the statement of financial position at approximate fair values because of the short maturities of those instruments.

**D. ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. No estimates were reflected in these financial statements.

**E. CASH AND CASH EQUIVALENTS**

The Association considers all highly liquid investments with a maturity of twelve months or less when purchased to be cash equivalents. Cash and cash equivalents for the 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. As of December 31, 1997, Grambling University National Alumni Association, Incorporated had cash and cash equivalents totaling \$67,068 as follows:

Unrestricted .....	\$ 4,164
Permanently Restricted .....	62,904
Total .....	<u>\$ 67,068</u>

**F. INVESTMENTS**

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED investments consist of \$75,000 in a Certificate of Deposit at December 31, 1997. The investment was considered Permanently Restricted.

**3. CHANGES IN ACCOUNTING PRINCIPLES**

The Association adopted the provisions of Statement of Financial Accounting Standards No. 116, *Accounting for Contributions Received and Contributions Made* and No. 117, *Financial Statements of Not-for-Profit Organizations* by restating net assets as of December 31, 1997. Statement No. 116 requires the Association to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair value. Statement No. 117 establishes standards for general purpose external financial statements of not-for-profit organizations and require a statement of financial position, a statement of activities, and a statement of cash flows. Net assets were restated as of December 31, 1997. There were no temporarily restricted assets.

**3. PHYSICAL PROPERTIES**

The following is a summary of furniture, equipment, building, and land at December 31, 1997:

Furniture and equipment .....	\$25,323
Building and land .....	127,160
Total .....	<u>\$152,483</u>

GRAMBLING UNIVERSITY NATIONAL  
ALUMNI ASSOCIATION, INCORPORATED  
Grambling, Louisiana  
Notes to the Financial Statements(Continued)  
Page 5

4. NOTES PAYABLE

A \$75,000 note is payable to Shreveport Federal Credit Union on September 5, 1998 at an interest rate of 6%. Interest payments of \$394 are made monthly with the final interest payment of \$393 due on September 5, 1998.

5. PLEGDED ASSETS

The Association pledged the \$75,000 certificate of deposit in the Life Membership Fund as collateral for a \$75,000 loan to purchase the alumni house for which the \$75,000 note payable was issued. Although the assets in the Life Membership Fund are permanently restricted from use for expenses, the governing board does authorize use of those assets as collateral for lending agreements.

6. ACCOUNTS RECEIVABLE

Accounts receivable for the Grambling University National Alumni Association, Incorporated as of December 31, 1997 consisted of the following:

Bayou Classic Revenue-1995	\$ 10,000
Loans to the D. C. Chapter	<u>2,800</u>
Total Accounts Receivable	\$ 12,800

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7. FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values of the Association's financial instruments, none of which are held for trading purposes, are as follows:

GRAMBLING UNIVERSITY NATIONAL  
 ALUMNI ASSOCIATION, INCORPORATED  
 Grambling, Louisiana  
 Notes to the Financial Statements(Continued)  
 Page 8

<u>Financial Assets</u>	<u>Financial Liabilities</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash & Cash Equivalents		\$67,068	\$67,068
Investments		75,000	75,000
	Notes Payable	43,918	43,918

8. FUNCTIONAL ALLOCATION OF EXPENSES

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

9. PERMANENTLY RESTRICTED NET ASSETS

Net assets were permanently restricted for the following purposes at December 31, 1997:

Life Membership Fund	\$ 141,742
Building Fund	<u>115,043</u>
Total	<u>\$ 257,185</u>

All interest earned from investments of the Life Membership Fund is unrestricted and transferred to the General Fund. Net assets of the Building Fund are permanently restricted for the operation of the Association's alumni house.

10. ADJUSTMENT TO BEGINNING NET ASSETS

The following adjustment of \$21 was made to beginning net assets in the

GRAMBLING UNIVERSITY NATIONAL  
ALUMNI ASSOCIATION, INCORPORATED  
Grambling, Louisiana  
Notes to the Financial Statements(Continued)  
Page 7

General Fund due to a prior period adjustment to revenue.

Net assets as of beginning of year .....	\$ 7,819
Adjustment to beginning of year .....	<u>21</u>
Adjusted net assets as of beginning of year	<u>\$ 7,840</u>

# Bobby Gray

CERTIFIED PUBLIC ACCOUNTANT

• Accounting Services

• Tax and Fee Services

• Management Advisory Services

Telephone: (504) 845-8999 • Fax: (504) 845-8992 • P.O. Box 10018 • P. O. Box 10018 • Gretna, Louisiana 71404

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
Grambling University National Alumni  
Association, Incorporated  
Grambling, Louisiana

I have audited the financial statements of Grambling University National Alumni Association, Incorporated (a nonprofit organization) as of and for the year ended December 31, 1997, and have issued my report thereon dated June 29, 1998.

I conducted my audit in accordance with generally accepted auditing standards and GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Grambling University National Alumni Association, Incorporated is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the financial statements of Grambling University National Alumni Association, Incorporated for the year ended December 31, 1997, I obtained an understanding of the internal control structure. With respect



INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL STRUCTURE  
BASED ON AN AUDIT OF BASIC FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS  
Page 2

to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matter involving the internal control structure and its operation that I consider to be material weaknesses as defined above. This report is intended for the information of the board of directors of Grambling University National Alumni Association, Incorporated, management, and the Legislative Auditor's Office. However, this report is a matter of public record, and its distribution is not limited.

  
Bobby Gray  
Certified Public Accountant

Grambling, Louisiana  
June 28, 1998

# Bobby Gray

CERTIFIED PUBLIC ACCOUNTANT

• Accounting Services

• Income Tax Services

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Telephone (504) 982-9999 • Fax (504) 982-9992 • 301 Westin Luther King, Jr. Ave. • P. O. Box 1122 • Gretna, Louisiana 70049

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
Grambling University National Alumni  
Association, Incorporated  
Grambling, Louisiana

I have audited the financial statements of Grambling University National Alumni Association, Incorporated (a nonprofit organization) as of and for the year ended December 31, 1997, and have issued my report thereon dated June 29, 1998.

I conducted my audit in accordance with generally accepted auditing standards and GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Grambling University National Alumni Association, Incorporated is the responsibility of Grambling University National Alumni Association, Incorporated's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of Grambling University National Alumni Association, Incorporated's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under GOVERNMENT AUDITING STANDARDS.

This report is intended for the information of the board of directors of Grambling

INDEPENDENT AUDITOR'S REPORT ON  
COMPLIANCE BASED ON AN AUDIT OF  
BASIC FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT  
AUDITING STANDARDS

Page 2

University National Alumni Association, Incorporated, management, and the  
Legislative Auditor's Office. However, this report is a matter of public record, and its  
distribution is not limited.



Bobby Gray  
Certified Public Accountant

Greenville, Louisiana  
June 25, 1998

## SUPPLEMENTAL INFORMATION

GLAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED  
STATUS OF PRIOR YEAR FINDINGS  
FOR THE PERIOD ENDED DECEMBER 31, 1997

During the course of my examination, I reviewed documents and working papers of the predecessor auditor to determine if the findings or recommendations from the prior audit had been resolved. No findings were indicated in the prior audit report.