

**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, 2024**

BY

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GRAMBLING, LOUISIANA**

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SUPPLEMENTAL INFORMATION
As of And for The Year Ended December 31, 2024**

**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, 2024**

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Independent Auditor's Report

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

Opinion

I have audited the accompanying financial statements of Grambling University National Alumni Association, Incorporated (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grambling University National Alumni Association, Incorporated as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Grambling University National Alumni Association, Incorporated and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Grambling University National Alumni Association, Incorporated's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of

**Grambling University National Alumni Association, Incorporated
Independent Auditor's Report (Continued)**

internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Grambling University National Alumni Association, Incorporated's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate that raise substantial doubt Grambling University National Alumni Association, Incorporated's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information in Schedules 1 through 2 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Rosie D. Harper
Certified Public Accountant

June 29, 2025

FINANCIAL STATEMENTS

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
Statement of Financial Position

For the Year Ended
December 31, 2024

Assets

Cash and Cash Equivalents	\$ 313,736
Accounts Receivable	15,094
Property and Equipment, Net (Note F)	56,323
Investment	269,122
Total Assets	654,275

Liabilities and Net Assets

Accrued Liabilities	-
Total Liabilities	-

Net Assets:

Without Donor Restrictions	(160,057)
With Donor Restrictions	814,332
Total Net Assets	654,275
Total Liabilities and Net Assets	\$ 654,275

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
Statement of Activities

For the Year Ended
December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support			
Alumni Day/Homecoming	\$ 12,224	\$ -	\$ 12,224
Bayou Classic Revenue	49,176	-	49,176
Contributions	12,800	-	12,800
Life Membership Dues	-	31,270	31,270
Sustainable Dues	3,634	-	3,634
Pledge Revenue	9,500	-	9,500
Membership Dues	45,170	-	45,170
Fundraising Revenue	872	-	872
Chapter Assessments	18,090	-	18,090
National Meeting	40,393	-	40,393
Other Revenue	4,934	-	4,934
Scholarship Revenue	-	69,005	69,005
Total Support	<u>196,793</u>	<u>100,275</u>	<u>297,068</u>
Other Revenue			
Miscellaneous Income	3,124	-	3,124
Interest Income	7,310	-	7,310
Total Other Revenue	<u>10,434</u>	<u>-</u>	<u>10,434</u>
TOTAL SUPPORT	<u>207,227</u>	<u>100,275</u>	<u>307,502</u>
Net Assets Released from Restrictions			
Restrictions Satisfied by Payments	45,942	(45,942)	-
TOTAL SUPPORT AND RECLASSIFICATION	<u>253,169</u>	<u>54,333</u>	<u>307,502</u>
Expenses			
General and Administrative Expenses	99,959	-	99,959
Fundraiser Expenses	42,945	-	42,945
Program Expenses	160,097	-	160,097
Total Expenses	<u>303,001</u>	<u>-</u>	<u>303,001</u>
Change in Net Assets	<u>(49,832)</u>	<u>54,333</u>	<u>4,501</u>
Net Assets as of Beginning of Year	(110,287)	759,999	649,712
Other Changes in Net Assets			
Prior Period Adjustment	62	-	62
Total Other Changes in Net Assets	<u>62</u>	<u>-</u>	<u>62</u>
Net Assets as of End of Year	<u>\$ (160,057)</u>	<u>\$ 814,332</u>	<u>\$ 654,275</u>

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
Statement of Cash Flows

For the Year Ended
December 31, 2024

Operating Activities

Change in Net Assets	\$ 4,501
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Provision for Depreciation	5,041
Decrease in Accounts Receivable	1,556
Prior Period Adjustment	62
Total Adjustments	6,659
Net Cash Provided by Operating Activities	11,160

Investing Activities

Reinvested Interest on Investment	(3,825)
Net Cash Used by Investing Activities	(3,825)

Net Increase in Cash

	7,335
Cash and Cash Equivalents as of Beginning of Year	306,401
Cash and Cash Equivalents as of the End of Year	\$ 313,736

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
Statement of Functional Expenses

For the Year Ended
December 31, 2024

General and Administrative

Other Expenses

Accounting and Auditing	\$ 6,088
Depreciation	5,041
Gifts, Flowers and Courtesies	1,163
Insurance	12,688
Maintenance and Repairs	17,840
Office Expense	4,707
Other Expenses	10,091
Professional Fees	19,675
Telephone	1,144
Travel	17,550
Utilities	3,972
Total Other Expenses	99,959

Total General and Administrative	99,959
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Fundraising

Bayou Classic Expense	37,081
Other Fundraising Expense	5,864
Total Fundraising	42,945

Program

Homecoming and Alumni Day	38,849
National Meetings	51,917
Other Program Expense	14,502
Scholarship Awards and Student Support	54,829
Total Program	160,097

Total Functional Expenses	\$ 303,001
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See Accompanying Independent Auditor's Report and Notes to Financial Statements.

Grambling University National Alumni Association, Incorporated
Grambling, Louisiana

Notes to the Financial Statements
As of and for the Year Ended
December 31, 2024

NOTE A. 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. The State of Louisiana chartered the Organization on October 13, 1967. The Alumni is recognized as a tax exempt (non-profit) organization under section 501 (c) (3) of the Internal Revenue Service Code.

The Alumni goals and objectives 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 Organization 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 Organization.
- 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 Organization.
- To secure financial assistance for Grambling State University through the following methods: Cash, Securities, Requests, Life-Income, Real Estate, Insurance, Specified Property, Annual Dues, and Annual Fund Drives.

Grambling University National Alumni Association, Incorporated
Notes to the Financial Statements (Continued)

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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 Alumni is composed of University graduates and attendees, as well as, faculty and staff members. The Board of Directors of the Alumni consists of ten (10) members. The members serve without compensation.

Public Support and Revenue Recognition

In order to comply with restrictions that 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 consist mainly of membership dues, fundraising, and contributions. Dues and other contributions of cash and other assets are reported as net assets with donor restrictions if they are received with donor restrictions or restrictions designated by the governing board. Contributions and grants are considered to be unrestricted unless restricted by the donor and are reported as net assets without donor restrictions.

Revenue from dues is recorded in the applicable membership period. Contributions are recognized when received. Fund-raising revenue is recognized in the period in which the event occurs. The related fundraising expenses are recorded as expenses in the period in which the event occurs.

Total Columns

Total columns are presented to facilitate financial analysis. Data in these columns do not present financial position results of operations and changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Cash and Cash Equivalents

The Alumni considers all highly liquid investments with maturity of three months or less when purchased to be 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. The Alumni had no cash equivalents during the audit period. On December 31, 2024, the Alumni had cash totaling \$313,736 as follows:

	2024
Without Donor Restrictions	\$ 54,097
With Donor Restrictions	259,639
Total	<u>\$ 313,736</u>

Income Taxes

The Grambling University National Alumni Association, Incorporated is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Alumni and recognize a tax liability (or asset) if the Alumni has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Alumni and has concluded that as of June 29, 2025, 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 Alumni is subject to routine audits by Internal Revenue Service for the years ended December 31, 2022, 2023, and 2024; however, there are currently no audits for any tax period in progress.

Grambling University National Alumni Association, Incorporated
Notes to the Financial Statements (Continued)

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation

The Alumni follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$5,000. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Building and Improvements	30 years
Furniture and Equipment	7 years

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 those estimates.

NOTE B. INVESTMENTS AND FAIR VALUE MEASUREMENT

On May 7, 2021, the Alumni invested \$250,000 into a new fixed rate annuity which will mature on May 7, 2075. For the year ended December 31, 2024, the value of the annuity was as follows:

Annuity	Amount	Interest Rate	Renewal Terms	Interest Earned	Owner/Beneficiary	Annuitant
Eagle Life Insurance Company	\$ 269,122	2.00%	Guaranteed Minimum Interest Rate	\$ 3,825	GUNAA	David Hines
	<u>\$ 269,122</u>					

The value of annuity is reported at contract value which approximates fair value.

A fixed rate annuity is similar to a certificate of deposit, but the funds are invested with an insurance company rather than a bank. Annuities generally pay a higher interest rate than a certificate of deposit. The income payments are determined by measuring the life of the annuitant. The Alumni is both the owner and beneficiary of the annuity.

NOTE C. 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.

NOTE D. PERPETUALLY RESTRICTED FUNDS HELD BY UNIVERSITY

For the year ended December 31, 2002, the Alumni transferred \$60,000 from the Life Membership Fund to Grambling State University to establish an endowed professorship. The Life Membership Fund is used to account for life membership dues and life endowment contributions. The principal of the assets accounted for in the Life Membership Fund is restricted in perpetuity. Since the funds were used to establish a perpetually restricted endowed professorship, the perpetual restriction of the funds is maintained.

Grambling University National Alumni Association, Incorporated
Notes to the Financial Statements (Continued)

NOTE E. ACCOUNTS RECEIVABLE

For the year ended December 31, 2024, the Alumni had the following accounts receivable:

Bayou Classic Hotel Rebate	\$ 15,094
Total	<u>\$ 15,094</u>

NOTE F. PROPERTY AND EQUIPMENT

For the year ended December 31, 2024, the Alumni had net property equipment totaling \$66,406. The following schedule reflects the balances in property and equipment as of December 31, 2024:

	1/1/2024	Additions	Deletions (Retired/Disposed Assets)	12/31/2024
Depreciable Assets				
Furniture and Fixtures	\$ 23,965	\$ -	\$ (23,965)	\$ -
Equipment	8,024	-	(8,024)	-
Building	148,484	-	-	148,484
Total Depreciable Assets	<u>180,473</u>	<u>-</u>	<u>(31,989)</u>	<u>148,484</u>
Less Accumulated Depreciation				
Depreciation	(168,519)	(5,041)	31,989	(141,571)
Total Accumulated Depreciation	<u>(168,519)</u>	<u>(5,041)</u>	<u>31,989</u>	<u>(141,571)</u>
Net Depreciable Assets	11,954	-	-	6,913
Other Property and Equipment				
Land	49,410	-	-	49,410
Net Property and Equipment	<u>\$ 61,364</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,323</u>

NOTE G. LIQUIDITY MANAGEMENT

For the year ended December 31, 2024, the following financial assets could be made readily available within one year of the statement of financial position date to meet general expenditures:

Cash	\$ 54,097
Accounts Receivable	15,094
Total	<u>\$ 69,191</u>

As part of its liquidity management, the Alumni has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due.

NOTE H. PRIOR PERIOD ADJUSTMENT

For the year ended December 31, 2024, the Alumni had the following prior period adjustment:

Overstated Expenses	\$ 62
Total	<u>\$ 62</u>

Grambling University National Alumni Association, Incorporated
Notes to the Financial Statements (Continued)

NOTE I. CHANGE IN NET ASSETS

Net assets represent the difference between assets and liabilities. They are classified based on the presence or absence of donor-imposed restrictions as either net assets with donor restrictions or net assets without donor restrictions. Net assets with donor restrictions are those whose use has been limited by donor-imposed time restrictions, purpose restrictions, or by law or donor to be maintained by the organization in perpetuity. Net assets without donor restrictions are all other net assets. Net assets as of December 31, 2024 were as follows:

	Without Donor Restrictions	With Donor Restrictions				
	General Fund	With Temporary Restrictions			With Perpetual Restrictions	
		Building Fund	Scholarship	Total	Membership	Lifetime
Beginning Net Assets	\$ (110,287)	\$ 11,954	\$ 26,753	\$ 38,707	\$ 721,292	\$ 649,712
Prior Period Adjustment	62	-	-	-	-	62
Change in Net Assets	(49,832)	(5,041)	29,405	24,364	29,969	4,501
Ending Balance	\$ (160,057)	\$ 6,913	\$ 56,158	\$ 63,071	\$ 751,261	\$ 654,275

NOTE J. INTERFUND TRANSACTIONS

The Statement of Financial Position focuses on the Alumni as a whole. Therefore, inter-fund receivables (“Due From”) and inter-fund liabilities (“Due To”) are eliminated from the financial statements because they are not assets or liabilities of the Alumni as a whole. However, since the Alumni maintains separate funds to account for activities within those funds; inter-fund liabilities and receivables are recognized at the fund level. The Alumni maintained the following funds for the years ended December 31, 2024:

General Fund

All assets that are not restricted by the donor or the Board of Directors have been included in the General Fund.

Scholarship Fund

The Scholarship Fund is used to account for contributions that have been restricted for providing scholarships to university students.

Building Fund

The Building Fund is used to account for all contributions designated by donor or the board for the purpose of maintaining and operating the Alumni properties as well as the fixed assets owned by the Alumni. All assets are perpetually restricted for that same purpose.

Life Membership Fund

The Life Membership Fund is used to account for life membership dues and life endowments. The principal of the assets accounted for in the Life Membership Fund is perpetually restricted by donors. However, the earnings are without donor restrictions and transferred to the General Fund when paid.

Grambling University National Alumni Association, Incorporated
Notes to the Financial Statements (Continued)

NOTE K. INTERFUND TRANSACTIONS (continued)

For the year ended December 31, 2024, the “Due To” and “Due From” accounts for each of the funds were as follows:

<u>12/31/2024</u>	<u>Due To</u>	<u>Due From</u>
General Fund		
Scholarship Fund	\$ 56,159	\$ -
Life Membership Fund	233,074	\$ -
Total General Fund	<u>\$ 289,233</u>	<u>\$ -</u>
Scholarship Fund		
General Fund	\$ -	\$ 56,159
Total Scholarship Fund	<u>\$ -</u>	<u>\$ 56,159</u>
Life Membership Fund		
General Fund	\$ -	\$ 233,074
Total Life Membership Fund	<u>\$ -</u>	<u>\$ 233,074</u>
Total Interfund Transactions	<u>\$ 289,233</u>	<u>\$ 289,233</u>

During the year ended December 31, 2023, the membership of the Alumni passed the following resolution:

1. As of December 28th, of each year, 10% of the net income in the operating account (less any account payables) will be moved to the life membership account as payment of prior indebtedness on or before December 31 of the current tax year
2. The interest of 5% from the annuity account will remain in the Life Membership Account
3. All expenses to process life membership will remain in the life membership fund.

For the year ending December 31, 2024, total payments on the outstanding indebtedness to the Life Membership Fund from the General Fund were \$20,849.

NOTE L. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued June 29, 2025, 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.

SUPPLEMENTAL INFORMATION

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED

Schedule of Board Members
For the Year Ended
December 31, 2024

Year 2024	Title	Term	City, State	Compensation
Tammy Richardson	President	January 2023 - December 2024	Spring, TX	-
Leslie Wilkins	Vice President	January 2023 - December 2024	Houston, TX	-
Calvin Williams	Recording Secretary	January 2023 - December 2024	Humble, TX	-
Joyce Price	Treasurer	January 2023 - December 2024	Plaquemine, LA	-
David Hines	Financial Secretary	January 2023 - December 2024	Dallas, TX	-
Eric West-Green	Business Manager	January 2023 - December 2024	Cedar Hill, TX	-
Robert Kills, Jr.	Parliamentarian	January 2023 - December 2024	Cincinnati, OH	-
Charles Scott	Sergeant-at-Arms	January 2023 - December 2024	Monroe, LA	-
Angelee Moody-Rhyme	Historian	January 2023 - December 2024	Houston, TX	-
Stav Bradley	Chaplain	January 2023 - December 2024	Houston, TX	-
Thomas Jones	Immediate Past President	January 2023 - December 2024	Mansfield, LA	-

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

GRAMBLING UNIVERSITY NATIONAL ALUMNI
ASSOCIATION, INCORPORATED
Schedule of Compensation - Key Management

Schedule 2

For the Year Ended
December 31, 2024

		Kathy Laton
Job Title		Office Manager
Salary	\$	19,675
Per Diem		-
Reimbursements		-
Travel		-
Registration Fees		-
Conference Travel		-
Total Compensation	\$	19,675

See Accompanying Independent Auditor's Report and Notes to Financial Statements.

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Years Ended
December 31, 2024

SUMMARY OF AUDIT RESULTS

The auditor's report expresses an unmodified opinion on the financial statements of Grambling University National Alumni Association, Incorporated.

Finding 12-24-01 (Repeat) Failure to Adequately Monitor Subordinates' Filing Compliance with IRS

The Alumni has a group exemption for affiliate chapters. Internal Revenue Service (IRS) requires each of the chapters to file annually an income tax return for a tax-exempt organization by submitting Form 990, Form 990 EZ, Form 990 N or submitting their financial information to be included in a group Form 990. Failure to file the required form for three (3) consecutive years results in an automatic revocation of the tax-exempt status of the subordinate chapter. The Alumni does not have a system in place to monitor the required filing by the chapters. As a result, many of the chapters' tax-exempt status has been revoked by IRS.

Recommendation:

The Alumni should implement a mandatory requirement that all subordinate chapters submit their financial information annually to the National office to be included in a group return. The business manager or another representative should be assigned the responsibility of monitoring the compliance of each chapter with the new requirement. Additionally, the Alumni should sponsor mandatory training for all new officers within the National and affiliated chapters. The training should at a minimum teach Alumni bylaws and constitution and IRS compliance. This training would minimize the risk of chapter non-compliance due to lack of knowledge.

Management Response:

The business manager role description will be codified to include responsibility for monitoring and maintaining active listing of chapters and their compliance.

One training has occurred thus far and two additional trainings will occur in 2024. In addition, an annual required training will be conducted on a going basis.

**Grambling University National Alumni Association, Incorporated
Schedule of Findings and Questioned Costs (Continued)**

Finding 12-24-02 (Repeat) Inadequate Segregation of Duties

The financial policy and procedures of the Alumni have an internal control design to accomplish adequate segregation of duties for check disbursements. Those controls were not followed. The operating policy requires the president to authorize and approve disbursements. Checks are supposed to be signed by two parties, the president, treasurer or the business manager. The financial secretary is a signature on the bank accounts, and the president does not approve payments before being disbursed.

Recommendation:

The Alumni should adhere to its financial policies and procedures to ensure proper segregation of duties when making payments.

Management Response:

The financial secretary will be removed immediately from the bank accounts.

For adherence to GUNAA's financial procedures, the financial disbursement process will be revised immediately by the treasurer to ensure the President is included and made knowledgeable of disbursement for approval by financial officers. A quarterly audit will be implemented immediately by the Internal Audit committee to sample disbursements to ensure compliance of two signatures and to ensure inclusion of the President.

QUESTIONED COSTS

There were no questioned costs.

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

For the Years Ended
December 31, 2024

Finding 12-23-01 Failure to Adequately Monitor Subordinates' Filing Compliance with IRS

The Alumni has a group exemption for affiliate chapters. Internal Revenue Service (IRS) requires each of the chapters to file annually an income tax return for a tax-exempt organization by submitting Form 990, Form 990 EZ, Form 990 N or submitting their financial information to be included in a group Form 990. Failure to file the required form for three (3) consecutive years results in an automatic revocation of the tax-exempt status of the subordinate chapter. The Alumni does not have a system in place to monitor the required filing by the chapters. As a result, many of the chapters' tax-exempt status has been revoked by IRS.

Recommendation:

The Alumni should implement a mandatory requirement that all subordinate chapters submit their financial information annually to the National office to be included in a group return. The business manager or another representative should be assigned the responsibility of monitoring the compliance of each chapter with the new requirement. Additionally, the Alumni should sponsor mandatory training for all new officers within the National and affiliated chapters. The training should at a minimum teach Alumni bylaws and constitution and IRS compliance. This training would minimize the risk of chapter non-compliance due to lack of knowledge.

Status: Uncleared

Finding 12-23-02 Inadequate Segregation of Duties

The financial policy and procedures of the Alumni have an internal control design to accomplish adequate segregation of duties for check disbursements. Those controls were not followed. The operating policy requires the president to authorize and approve disbursements. Checks are supposed to be signed by two parties, the president, treasurer or the business manager. The financial secretary is a signature on the bank accounts and the president does not approve payments before being disbursed.

Recommendation:

The Alumni should adhere to its financial policies and procedures to ensure proper segregation of duties when making payments.

Status: Uncleared

Grambling University National Alumni Association, Incorporated
Schedule of Findings and Questioned Costs (Continued)

Finding 12-23-03 Failure to Submit Annual Group Exemption Report

IRS requires the parent organization of a group exemption to annually file an update of its subordinate organizations reporting their employer identification number, name, and addresses. If there are no changes to the subordinate organization, the parent organization needs to simply report there are no changes. The report is due within 90 days of the close of an entity's reporting year. The Alumni did not file the required report for the year ending December 31, 2023.

Recommendation:

The Alumni should comply with IRS's requirement to provide an update report to IRS for the subordinate organizations.

Status: Cleared