

**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, 2017**

BY

**ROSIE D. HARPER
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GRAMBLING, LOUISIANA**

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As of And for The Year Ended December 31, 2017**

**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, 2017**

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Independent Auditor's Report

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

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, 2017 and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

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, 2017 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.

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

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Schedules 1 through 4 are 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
December 5, 2018

FINANCIAL STATEMENTS

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
Statement of Financial Position

December 31, 2017

Assets

Cash and Cash Equivalents	\$ 158,621
Accounts Receivable	55,708
Property and Equipment, Net (Note E)	91,611
Investment	120,209
Total Assets	426,149

Liabilities and Net Assets

Liabilities	414
Total Liabilities	414

Net Assets:

Unrestricted	(147,610)
Temporarily Restricted	57,590
Permanently Restricted	515,755
Total Net Assets	425,735
Total Liabilities and Net Assets	\$ 426,149

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, 2017

Support	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Alumni Day/Homecoming	\$ 21,170	\$ -	\$ -	\$ 21,170
Bayou Classic Revenue	16,120	-	-	16,120
Charitable Gaming Revenue	-	58,741	-	58,741
Contributions	22,781	-	-	22,781
Life Membership Dues	-	-	82,892	82,892
Membership Dues	46,790	-	-	46,790
Chapter Assessments	21,504	-	-	21,504
National Meeting	29,289	-	-	29,289
Other Events	6,611	-	-	6,611
Scholarship Revenue	-	43,968	-	43,968
Total Support	<u>164,265</u>	<u>102,709</u>	<u>82,892</u>	<u>349,866</u>
Other Revenue				
Admin Fees	19,950	-	-	19,950
Gain on Investment	2,090	-	-	2,090
Rental Income	3,000	-	-	3,000
Interest Income	92	-	-	92
Total Other Revenue	<u>25,132</u>	<u>-</u>	<u>-</u>	<u>25,132</u>
TOTAL SUPPORT	<u>189,397</u>	<u>102,709</u>	<u>82,892</u>	<u>374,998</u>
Net Assets Released from Restrictions				
Restrictions Satisfied by Payments	105,154	(105,154)	-	-
TOTAL SUPPORT AND RECLASSIFICATION	<u>294,551</u>	<u>(2,445)</u>	<u>82,892</u>	<u>374,998</u>
Expenses				
General and Administrative Expenses	120,440	-	-	120,440
Fundraiser Expenses	79,162	-	-	79,162
Program Expenses	127,369	-	-	127,369
Total Expenses	<u>326,971</u>	<u>-</u>	<u>-</u>	<u>326,971</u>
Change in Net Assets	<u>(32,420)</u>	<u>(2,445)</u>	<u>82,892</u>	<u>48,027</u>
Net Assets as of Beginning of Year	(115,491)	58,356	432,729	375,594
Other Changes in Net Assets				
Prior Period Adjustment	301	1,679	134	2,114
Total Other Changes in Net Assets	<u>301</u>	<u>1,679</u>	<u>134</u>	<u>2,114</u>
Net Assets as of End of Year	<u>\$ (147,610)</u>	<u>\$ 57,590</u>	<u>\$ 515,755</u>	<u>\$ 425,735</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, 2017

Operating Activities	
Change in Net Assets	\$ 48,027
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Provision for Depreciation	5,041
Increase in Accounts Receivable	(31,402)
Decrease in Accounts Payable/Accrued Liabilities	(15)
Unrealized Gain on Investment	(2,090)
Prior Period Adjustment	2,114
Total Adjustments	<u>(26,352)</u>
Net Cash Provided by Operating Activities	<u>21,675</u>
 Net Increase in Cash	 <u>21,675</u>
Cash and Cash Equivalents as of Beginning of Year	<u>136,946</u>
Cash and Cash Equivalents as of the End of Year	<u><u>\$ 158,621</u></u>

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, 2017

General and Administrative

Accounting and Auditing	\$ 4,921
Bank Service/Credit Card Fees	8,046
Depreciation	5,041
Equipment Rental	1,300
Gifts, Flowers and Courtesies	1,204
Insurance	6,172
Maintenance and Repairs	4,918
Office Expense	11,044
Other Expenses	6,284
Printing	2,904
Professional Fees	42,368
Telephone	3,198
Travel	18,183
Utilities	4,857
Total General and Administrative	120,440

Fundraising

Bayou Classic Expense	23,564
Golf Classic	297
Gaming Expenses	52,757
Other Fundraising Expenses	2,544
Total Fundraising	79,162

Program

Contributions	23,275
Homecoming and Alumni Day	676
National Meetings	45,303
Other Program Expense	14,760
Scholarship Awards and Student Support	43,355
Total Program	127,369

Total Functional Expenses	\$ 326,971
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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, 2017

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 Organization is recognized as a tax exempt (non-profit) organization under section 501 (c) (3) of the Internal Revenue Service Code.

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

Public Support and Revenue

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 consists mainly of membership dues, fundraising, and contributions. 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.

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 Organization 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 Organization had no cash equivalents during the audit period. On December 31, 2017, the Organization had cash totaling \$158,621 as follows:

	<u>2017</u>
Unrestricted	\$ 1,709
Temporarily Restricted	9,197
Permanently Restricted	<u>147,715</u>
Total	<u>\$ 158,621</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 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 upon examination by the IRS. Management has analyzed the tax positions taken by the Organization and has concluded that as of December 5, 2018 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 December 31, 2015, 2016, and 2017; 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 Organization 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

On July 30, 2010, the Organization invested \$101,314 into a fixed rate annuity which will mature in 2029. For the year ended December 31, 2017, the value of the annuity was as follows:

<u>2016</u>						
<u>Annuity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Renewal Terms</u>	<u>Gain</u>	<u>Owner/ Beneficiary</u>	<u>Annuitant</u>
Protective Life Insurance	\$ 120,209	2.00%	Guaranteed Minimum Interest Rate	\$ 2,090	GUNAA	Bobby Rabon
	<u>\$ 120,209</u>					

As of August 31, 2017, the annuity could be withdrawn without incurring a surrender charge. 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. PERMANENTLY RESTRICTED FUNDS HELD BY UNIVERSITY

For the year ended December 31, 2002, the Organization 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 permanently restricted. Since the funds were used to establish a permanently restricted endowed professorship, the permanent restriction of the funds is maintained.

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

NOTE E. PROPERTY AND EQUIPMENT

For the year ended December 31, 2017, the Organization had net property equipment totaling \$91,611. The following schedule reflects the balances in property and equipment as of December 31, 2017:

	1/1/2017	Additions	Deletions	12/31/2017
Depreciable Assets				
Furniture and Fixtures	\$ 23,965	\$ -	\$ -	\$ 23,965
Equipment	8,024	-	-	8,024
Building	148,484	-	-	148,484
Total Depreciable Assets	180,473	-	-	180,473
Less Accumulated Depreciation				
Depreciation	(133,231)	(5,041)	-	(138,272)
Total Accumulated Depreciation	(133,231)	(5,041)	-	(138,272)
Net Depreciable Assets	47,242	-	-	42,201
Other Property and Equipment				
Land	49,410	-	-	49,410
Net Property and Equipment	\$ 96,652	\$ -	\$ -	\$ 91,611

NOTE F. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 5, 2018 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 G. 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 (a) unrestricted, (b) temporarily restricted, or (c) permanently restricted. Temporarily restricted net assets are those whose use has been limited by donor-imposed time restrictions or purpose restrictions. Permanently restricted net assets are net assets required by donor restriction or by law to be maintained by the organization in perpetuity. Unrestricted net assets are all other net assets. Net assets as of December 31, 2017 were as follows:

2017	Temporarily Restricted						
	General Fund	Building Fund	Gaming	Scholarship	Total	Lifetime Membership	All Funds
Beginning Net Assets	\$ (115,491)	\$ 47,542	\$ 3,690	\$ 7,124	\$ 58,356	\$ 432,729	\$ 375,594
Prior Period Adjustment	301	(301)	-	1,980	1,679	134	2,114
Change in Net Assets	(32,420)	(5,041)	1,984	612	(2,445)	82,892	48,027
Ending Balance	\$ (147,610)	\$ 42,200	\$ 5,674	\$ 9,716	\$ 57,590	\$ 515,755	\$ 425,735

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

NOTE H. PRIOR PERIOD ADJUSTMENT

For the year ended December 31, 2017, the Organization had the following prior period adjustment:

	General Fund	Building Fund	Scholarship Fund	Lifetime Membership Fund	Total
Reclassifications/Voided					
Checks	\$ 301	\$ (301)	\$ 1,980	\$ 134	\$ 2,114
Total	<u>\$ 301</u>	<u>\$ (301)</u>	<u>\$ 1,980</u>	<u>\$ 134</u>	<u>\$ 2,114</u>

NOTE I. INTERFUND TRANSACTIONS

The Statement of Financial Position focuses on the Organization 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 Organization as a whole. However, since the Organization maintains separate funds to account for activities within those funds; inter-fund liabilities and receivables are recognized at the fund level. The Organization maintained the following funds for the years ended December 31, 2017:

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 permanently 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 permanently restricted. However, the earnings are unrestricted and transferred to the General Fund when paid. Life membership dues collected for the year ended December 31, 2018, were as follows:

Total Dues Collected	\$ 102,842
Less:	
Admin Fees	(19,950)
Total Deductions	<u>(19,950)</u>
Net Life Member Dues	<u>\$ 82,892</u>

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

NOTE I. INTERFUND TRANSACTIONS (continued)

At December 31, 2017, the “Due To” and “Due From” accounts for each of the funds were as follows:

<u>12/31/2017</u>	<u>Due To</u>	<u>Due From</u>
General Fund		
Scholarship Fund	\$ 4,627	\$ -
Life Membership Fund	147,523	
Total General Fund	<u>\$ 152,150</u>	<u>\$ -</u>
Scholarship Fund		
General Fund	<u>\$ -</u>	<u>\$ 4,627</u>
Total Scholarship Fund	<u>\$ -</u>	<u>\$ 4,627</u>
Life Membership Fund		
General Fund	<u>\$ -</u>	<u>\$ 147,523</u>
Total Life Membership Fund	<u>\$ -</u>	<u>\$ 147,523</u>
Total Interfund Transactions	<u>\$ 152,150</u>	<u>\$ 152,150</u>

SUPPLEMENTAL INFORMATION

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

For the Years Ended
December 31, 2017

SUMMARY OF AUDIT RESULTS

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

Finding 12-17-01 Bank reconciliations not completed timely.

For the year ended December 31, 2017, the Alumni failed to timely complete bank reconciliations. Generally, bank customers have 60 days to notify their financial institutions of an error or unauthorized transaction. After this period, the customer can be subject to unlimited losses.

Recommendation:

The Alumni should implement procedures to ensure that bank statements are reconciled timely each month to protect the organization against errors and fraudulent transactions. An officer who is independent of the check preparation process should review, date and sign the bank reconciliations, noting any unusual transactions and ensuring that all electronic transfers and withdrawals were for legitimate business purposes.

Management Response:

We concur with the finding and have established policies and procedures to avoid such an occurrence in the future. It is currently the responsibility of the office staff and the Business Manager to ensure that the bank reconciliations are done on a monthly basis. However, because the Business Manager is also a check signer, it will be recommended that the Financial Secretary become responsible for the bank reconciliations. The officer and staff involved in not accomplishing this task are no longer in position.

Finding 12-17-02 Inadequate record keeping and documentation.

Proper documentation and record-keeping are essential components of a strong internal control system. For the year ended December 31, 2017, the Alumni's financial records for revenue and expenses were either incomplete or missing. Documentation was not readily available for inspection. The records had to be researched and reconstructed before the audit could be conducted.

Recommendation:

The Alumni should implement a system which provides for maintenance and safeguarding financial records. All reimbursements and expenditures should have sufficient documentation that is signed or initialed by the appropriate officer to indicate authorization of the reimbursement or expenditure. The supporting documentation should clearly indicate the date incurred, name of vendor, the amount of the payment and the legitimate business purpose for the payment.

Management Response:

We concur with the finding and have taken steps to obtain the documents. Policies and procedures are in place to require adequate and sufficient documentation for all financial transactions. Unfortunately, former staff members did not follow policy and procedures in maintaining the appropriate documentation in the file cabinets within the Alumni Center. In addition to physical records, we will begin keeping electronic records as well. We have now established an effective filing system that includes a voucher file, vendor file, donor file, Life Membership file, and chapter file.

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

Finding 12-17-03 Disbursement of permanently restricted funds.

The Alumni maintains a permanently restricted fund for Lifetime Membership. The principal fund is permanently restricted from being expended except for the earnings which are unrestricted (can be expended at the discretion of the governing body). During the year ending December 31, 2017, the Alumni deposited net Lifetime Membership funds of \$82,892 into the General Fund account. \$38,481 of those funds were not transferred to the Lifetime Membership accounts.

Historically, the Alumni has borrowed from or failed to transfer funds as required to the Lifetime Membership accounts. As a result, the interfund liability has continued to increase. As of December 31, 2017, the amount currently owed to Lifetime Membership Fund from the General Fund is \$147,523.

Recommendation:

As funds are received, the Alumni should immediately transfer permanently restricted funds to the proper accounts. These funds should not be expended or borrowed. A written agreement should be established to repay the interfund debt of \$147,523 as quickly as possible.

Management Response:

We concur with the finding and agree that all funds received for Life Membership are to be deposited into the Life Membership Permanently Restricted Account. If the funds are received with other funds, the funds will be deposited into the General Account and then transferred to the Life Membership Permanently Restricted Account. Each month this process is to be performed to ensure that funds are transferred to the appropriate account.

The Life Membership program was established 35-years ago under the E. Faye Williams administration. This program was designed to create an endowment for GUNAA. However, with many members taking advantage of this program, left fewer members as regular members, which meant less income for the organization for general operating use. Additionally, little had been done to obtain a better return on investment of these funds.

As a result, a committee has been established to seek better investment opportunities and to ensure that proper approval has been granted by Life members, as well as to seek better incentives for becoming a Life Member.

Because the funds were used for organizational operation, Life Members will be asked to forgive the debt from the General Fund. If Life Member do not approve this measure, a repayment plan will be established to eventually transfer the appropriate amount due to the Life Membership Fund.

Finding 12-17-04 Event Planning Losses

The Alumni hosted multiple events during the year ending December 31, 2017 which generated substantial losses.

Recommendation:

The Alumni should better plan events to minimize risk of losses. Early registration and payments should be encouraged so a better assessment can be made concerning revenue projections. If event revenue is projected to be substantially less than event cost, the Alumni should make the necessary adjustments to reduce losses from the event.

Management Response:

Obtaining resources from other sources other than membership is a key component of the organization. Planning for this is key to the success of any undertaking. However, there are times when unforeseen events occur that interfere with planning and cause events not to prosper as planned. We have learned from such occurrences in 2017 that will help us to improve upon our planning and implementation. Therefore, we concur with the findings and will provide training to all committee chairs on proper planning and execution of events.

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

Finding 12-17-05 Event Costs and Revenue Not Properly Recorded to General Ledger

For year ending December 31, 2017, the Alumni prepared event reports for the National Convention, Tulane Game Event and the Bayou Classic Events. The amounts posted to the general ledger for each of these events did not reconcile to the reports.

Recommendation:

The Alumni should record revenue and costs for events accurately to the general ledger. For any revenue owed to the Alumni from events, a receivable should be recorded in the general ledger. The Alumni should ensure that all revenue and costs are properly captured, recorded and reconciles to the reports for each event.

Management Response:

Management concurs with the finding. These reports were prepared by staff without proper recording in our accounting system, QuickBooks. This led to under or over stating transactions associated with the event. As a result, staff has been changed and records are being recorded appropriately, reconciled and filed

Finding 12-17-06 Untimely Reporting (Repeat)

For the year ended December 31, 2017, the Alumni failed to have an annual audit conducted by June 30th of the following year as required by Louisiana R.S. 17:3390. Copies of the audit report is to be filed with the Legislative Auditor.

Recommendation:

The Alumni should comply with Louisiana R.S. 17:3390 and have an annual audit conducted and completed by June 30th of the following year. Copies of the audit are to be submitted to Grambling State University and filed with the Legislative Auditor.

Management Response:

Management concurs with the finding. Due to staffing issues and a lack of proper record keeping, we were not prepared to conduct the audit timely. As a result, staffing changes have been completed and a filing system has been established. We have also implemented a schedule to ensure that the organization is ready for the audit in early March. This should allow for the audit and the 990 to be completed by the May 15th.

Since this has been a repeat finding, it is imperative that the organization maintain competent staff and officers handling finances.

In addition, management has established a Ways and Means Committee to review operations and make recommendations to improve our fiscal management.

QUESTIONED COSTS

There were no questioned costs.

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED

Summary Schedule of Prior Audit Findings

For the Year Ended
December 31, 2017

Finding 12-16-01 Untimely Reporting

For the year ended December 31, 2017, the Alumni failed to have an annual audit conducted by June 30th of the following year as required by Louisiana R.S. 17:3390. Copies of the audit report is to be filed with the Legislative Auditor.

STATUS: UNCLEARED

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED

Schedule of Board Members
For the Year Ended
December 31, 2017

Year 2017	Title	Compensation
Russell Leday	President	-
Cathy Conwright	Vice President	-
Angela D. Abrams	Secretary	-
Benjamin Williams	Treasurer	-
Mary Cole	Financial Secretary	-
James Bradford	Business Manager	-
Melissa Bickham	Immediate Past President	-

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

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

Schedule 4

For the Year Ended
December 31, 2017

	<u>Garnesha Beck</u>	<u>Hackney, Shadavalyn D.</u>
Job Title	<u>Office Manager</u>	<u>Bookkeeper</u>
Salary	\$ 25,065	\$ 10,602
Benefits-Insurance	-	-
Benefits-Retirement	-	-
Other Benefits	-	-
Car Allowance	-	-
Vehicle provided by Government	-	-
Per Diem	-	-
Reimbursements	-	-
Travel	-	-
Registration Fees	-	-
Conference Travel	-	-
Continuing Professional Education Fees	-	-
Housing	-	-
Unvouchered Expenses	-	-
Special Meals	-	-
Total Compensation	<u><u>\$ 25,065</u></u>	<u><u>\$ 10,602</u></u>

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