

**GRAMBLING UNIVERSITY NATIONAL ALUMNI  
ASSOCIATION, INCORPORATED  
GRAMBLING, LOUISIANA**

**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
WITH SUPPLEMENTAL INFORMATION  
As of And for The Years Ended  
December 31, 2009 and December 31, 2008**

**BY**

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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 Years Ended  
December 31, 2009 and December 31, 2008**

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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 statement of financial position of Grambling University National Alumni Association, Incorporated (a nonprofit organization) as of December 31, 2009 and December 31, 2008, and the related statements of activities, cash flows and functional expenses for the years then ended. These financial statements are the responsibility of the Grambling University National Alumni Association, Incorporated's management. My responsibility is to express an opinion on these financial statements based on my audit.

Except as discussed in the following paragraph, 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In February of 2008, the former president of the organization took control of \$50,827 to open new bank accounts. The former president denied the other Alumni officers access to the new bank accounts. In 2010, the former president returned \$43,952 to the Alumni's attorney to be held in escrow. The former president denied my request to provide documentation pertaining to the new accounts for audit testing.

In my opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had I been able to perform proper tests and procedures on the cash held by the former president, the financial statements referred to in the first paragraph presents fairly, in all material respects, the financial position of Grambling University National Alumni Association, Incorporated as of December 31, 2009 and December 31, 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Rosie D. Harper  
Certified Public Accountant

Monroe, Louisiana  
May 31, 2011

**FINANCIAL STATEMENTS**

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED  
Statement of Financial Position

December 31, 2009 and December 31, 2008

	2009	2008
<b>Assets</b>		
Cash and Cash Equivalents	\$ 33,951	\$ 36,447
Property and Equipment, Net (Note B)	131,939	136,980
Funds Held by President	50,827	50,827
Investment	101,314	101,314
Total Assets	318,031	325,568
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accrued Liabilities	583	71
Due to GSU	46,155	46,155
Total Liabilities	46,738	46,226
Net Assets:		
Unrestricted	(149,867)	(136,062)
Temporarily Restricted	113,905	112,349
Permanently Restricted	307,255	303,055
Total Net Assets	271,293	279,342
Total Liabilities and Net Assets	\$ 318,031	\$ 325,568

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

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED  
Statement of Activities

For the Years Ended  
December 31, 2009 and December 31, 2008

UNRESTRICTED NET ASSETS	2009	2008	Total
<b>Support</b>			
Alumni Day Fund	\$ 1,275	\$ -	\$ 1,275
Bank Commissions	-	736	736
Membership Dues	8,644	20,300	28,944
Chapter Assessments	1,390	3,330	4,720
National Meeting	-	5,385	5,385
Bayou Classic Revenue	-	275	275
Other Support	18,060	14,150	32,210
Total Support	<u>29,369</u>	<u>44,176</u>	<u>73,545</u>
<b>Other Revenue</b>			
Interest Income	2,575	5,457	8,032
Total Other Revenue	<u>2,575</u>	<u>5,457</u>	<u>8,032</u>
TOTAL UNRESTRICTED SUPPORT	<u>31,944</u>	<u>49,633</u>	<u>81,577</u>
<b>Net Assets Released from Restrictions</b>			
Restrictions Satisfied by Payments	69,333	51,553	120,886
TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATION	<u>101,277</u>	<u>101,186</u>	<u>202,463</u>
<b>Expenses</b>			
General and Administrative Expenses	49,213	29,663	78,876
Fundraiser Expenses	54,577	45,154	99,731
Program Expenses	9,292	3,012	12,304
Total Expenses	<u>113,082</u>	<u>77,829</u>	<u>190,911</u>
Change in Unrestricted Net Assets	<u>(11,805)</u>	<u>23,357</u>	<u>11,552</u>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>			
<b>Revenue</b>			
Charitable Gaming Revenue	67,242	54,583	121,825
Scholarship Revenue	1,647	5,750	7,397
Other Support	-	1,435	1,435
Total Other Revenue	<u>68,889</u>	<u>61,768</u>	<u>130,657</u>
<b>Other Revenue</b>			
Interest Income	-	7	7
Total Other Revenue	<u>-</u>	<u>7</u>	<u>7</u>
TOTAL TEMPORARILY RESTRICTED SUPPORT AND RECLASSIFICATION	<u>(69,333)</u>	<u>(51,553)</u>	<u>(120,886)</u>
Change in Temporarily Restricted Net Assets	<u>(444)</u>	<u>10,222</u>	<u>9,778</u>
<b>PERMANENTLY RESTRICTED NET ASSETS</b>			
<b>Revenue</b>			
Membership Dues	4,200	10,770	14,970
Total Other Revenue	<u>4,200</u>	<u>10,770</u>	<u>14,970</u>
TOTAL PERMANENTLY RESTRICTED SUPPORT AND RECLASSIFICATION	<u>4,200</u>	<u>10,770</u>	<u>14,970</u>
Change in Permanently Restricted Net Assets	<u>4,200</u>	<u>10,770</u>	<u>14,970</u>
Change in Net Assets	<u>(8,049)</u>	<u>44,349</u>	<u>36,300</u>
Net Assets as of Beginning of Year	279,342	277,931	557,273
<b>Other Changes in Net Assets</b>			
Prior Period Changes	-	(42,938)	(42,938)
Total Other Changes in Net Assets	<u>-</u>	<u>(42,938)</u>	<u>(42,938)</u>
Net Assets as of End of Year	<u>\$ 271,293</u>	<u>\$ 279,342</u>	<u>\$ 550,635</u>

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

**GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED**  
**Statement of Cash Flows**

For the Years Ended  
December 31, 2009 and December 31, 2008

	<u>2009</u>	<u>2008</u>
<b>Operating Activities</b>		
Change in Net Assets	\$ (8,049)	\$ 44,349
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Provision for Depreciation	5,041	5,679
Decrease (Increase) in Due from General Fund	(10,750)	-
Decrease (Increase) in Accounts Payable/Accrued Liabilities	512	70
Increase (Decrease) in Due to GSU	-	46,155
Increase (Decrease) in Due to Life Membership	10,750	-
Prior Period Adjustment	-	(46,155)
Total Adjustments	<u>5,553</u>	<u>5,749</u>
Net Cash Provided (Used) by Operating Activities	<u>(2,496)</u>	<u>50,098</u>
<b>Investing Activities</b>		
Funds Held by President	-	(50,827)
Cash Deposited in Certificate of Deposit	-	(1,314)
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>(52,141)</u>
<b>Net Increase (Decrease) in Cash</b>	<u>(2,496)</u>	<u>(2,043)</u>
Cash and Cash Equivalents as of Beginning of Year	<u>36,447</u>	<u>38,490</u>
Cash and Cash Equivalents as of the End of Year	<u>\$ 33,951</u>	<u>\$ 36,447</u>

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



GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED  
Statement of Functional Expenses

For the Years Ended  
December 31, 2009 and December 31, 2008

	<u>2009</u>	<u>2008</u>	<u>Total</u>
<b>General and Administrative</b>			
Accounting/Auditing	\$ 1,105	\$ 3,600	\$ 4,705
Advertising	355	-	355
Bank Service Charges	36	375	411
Bayou Classic Expense	2,588	-	2,588
Contributions	200	-	200
Depreciation	5,041	5,679	10,720
Gifts, Flowers & Courtesies	87	-	87
Insurance	1,750	1,780	3,530
Maintenance & Repairs	2,853	800	3,653
Miscellaneous	390	2,458	2,848
Office Expense	944	2,446	3,390
Other Expenses	5,488	-	5,488
Postage and Delivery	274	1,269	1,543
Printing	-	603	603
Professional Fees	21,575	4,433	26,008
Supplies	8	-	8
Storage	-	55	55
Telephone	2,942	3,009	5,951
Travel	597	-	597
Utilities	2,980	3,156	6,136
<b>Total General and Administrative</b>	<u>49,213</u>	<u>29,663</u>	<u>78,876</u>
<b>Fundraising</b>			
Bingo Hall Rent	37,063	30,896	67,959
Fines and Penalties	180	75	255
Fundraising Expense	1,011	2,092	3,103
Membership Pins	1,078	1,398	2,476
Office Supplies	15	182	197
Other Supplies	920	853	1,773
Payroll Expense	12,910	9,258	22,168
Professional Fees	1,400	400	1,800
<b>Total Fundraising</b>	<u>54,577</u>	<u>45,154</u>	<u>99,731</u>
<b>Program</b>			
Homecoming/Alumni Day	817	1,912	2,729
Scholarship Awards	8,475	1,100	9,575
<b>Total Program</b>	<u>9,292</u>	<u>3,012</u>	<u>12,304</u>
<b>Total Functional Expenses</b>	<u>\$ 113,082</u>	<u>\$ 77,829</u>	<u>\$ 190,911</u>

See Accompanying 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 Years Ended**  
**December 31, 2009 and December 31, 2008**

**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, Louisiana. 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.

**Basis of Presentation**

For the periods ended December 31, 2009 and 2008, the Organization followed provisions of Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. Statement No. 117 requires the Organization 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 values. Statement No. 117 establishes standards for general-purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows.

**Public Support and Revenue**

Revenue and public support consists mainly of membership dues, fundraising, and contributions. In accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made", contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by time by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a time restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**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, 2009 and 2008, the Organization had cash totaling \$33,951 and \$36,447 as follows:

	<u>2009</u>	<u>2008</u>
Unrestricted	\$ 7,705	\$ 8,029
Temporarily Restricted	14,759	10,564
Permanently Restricted	11,487	17,854
Total	<u>\$ 33,951</u>	<u>\$ 36,447</u>

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

**NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**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.

**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**

The investment of the Organization consisted of a certificate of deposit for the years ended December 31, 2009 and 2008. The certificate has an automatic renewal term and the amounts are as follows:

<b>2009</b>			
<u>Certificate of Deposit</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Renewal Terms</u>
Regions	\$ 101,314	1.75%	9 Months
	<u>\$ 101,314</u>		
<b>2008</b>			
<u>Certificate of Deposit</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Renewal Terms</u>
Regions	\$ 101,314	1.75%	9 Months
	<u>\$ 101,314</u>		

**NOTE C. PROPERTY AND EQUIPMENT**

For the years ended December 31, 2009 and December 31, 2008, the Organization had net property equipment totaling \$131,939 and 136,980, respectively. The following schedule reflects the balances in property and equipment at December 31, 2009 and December 31, 2008:

	<u>1/1/2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/2009</u>
Depreciable Assets				
Furniture & 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	(92,903)	(5,041)	-	(97,944)
Total Accumulated Depreciation	<u>(92,903)</u>	<u>(5,041)</u>	-	<u>(97,944)</u>
Net Depreciable Assets	87,570	-	-	82,529
Other Property & Equipment				
Land	49,410	-	-	49,410
Net Property & Equipment	<u>\$ 136,980</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131,939</u>

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

**NOTE C. PROPERTY AND EQUIPMENT (Continued)**

	1/1/2008	Additions	Deletions	12/31/2008
Depreciable Assets				
Furniture & 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	(87,224)	(5,679)	-	(92,903)
Total Accumulated Depreciation	(87,224)	(5,679)	-	(92,903)
Net Depreciable Assets	93,249	-	-	87,570
Other Property & Equipment				
Land	49,410	-	-	49,410
Net Property & Equipment	\$ 142,659	\$ -	\$ -	\$ 136,980

**NOTE D. 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 E. DUE TO GSU**

In 2006, a claim was filed against the Grambling University National Alumni Association by the Board of Supervisors of the Louisiana University System to recoup approximately \$40,000 of disputed funds from the 2005 Bayou Classic. As of June 9, 2010, a settlement agreement was made between the two parties for the Alumni to pay \$46,155 to Grambling State University.

**NOTE F. UNAUTHORIZED FUNDS TRANSFER**

In 2008, the former president of the organization took control of \$50,827 to open new bank accounts. The former president denied the other Alumni officers access to the new bank accounts. In 2010, the former president returned \$43,952 to the Alumni's attorney Culpepper & Carroll, PLLC Attorneys at Law to be held in escrow as follows:

Total Funds Under Control of Former President in 2008	\$ 50,827
Funds Returned to the Alumni's Attorney in 2010	43,952
Outstanding Funds Due from Former President	<u>\$ 6,875</u>

The executive board had no access to and received no accounting of the funds during the time they were under the control of the former president. Therefore, the financial statements do not reflect any financial activity as it relates to those accounts.

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

**NOTE G. 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.

**NOTE H. PRIOR PERIOD ADJUSTMENT**

For the year ended December 31, 2008, the Organization had the following prior period adjustment:

Voided Checks	\$	3,217
Funds Due to GSU		<u>(46,155)</u>
Total	\$	<u>(42,938)</u>

**NOTE I. INTERFUND TRANSACTIONS**

Following SFAS No. 117, the statement of Financial Position focuses on the Organization as a whole. Therefore, interfund receivables ("Due From") and interfund 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; interfund liabilities and receivables are recognized at the fund level. The Organizations maintained the following funds for the years ended December 31, 2009 and December 31, 2008:

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. 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.

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

**NOTE 1. INTERFUND TRANSACTIONS (Continued)**

At December 31, 2009 and December 31, 2008, the "Due To" and "Due From" accounts for each of the funds were as follows:

<u>12/31/2009</u>	<u>Due To</u>	<u>Due From</u>
<b>General Fund</b>		
Scholarship Fund	\$ 10,596	\$ -
Life Membership Fund	127,193	-
Total General Fund	<u>137,789</u>	<u>-</u>
<b>Scholarship Fund</b>		
General Fund	-	10,596
Total Scholarship Fund	<u>-</u>	<u>10,596</u>
<b>Building Fund</b>		
Life Membership Fund	49,658	-
Total Building Fund	<u>49,658</u>	<u>-</u>
<b>Life Membership Fund</b>		
Building Fund	-	49,658
General Fund	-	127,193
Total Life Membership Fund	<u>-</u>	<u>176,851</u>
<b>Total Interfund Transactions</b>	<u><b>\$ 187,447</b></u>	<u><b>\$ 187,447</b></u>
<u>12/31/2008</u>	<u>Due To</u>	<u>Due From</u>
<b>General Fund</b>		
Scholarship Fund	\$ 10,458	\$ -
Life Membership Fund	116,627	-
Total General Fund	<u>127,085</u>	<u>-</u>
<b>Scholarship Fund</b>		
General Fund	-	10,458
Total Scholarship Fund	<u>-</u>	<u>10,458</u>
<b>Building Fund</b>		
Life Membership Fund	49,658	-
Total Building Fund	<u>49,658</u>	<u>-</u>
<b>Life Membership Fund</b>		
Building Fund	-	49,658
General Fund	-	116,627
Total Life Membership Fund	<u>-</u>	<u>166,285</u>
<b>Total Interfund Transactions</b>	<u><b>\$ 176,743</b></u>	<u><b>\$ 176,743</b></u>

**SUPPLEMENTAL INFORMATION**



GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED  
Schedule of Payments to Grambling State University (GSU) Employees

For the Years Ended  
December 31, 2009 and December 31, 2008

<b>2009</b>	
<b>Employees</b>	<b>Payments</b>
Stringfellow, Marcus	\$ 1,255
<b>Total Payments to GSU Employees</b>	<b>\$ 1,255</b>

<b>2008</b>	
<b>Employees</b>	<b>Payments</b>
Stringfellow, Marcus	\$ 600
<b>Total Payments to GSU Employees</b>	<b>\$ 600</b>

See Accompanying Auditor's Report.

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

For the Years Ended  
December 31, 2009 and December 31, 2008

**SUMMARY OF AUDIT RESULTS**

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

**FINDINGS-FINANCIAL STATEMENTS AUDIT**

**Finding 08-01 Unauthorized Opened and Closed Bank Accounts**

In February of 2008, the former president of the organization took control of \$50,827 to open new bank accounts without the approval of the executive board. The former president denied the other Alumni officers access to the new bank accounts. In 2010, the former president returned \$43,952 to the Alumni's attorney Culpepper & Carroll, PLLC Attorneys at Law to be held in escrow. The executive board had no access to and received no accounting of the funds during the time they were under the control of the former president.

**Recommendation:**

Before any bank accounts are opened or closed, an approval should be obtained from the executive board.

**Management Response:**

*We concur with the findings and have policies and procedures to avoid such an occurrence. The Board of Directors must authorize the opening of a bank account or other financial vehicle. Two officers of the Board must sign and countersign on all financial transactions. The officer involved in establishing these unauthorized accounts is no longer in the position. This officer was in violation of existing rules and regulations of the association.*

**Finding 08-02 Inadequate Documentation**

The former president refused to provide documentation to support the financial transactions which occurred while Alumni funds were under the former president's exclusive control.

**Recommendation:**

Adequate and sufficient documentation should be maintained for all financial transactions, and such documentation should be made available during the audit process.

**Management Response:**

*We concur with the finding and have taken steps to obtain the documents from the former president. Policies and procedures are in place to require adequate and sufficient documentation for all financial transactions. The former president is in violation of this requirement and is no longer in the position and does not have access to the current records of the association.*

**Grambling University National Alumni Association, Incorporated  
Schedule Of Findings And Questioned Costs (Continued)**

**Finding 08-03 Expenditures of Restricted Assets**

- A. The Organization maintains a Lifetime Membership Account. Lifetime Membership dues that are deposited into the account are permanently restricted. However, the interest earned on the Lifetime Membership account is unrestricted and can be transferred to the General fund. During 2008 and 2009, \$3,273 and \$10,566 of permanently restricted funds, respectively, were either expended or not deposited to the Lifetime Membership Account.

**Recommendation:**

All Lifetime Membership deposits should be deposited into the proper account and no General Fund expenditures should be paid from the Lifetime Membership account.

**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. In the event that those funds are received with other funds, those funds will be deposited into the General Account and 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.*

- B. The Organization maintains a Scholarship fund which is temporarily restricted for the purpose of providing scholarships to Grambling State University's students. In 2008 and 2009, \$4,309 and \$138 respectively were either expended or not deposited into the Scholarship account.

**Recommendation:**

All Scholarship deposits should be deposited into the proper account and only Scholarship expenditures should be paid from the Scholarship's account.

**Management Response:**

*We concur with the finding and agree that all funds received for Scholarships are to be deposited into the Scholarship Account. In the event that funds for scholarships are received with other funds, the funds will be deposited in the General Account and then transferred to the Scholarship Account. Each month this process is to be performed to ensure that funds are transferred to the appropriate account.*

**QUESTIONED COSTS**

There were no questioned costs.