

**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, 2015**

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 Year Ended
December 31, 2015**

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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, 2015 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, 2015 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.

Rosie D. Harper
Certified Public Accountant
June 24, 2016

FINANCIAL STATEMENTS

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
Statement of Financial Position

December 31, 2015

Assets

Cash and Cash Equivalents	\$ 111,033
Accounts Receivable	6,410
Property and Equipment, Net (Note E)	101,693
Investment	116,113
Total Assets	<u>335,249</u>

Liabilities and Net Assets

Liabilities	<u>167</u>
Total Liabilities	<u>167</u>

Net Assets:

Unrestricted	(156,174)
Temporarily Restricted	110,051
Permanently Restricted	<u>381,205</u>
Total Net Assets	<u>335,082</u>
Total Liabilities and Net Assets	<u>\$ 335,249</u>

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, 2015

UNRESTRICTED NET ASSETS**Support**

Alumni Day/Homecoming	\$ 12,270
Contributions	31,138
Membership Dues	30,411
Chapter Assessments	5,324
National Meeting	28,330
Bayou Classic Revenue	5,495
Total Support	<u>112,968</u>

Other Revenue

Gain on Investment	2,276
Rental Income	3,000
Interest Income	110
Total Other Revenue	<u>5,386</u>

TOTAL UNRESTRICTED SUPPORT 118,354

Net Assets Released from Restrictions

Restrictions Satisfied by Payments	<u>56,215</u>
TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATION	174,569

Expenses

General and Administrative Expenses	69,663
Fundraiser Expenses	45,449
Program Expenses	59,677
Total Expenses	<u>174,789</u>

Change in Unrestricted Net Assets (220)

TEMPORARILY RESTRICTED NET ASSETS**Revenue**

Charitable Gaming Revenue	39,414
Scholarship Revenue	<u>22,155</u>
Total Revenue	<u>61,569</u>

TOTAL TEMPORARILY RESTRICTED SUPPORT
AND RECLASSIFICATION (56,215)

Change in Temporarily Restricted Net Assets 5,354

PERMANENTLY RESTRICTED NET ASSETS**Revenue**

Life Membership Dues	<u>13,721</u>
Total Revenue	<u>13,721</u>

TOTAL PERMANENTLY RESTRICTED SUPPORT
AND RECLASSIFICATION 13,721

Change in Permanently Restricted Net Assets 13,721

Change in Net Assets 18,855

Net Assets as of Beginning of Year 315,982

Other Changes in Net Assets

Prior Period Adjustment	<u>245</u>
Total Other Changes in Net Assets	245

Net Assets as of End of Year \$ 335,082

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, 2015

Operating Activities

Change in Net Assets	\$ 18,855
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Decrease in Accounts Receivable	7,880
Provision for Depreciation	5,041
Increase in Accounts Payable/Accrued Liabilities	-
Unrealized Gain on Investment	(2,277)
Prior Period Adjustment	245
Total Adjustments	10,889
Net Cash Provided by Operating Activities	29,744
 Net Decrease in Cash	 29,744
Cash and Cash Equivalents as of Beginning of Year	81,289
Cash and Cash Equivalents as of the End of Year	\$ 111,033

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, 2015

General and Administrative

Accounting and Auditing	\$ 7,970
Bank Service Charges	740
Cable	888
Depreciation	5,041
Equipment Rental	366
Gifts, Flowers and Courtesies	574
Insurance	4,519
Legal Fees	2,035
Maintenance and Repairs	2,711
Office Supplies	5,634
Other Expenses	2,372
Printing	1,689
Professional Fees	24,161
Telephone	3,046
Travel	3,500
Utilities	4,417
Total General and Administrative	69,663

Fundraising

Bayou Classic Concert Expense	1,120
Golf Classic	2,836
Gaming Expenses	40,515
Membership Pins	978
Total Fundraising	45,449

Program

Contributions	5,799
Homecoming and Alumni Day	14,336
National Meetings	11,753
Scholarship Awards and Student Support	27,789
Total Program	59,677

Total Functional Expenses	\$ 174,789
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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, 2015

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.

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, 2015 the Organization had cash totaling \$111,033 as follows:

	<u>2015</u>
Unrestricted	\$ 12,939
Temporarily Restricted	20,013
Permanently Restricted	78,081
Total	<u>\$ 111,033</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 June 24, 2016 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, 2013, 2014, and 2015; 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 originally matured on August 4, 2012. The annuity is renewed automatically at maturity unless otherwise changed by the Alumni. For the year ended December 31, 2015, the value of the annuity was as follows:

<u>2015</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	\$ 116,113	2.00%	Fixed 2 Year	\$ 2,277	GUNAA	Bobby Rabon
	<u>\$ 116,113</u>					

The annuity can be withdrawn on August 5, 2018 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. 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, 2015, the Organization had net property equipment totaling \$101,693 respectively. The following schedule reflects the balances in property and equipment as of December 31, 2015:

	1/1/2015	Additions	Deletions	12/31/2015
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	(123,149)	(5,041)	-	(128,190)
Total Accumulated Depreciation	(123,149)	(5,041)	-	(128,190)
Net Depreciable Assets	57,324	-	-	52,283
Other Property and Equipment				
Land	49,410	-	-	49,410
Net Property and Equipment	\$ 106,734	\$ -	\$ -	\$ 101,693

NOTE F. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 24, 2016 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, 2015 were as follows:

2015	Temporarily Restricted						Lifetime Membership	All Funds
	General Fund	Building Fund	Gaming	Scholarship	Total			
Beginning Net Assets	\$ (163,705)	\$ 106,734	\$ 3,175	\$ 1,544	\$ 111,453	\$ 368,234	\$ 315,982	
Prior Period Adjustment	245	-	-	-	-	-	245	
Change in Net Assets	6,536	(5,041)	(1,101)	4,740	(1,402)	13,721	18,855	
Ending Balance	\$ (156,924)	\$ 101,693	\$ 2,074	\$ 6,284	\$ 110,051	\$ 381,955	\$ 335,082	

NOTE H. PRIOR PERIOD ADJUSTMENT

For the year ended December 31, 2015, the Organization had the following prior period adjustment:

Voided Checks	\$ 245
Total	\$ 245

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

NOTE I. INTERFUND TRANSACTIONS

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 Organization maintained the following funds for the years ended December 31, 2015:

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.

At December 31, 2015, the “Due To” and “Due From” accounts for each of the funds were as follows:

12/31/2015	Due To	Due From
General Fund		
Scholarship Fund	\$ -	\$ 11,510
Life Membership Fund	133,583	
Total General Fund	<u>\$ 133,583</u>	<u>\$ 11,510</u>
Scholarship Fund		
General Fund	\$ 11,510	\$ -
Total Scholarship Fund	<u>\$ 11,510</u>	<u>\$ -</u>
Building Fund		
Life Membership Fund	\$ 49,658	\$ -
Total Building Fund	<u>\$ 49,658</u>	<u>\$ -</u>
Life Membership Fund		
Building Fund	\$ -	\$ 49,658
General Fund	-	133,583
Total Life Membership Fund	<u>\$ -</u>	<u>\$ 183,241</u>
Total Interfund Transactions	<u>\$ 194,751</u>	<u>\$ 194,751</u>

SUPPLEMENTAL INFORMATION

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED

Summary Schedule of Prior Audit Findings

For the Year Ended
December 31, 2015

FINDINGS-FINANCIAL STATEMENTS AUDIT

Finding 12-13-04 Untimely Reporting

For the year ended December 31, 2014, 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 annual audits are to be filed with the Legislative Auditor.

Current Status:

CLEARED

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED

Schedule of Board Members
For the Years Ended
December 31, 2015

Year 2015	Title	Compensation
Melissa Bickham	President	-
Thomas Jones	Vice President	-
Ruby Higgins	Secretary	-
Benjamin Williams	Treasurer	-
Jackie Slacks	Financial Secretary (Past)	-
Mary Cole	Business Manager	-

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

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

For the Year Ended
December 31, 2015

	<u>Bradley Jr., Stavinoha</u>	<u>Cato, Betty</u>	<u>Jackson, Vickie</u>
Job Title	Office Manager	Bookkeeper	Office Manager (Former)
Salary	\$ 5,973	\$ 5,288	\$ 10,500
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>\$ 5,973</u>	<u>\$ 5,288</u>	<u>\$ 10,500</u>

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