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**GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
GRAMBLING, LOUISIANA**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2011**

BY

**BOBBY GRAY
CERTIFIED PUBLIC ACCOUNTANT**

**Post Office Box 1145
Grambling, Louisiana 71245**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JAN 11 2012**

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
Grambling, Louisiana

Financial Statements
And
Independent Auditor's Report
With Supplemental Information
For the Year Ended June 30, 2011

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Bobby Gray
Certified Public Accountant

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Income Tax Services

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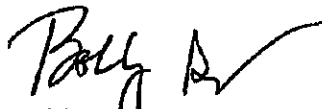
Independent Auditor's Report

To the Board of Directors
Grambling University Athletic Foundation
Grambling, Louisiana

I have audited the accompanying statement of financial position of Grambling University Athletic Foundation (a nonprofit organization) as of June 30, 2011, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Foundation's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit 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 my opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of Grambling University Athletic Foundation as of June 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Bobby Gray
Certified Public Accountant
Grambling, Louisiana
December 12, 2011

FINANCIAL STATEMENTS

Statement A

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION, INCORPORATED
Statement of Financial Position
June 30, 2011

Assets	
Cash and cash equivalents	\$ 203,987
Accounts receivable	428
Investments	3,750
Property and equipment	46,511
Total assets	\$ 254,676
Liabilities	
Accrued liabilities	\$ 28
Total liabilities	28
Net assets	
Unrestricted	
Board Designated	
GUAQ Quasi-Endowment	\$ 47,968
Net assets invested in property and equipment	-
Total board-designated	47,968
Undesignated	39,961
Total unrestricted	87,929
Temporarily restricted	166,719
Total net assets	254,648
Total liabilities and net assets	\$ 254,676

See accompanying notes to the financial statements.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2011

	Unrestricted	Temporarily Restricted	Total
Support and revenue			
Contributions	\$ 68,040	\$ 3,526	\$ 71,566
Fundraisers	-	20,935	20,935
Membership dues	22,063	-	22,063
Other revenue			
Interest income	108	938	1,044
Dividends	1,098	-	1,098
Gains (losses) on investments	82	-	82
Other miscellaneous	-	-	-
Reclassifications of net assets			
Net assets released from restrictions:			
Restrictions satisfied by payments	119,867	(119,867)	-
Other reclassifications(Adm. Fees)	2,069	(2,069)	-
Total support, revenue, reclassifications, and releases from restrictions	213,325	(96,537)	116,788
Expenses			
Management and general	8,524	81	8,605
Fundraising expenses	-	-	-
Program expenses	167,486	-	167,486
Total expenses	176,010	81	176,091
Changes in net assets	37,315	(96,618)	(59,303)
Other changes in net assets			
Transfers in (out)	1,678	(1,678)	-
Total other changes in net assets	1,678	(1,678)	-
Total changes in net assets	38,993	(98,296)	(59,303)
Net assets at beginning of year	92,609	221,106	313,715
Restatement of beginning net assets	-	236	236
Net assets at end of year	\$ 131,602	\$ 123,046	\$ 254,648

See accompanying notes to the financial statements.

Statement C

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
Statement of Cash Flows
For the Year Ended June 30, 2011

Cash flows from operating activities:	
Change in net assets	\$ (59,303)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Provision for depreciation	8,456
(Increase) decrease in accounts receivable	376
Increase (decrease) in accounts payable/accrued liabilities	(364)
Total adjustments	<u>8,468</u>
Net cash used (provided) by operating activities	<u>(50,835)</u>
Cash flows from investing activities:	
Restated beginning net assets	-
Net investing activities	<u>140</u>
Net cash used by investing activities	<u>140</u>
Net increase (decrease) in cash and cash equivalents	(50,695)
Cash and cash equivalents at beginning of year	254,682
Cash and cash equivalents at end of year	<u>\$ 203,987</u>

See accompanying notes to the financial statements.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
Statement of Functional Expenses
For the Year Ended June 30, 2011

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Bank charges	\$ -	\$ 68.00	\$ -	\$ 68.00
Courtesies	972	81	-	1,053
Departmental	129,626	-	-	129,626
Rental	3,000	-	-	3,000
Insurance	1,635	-	-	1,635
Office expenses	1,359	-	-	1,359
Printing and reproduction	1,263	-	-	1,263
Professional fees	10,000	-	-	10,000
Scholarships	6,780	-	-	6,780
Telephone	4,757	-	-	4,757
Travel	8,094	-	-	8,094
Depreciation		8,456		8,456
	<u>\$ 167,486</u>	<u>\$ 8,605</u>	<u>\$ -</u>	<u>\$ 176,091</u>

See accompanying notes to the financial statements.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
Grambling, Louisiana

Notes to the Financial Statements
For the Year Ended June 30, 2011

NOTE A: NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Grambling University Athletic Foundation (the Foundation) is an independent, nonprofit corporation organized for the purpose of improving and expanding the athletic programs at Grambling State University in compliance with National Collegiate Athletic Association (NCAA) regulations. Support for the Foundation's efforts is funded primarily from membership dues, contributions and fundraising activities. The Foundation is not focused on financial gain but rather the enhancement of Grambling State University, particularly its athletic program.

Basis of Accounting

For the period ending June 30, 2011, the Foundation adhered to provisions of Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. Statement No. 117 requires the Foundation to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. The following is a description of the three net asset categories:

Unrestricted Net Assets-Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets-Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or by passage of time.

Permanently Restricted Net Assets-Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

Statement No. 117 also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. It 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.

**Grambling University Athletic Foundation
Notes to the Financial Statements (Continued)**

Public Support and Revenue

Revenue and public support consists primarily of fundraisers and contributions. In accordance with Statement of Financial Accounting Standard No. 116, "Accounting for Contributions Received and Contributions Made", contributions are recognized when the donor makes a promise to give 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 restricted 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.

The Foundation uses the allowance method, based on prior years' experience and the judgment of management regarding specific promises made, to assess the value of unconditional contributions receivable.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Foundation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The Foundation had no cash equivalents during the period under audit. At June 30, 2011 the Foundation had cash totaling \$203,987 categorized as follows:

Unrestricted	\$ 85,221
Temporarily Restricted	<u>\$ 118,766</u>
Total Cash	\$ 203,987

Depreciation

The Foundation capitalizes, at cost, all expenditures for fixed assets that meet its capitalization threshold of \$5,000 or more. Depreciation is computed on the straight-line method over the useful life of the assets. In the case of furniture and fixtures, the Foundation utilizes a useful life of 7 years and the straight-line depreciation.

**Grambling University Athletic Foundation
Notes to the Financial Statements (Continued)**

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires that management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income Taxes

The Foundation is an not-for-profit organization that is exempt from federal income taxes under Section 501 (C)(3) of the Internal Revenue Code. Contributions to the Foundation are tax deductible within the limitations prescribed by the Code.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Contributed Services

During the year ended June 30, 2011, the value of contributed services meeting the requirements for recognition in the financial statements was recorded in the financial statements.

NOTE B. 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 and changes in net assets. A detailed breakdown of expenses by function is included in the statement of account activity under supplemental information. Certain costs have been allocated among the programs and supporting services benefited.

Grambling University Athletic Foundation
Notes to the Financial Statements (Continued)

NOTE C. RECEIVABLES

Receivables at June 30, 2011 that are considered valid and collectible include:

Pledges Receivable	\$ 428
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NOTE D. INVESTMENTS

Investments consist of board-designated net assets as of June 30, 2011. The investments of the Foundation as of June 30, 2011 are summarized as follows:

	Carrying Value	Fair Value
Certificate of Deposit	\$ 3,299	\$ 3,299
Mutual Funds & Equities	451	451
Total Investments	\$ 3,750	\$ 3,750

NOTE E. PROPERTY AND EQUIPMENT

As of June 30, 2011, the Foundation listed fixed assets as follows:

Property and Equipment	\$67,764
Less: Accumulated Depreciation	(21,253)
Net Property and Equipment	\$ 45,511

Vehicle was donated to the Foundation to be used by Head Football Coach but ownership remains with Foundation.

NOTE F. FUND RAISING ACCOUNTS

Primary fundraisers for normally included Orchesis Dance Camp and other minor sources but for the year ended June 30, 2011 there were no fundraising activities considered significant.

NOTE G. TEMPORARILY RESTRICTED NET ASSETS

For the year ended June 30, 2011, the Foundation reclassified \$119,867 to unrestricted net assets due to restrictions being satisfied by payment. The temporarily restricted net assets include contributions received to benefit various student activities at Grambling State University. The Foundation operates a separate temporarily restricted fund for each student activity. All unrestricted funds are maintained in a General Fund account.

**Grambling University Athletic Foundation
Notes to the Financial Statements (Continued)**

NOTE H. DESCRIPTION OF LEASING ARRANGEMENTS

During the year under audit, the Foundation entered into a short-term lease arrangement with the Grambling University National Alumni Association that provided the Foundation with the use of an office, the use of dining area, restrooms, and kitchen area within the structure of its Alumni House located at 386 R.W.E. Jones Drive, Grambling, Louisiana 71245. The lease is renewable in six-month intervals and calls for payments of \$250.00 monthly.

NOTE I. RESTATEMENT OF BEGINNING NET ASSETS

Clients management and accountant acknowledged a minor transaction at the end of the prior year which increased the ending net assets by the amount \$236.00.

SUPPLEMENTAL INFORMATION

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
 Schedule of Account Activity and Balances
 For the Year Ended June 30, 2011

	Balance at June 30, 2010	Support Revenue	Program	Management and General	Fundraising	Total Excesses	31% Fee	Other Transfers	Total Transfers	Balance June 30, 2011
Advisory	\$ 8,700	-	-	-	-	-	-	-	-	8,700
Ruon Lineart CVB	(8,218)	-	-	-	-	-	-	-	-	(8,218)
Atlanta Auxiliary	(19)	-	-	-	-	-	-	-	-	(19)
Baseball	50	-	-	-	-	-	-	-	-	50
Baseball-men's	1,115	2,371	2,890	-	-	2,890	(71)	(71)	(142)	354
Baseball-women's	60	-	-	-	-	-	-	-	-	60
Bowling	(2,005)	-	-	-	-	-	-	-	-	(2,005)
Cheerleaders	-	-	-	-	-	-	-	-	-	-
Setti Bibbs	140,846	838	22,832	-	-	22,832	(28)	(404)	(482)	118,620
Culverhouse-scholarships	-	-	-	-	-	-	-	-	-	-
Culverhouse-supplemental pay	813	8,254	4,631	-	-	4,631	(248)	(248)	(488)	3,941
External referees(golf tournaments)	2,454	-	-	-	-	-	-	-	-	2,454
Football-janquet	89	210	224	-	-	224	(6)	(6)	(12)	72
Football	287	-	-	-	-	-	-	-	-	287
Fred Hobby scholarship	165	30	-	-	-	30	(1)	(1)	(2)	168
Golf	30,739	42,893	72,236	81	-	72,317	(1,280)	(780)	(2,060)	(653)
Grambling Legends	180	-	-	-	-	-	-	-	-	180
OSU Middle School	3,217	223	-	-	-	-	(7)	(7)	(14)	3,427
Leonard Griffin	746	-	-	-	-	-	-	-	-	746
Curtis Foundation	1,848	12,760	12,760	-	-	12,760	(878)	(878)	(752)	882
Orchestra dance	26,346	-	-	-	-	-	-	-	-	26,346
Radio broadcast	339	-	-	-	-	-	-	-	-	339
Radio producers	805	-	-	-	-	-	-	-	-	805
Robert Piper Scholarship	219	-	-	-	-	-	-	-	-	219
Soccer	(2)	-	-	-	-	-	-	-	-	(2)
Softball	(27)	-	-	-	-	-	-	267	267	235
Sports Information	358	-	-	-	-	-	-	-	-	358
Sports Medicine	3,748	-	1,053	-	-	1,053	-	-	-	2,695
Student Affairs	7,117	-	980	-	-	980	-	-	-	6,137
Steig Farm Life Season Book	49	-	-	-	-	-	-	-	-	49
Tennis	863	1,415	2,130	-	-	2,130	(42)	(42)	(94)	866
Track	587	10	-	-	-	10	-	-	-	577
Volleyball	-	-	-	-	-	-	-	-	-	-
Total temporarily restricted net assets	221,341	68,922	119,765	81	-	119,867	(2,069)	(1,876)	(3,747)	168,720
Unrestricted net assets	(98,178)	10,816	29,877	6,504	-	38,181	2,069	1,948	4,015	(62,529)
Operating (including net investment in equipment)	27,342	-	-	-	-	-	-	-	-	27,342
Football compositions	9,050	-	-	-	-	-	-	-	-	9,050
Savings (former excess)	358	-	-	-	-	-	-	-	-	358
Scarves & ties	62,537	38,898	18,033	20	-	18,043	-	(287)	(287)	111,103
Tiger Club	2,484	-	-	-	-	-	-	-	-	2,484
KV parking	-	-	-	-	-	-	-	-	-	-
Wilbert Ellis Reimburse Account	(35)	84	-	-	-	49	-	-	-	14
Board designated	82,608	47,788	41,700	8,524	-	56,224	2,069	1,678	3,748	87,923
Eddie Robinson Educational Fund-Restated	-	-	-	-	-	-	-	-	-	-
Total unrestricted net assets	\$ 313,848	\$ 118,738	\$ 167,483	\$ 8,505	\$ -	\$ 178,091	\$ -	\$ -	\$ -	\$ 254,848

Schedule 2

**Grambling University Athletic Foundation
Schedule of Payments Made to Grambling State University Employees
For the Fiscal Year Ended June 30, 2011**

None