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**GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
GRAMBLING, LOUISIANA**

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

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 1-17-01

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
GRAMBLING, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

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Hulsey, Harwood & Co.
A Professional Accounting Corporation

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of financial position of Grambling University Athletic Foundation (a nonprofit organization) as of June 30, 2000 and 1999, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grambling University Athletic Foundation as of June 30, 2000 and 1999, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information identified as Schedules in the accompanying Index is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

HULSEY, HARWOOD AND CO., CPAs
A Professional Accounting Corporation

Hulsey, Harwood & Co.
November 7, 2000

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2000 AND 1999

ASSETS	Unrestricted	Temporarily Restricted	Total	
			2000	1999
Cash	\$ 322,670	\$ 30,000	\$ 352,670	\$ 103,820
Certificates of deposit	-	2,671	2,671	2,591
Accounts receivable	12,000	-	12,000	13,200
Contributions receivable	-	750	750	290
Vehicles	-	-	-	-
Equipment	4,120	-	4,120	4,120
Accumulated depreciation	(3,217)	-	(3,217)	(2,617)
Due from unrestricted net assets (Note 3)	-	43,321	43,321	96,020
Investments	54,030	-	54,030	61,194
TOTAL ASSETS	\$ 389,603	\$ 76,742	\$ 466,345	\$ 278,618
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	\$ 53,378	\$ -	\$ 53,378	\$ 11,508
Accounts payable - Coaches	30,000	-	30,000	30,000
Due to restricted net assets (Note 3)	43,321	-	43,321	96,020
Total liabilities	126,699	-	126,699	137,528
Net Assets:				
Unrestricted:				
Designated by the board				
External relations account	19,851	-	19,851	19,960
GUAF Quasi-Endowment	57,645	-	57,645	61,193
Equipment	901	-	901	1,503
Undesignated	184,507	-	184,507	(70,467)
Total unrestricted net assets	262,904	-	262,904	12,189
Temporarily Restricted	-	76,742	76,742	128,901
Total Net Assets	262,904	76,742	339,646	141,090
TOTAL LIABILITIES AND NET ASSETS	\$ 389,603	\$ 76,742	\$ 466,345	\$ 278,618

The accompanying notes to financial statements
are an integral part of the statements.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

	Unrestricted	Temporarily Restricted	Total	
			2000	1999
Support and revenue:				
Contributions	\$ 9,961	\$ 203,913	\$ 213,874	\$ 114,913
Fund raisers:				
Band Rodco	33,457	-	33,457	-
Basketball Chair Sales	1,105	-	1,105	-
Concessions	3,005	-	3,005	4,526
Doug Williams Golf Tournament	16,225	-	16,225	-
Golf Classic - Eddie Robinson	-	-	-	7,367
GSU Band Tapc Sales	238	-	238	-
Raffle - Cash Give-Away	13,346	-	13,346	1,090
Scarfs/ties sale	675	-	675	6,020
Softball Parking Sales	1,043	-	1,043	-
Car flags/pennants/wind socks, pom-poms sale	2,180	-	2,180	3,490
Membership dues (Tiger Club)	19,584	-	19,584	18,674
Interest	15,089	-	15,089	9,277
Gain on the sale of assets	-	-	-	250
Unrealized gains(losses)	(18,638)	-	(18,638)	1,815
Net Assets Released from Restrictions:				
Satisfaction of Program Restrictions	256,072	(256,072)	-	-
Total support and revenue	\$ 353,342	\$ (52,159)	\$ 301,183	\$ 167,422
Expenses				
Program services	\$ 254,058	\$ -	\$ 254,058	\$ 90,674
Supporting services:				
Management and general	20,218	-	20,218	33,599
Fund raising	45,198	-	45,198	11,906
Membership development	17,541	-	17,541	19,038
Total supporting services	82,957	-	82,957	64,543
Total expenses	337,015	-	337,015	155,217
Excess (Deficiency) of support and revenue over expenses	16,327	(52,159)	(35,832)	12,205
Other sources and uses				
Transfer from Bayou Classic	234,388	-	234,388	-
Support, revenue, and other sources over (under) expenses and other uses	250,715	(52,159)	198,556	12,205
Net Assets at Beginning of Year	12,189	128,901	141,090	128,885
NET ASSETS AT END OF YEAR	\$ 262,904	\$ 76,742	\$ 339,646	\$ 141,090

The accompanying notes to the financial statements
are an integral part of the these statements.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

	Total	
	2000	1999
Cash flows from operating activities:		
Increase (Decrease) in Net Assets	\$ 198,556	\$ 12,205
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	600	1,130
Gain on sale of property and equipment	-	(250)
Unrealized (gains) losses on securities	18,638	(1,815)
(Increase) decrease in operating assets		
Accounts receivable	1,200	(13,200)
Pledges receivable	(460)	1,350
Increase (decrease) in operating liabilities		
Accounts payable	41,870	3,202
Accounts payable - coaches	-	(5,000)
Total adjustments	61,848	(14,583)
Net cash provided (used) by operating activities	260,404	(2,378)
Cash flows from investing activities:		
Payments received for sale of property and equipment	-	250
Purchase of investments	(11,474)	(11,374)
Net cash provided (used) by investing activities	(11,474)	(11,124)
Net increase (decrease) in cash and cash equivalents	248,930	(13,502)
Cash and cash equivalents, beginning of year	106,411	119,913
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 355,341	\$ 106,411

CASH AND CASH EQUIVALENTS ARE PRESENTED ON THE
BALANCE SHEET AS:

Cash	\$ 352,670	\$ 103,820
Certificates of deposit	2,671	2,591
Total cash and cash equivalents	\$ 355,341	\$ 106,411

The accompanying notes to the financial statements
are an integral part of these statements.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
GRAMBLING, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

NOTE 1 - NATURE OF ACTIVITIES & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Grambling University Athletic Foundation (the Foundation) is an independent corporation organized and designed to work cooperatively in support of the athletic programs of Grambling State University in compliance with NCAA Regulations. Income is derived primarily from contributions and fund raising activities. The Foundation does not participate in the gate receipts from any athletic activity. These receipts belong to the University to defray the expenses of their athletic programs.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis.

Basis of Presentation

The Foundation is in conformity with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Foundation is required to present a statement of cash flows, as well as to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

A description of the three net assets categories follows:

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.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
GRAMBLING, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

NOTE 1 - NATURE OF ACTIVITIES & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment in excess of \$500 is capitalized at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Depreciation expense for the years ended June 30, 2000 and 1999 was \$1,130 and \$1,130, respectively.

Investments

The Foundation is reporting in conformity with SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations". Under SFAS No. 124, 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.

Income Taxes

The Foundation qualified as a publicly-supported organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Contributions to the Foundation are tax deductible within the limitations prescribed by the Code.

Donated Services and Facilities

Personnel and occupancy are provided by Grambling State University to the Foundation as needed. The Foundation provides vehicles for use by the athletic departments. During the year ended June 30, 1999, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. The use of the facilities of the Foundation is donated by the University. The fair value of such use cannot be objectively determined.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
GRAMBLING, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

NOTE 1 - NATURE OF ACTIVITIES & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Foundation 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.

The Foundation uses the allowance method to determine uncollectible unconditional contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

NOTE 2 - 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 3 - BANK ACCOUNTS

The Foundation has one operating bank account through which all transactions are handled. The operating bank account is reported in Unrestricted Net Assets. The receivable in Restricted Net Assets represents cash due from Unrestricted Net Assets.

NOTE 4 - FUND RAISING ACCOUNTS

The major fund raisers for Grambling University Athletic Foundation are the Bayou Classic Pageant, Golf Classic, Orchesis (a dance camp), and other adjunct activities of the annual Bayou Classic football game. The Foundation has no role with the Bayou Classic Football event. It only receives an allocation of funds from the revenue produced.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
GRAMBLING, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

NOTE 5 - QUASI-ENDOWMENT FUND

In September, 1994 the Board established The Eddie G. Robinson Education Endowment with an original investment of \$25,000. There are to be no withdrawals for five years after which 50 percent of the earnings will be available for scholarships and the remaining 50 percent added to the corpus. The endowment is invested with American Mutual Funds with the earnings reinvested for additional shares. As reflected in unrestricted net assets at June 30, 2000, the market value of this fund was \$54,030. Unrealized loss on the fund totaled \$18,638 for the year ended June 30, 2000.

In 1999, the market value of this fund was \$61,194. Unrealized gain on the fund totaled \$1,815 for the year ended June 30, 1999.

NOTE 6 - SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

The Foundation's cash and cash investments are held in multiple financial institutions located in the same geographic region. The balances are insured by Federal Deposit Insurance Corporation coverage of up to \$100,000 at each institution. At June 30, 2000 and 1999, the Foundation has \$50,922 and \$-0-, respectively, of these cash and cash investments uninsured.

NOTE 7 - CONTRIBUTIONS RECEIVABLE

Unconditional contributions receivable consist of the following:

	<u>2000</u>	<u>1999</u>
Unconditional contributions receivable	\$ 750	\$ 290
Less unamortized discount	<u>-</u>	<u>-</u>
Net unconditional contributions receivable	<u>\$ 750</u>	<u>\$ 290</u>
Amounts due in:		
Less than one year	\$ 750	290
One to five years	<u>-</u>	<u>-</u>
Total	<u>\$ 750</u>	<u>\$ 290</u>

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

	Supporting Services				Total	
	Program Services	Management and General	Fund Raising	Membership Development	2000	1999
Awards	\$ 18,840	\$ -	\$ 4,750	\$ -	\$ 23,590	\$ 1,842
Bad debt expense	-	-	-	-	-	4,118
Casual Labor	-	7,663	-	-	7,663	10,809
Departmental expenses	235,218	-	1,203	-	236,421	88,832
Meals and entertainment	-	-	-	-	-	542
Membership relations	-	-	-	17,541	17,541	19,038
Miscellaneous	-	-	7,796	-	7,796	-
Office expenses	-	983	-	-	983	581
Postage	-	-	-	-	-	404
Printing	-	-	5,643	-	5,643	668
Professional fees	-	9,512	6,433	-	15,945	5,949
Promotional fees	-	253	2,320	-	2,573	677
Rental	-	434	13,219	-	13,653	1,510
Supplies	-	67	995	-	1,062	7,956
Travel	-	1,306	2,239	-	3,545	11,161
Vehicle expense	-	-	-	-	-	-
Total expenses before disposition of equipment	254,058	20,218	44,598	17,541	336,415	154,087
Depreciation	-	-	600	-	600	1,130
Total supporting services	-	-	600	-	600	1,130
Net assets released from restrictions						
TOTAL EXPENSES	\$ 254,058	\$ 20,218	\$ 45,198	\$ 17,541	\$ 337,015	\$ 155,217

The accompanying notes to financial statements
are an integral part of these statements.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
ANALYSIS OF TEMPORARILY RESTRICTED NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2000 AND 1999

	Balance	Support Income	Expenses		Transfers
	July 1, 1999		Awards	Other Expenses	Balance June 30, 2000
Temporarily Restricted Net Assets					
Athletic Advisory	\$ -	\$ 3,725	\$ -	\$ 1,578	\$ 2,147
Athletic Auxiliary	33,037	42,399	92	77,226	(1,882)
Baseball Fund	677	-	-	707	(30)
Bowling	1,012	43	-	-	1,055
Broadcast	8,244	16,966	-	11,424	13,786
Cheerleaders	2,707	350	-	11,884	(8,827)
Eddie Robinson	982	268	-	-	1,250
Football Camp	-	-	-	-	-
Football Fund	37,720	33,920	643	17,972	53,025
Golf Fund	4,478	3,043	110	3,273	4,138
Grambling Middle School	180	-	-	-	180
Leonard Griffin	2,592	-	-	-	2,592
Lifetime Season Pass	6,714	3,500	-	164	10,050
Marching Band	2,366	83,982	16,994	95,585	(26,231)
Men's Basketball Fund	(1,053)	500	-	120	(673)
Orchasis Dance	20,967	-	1,000	6,406	13,561
Piper Scholarship	-	500	-	-	500
Sports Information	1,418	7,700	-	3,785	5,333
Tennis Fund	645	43	-	510	178
Track	1,363	443	-	-	1,806
Volleyball	429	1,618	-	163	1,884
Women's Sports	4,423	4,912	-	6,435	2,900
Totals	\$ 128,901	\$ 203,913	\$ 18,840	\$ 237,232	\$ 76,742

The accompanying notes to financial statements
are an integral part of these statements.



Hulsey, Harwood & Co.

A Professional Accounting Corporation

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Certified Public Accountants

November 7, 2000

To the Board of Directors
Grambling State University Athletic Foundation
Grambling, LA

In planning and performing our audit of the financial statements of Grambling State University Athletic Foundation for the year ended June 30, 2000, we considered the Foundation's internal control structure in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure. However, we noted certain matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgement, could adversely affect the Foundation's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Inaccurate Books and Records

We noted several balance sheet accounts that were not reconciled at year-end. These accounts included accounts receivable, pledges receivable, investments, accounts payable, and general fixed assets. In addition, numerous audit adjusting journal entries were required. As a result, the actual increase in net assets of the Foundation was higher than anticipated. In addition, there were numerous classification errors of expenses. Due to these deficiencies, any interim financial statements may not have been reliable. We recommend that mandatory procedures be implemented so that interim financial statements can be relied upon.

Concentration of Cash

The Foundation maintains its unrestricted cash in one commercial bank. At year-end, the amount of deposit exceeded the federally insured limits by approximately \$50,922.

Because the Foundation has a high volume of cash inflows and outflows, most of its cash will need to be maintained at one institution. The Foundation needs to feel comfortable that this bank is financially sound, whether it be by inquiries or some other means.

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This report is intended solely for the information and use of the Board of Directors, management and others within the Foundation and is not intended to be and should not be used by anyone other than these specified parties.

HULSEY, HARWOOD & CO., CPAs
A Professional Accounting Corporation

Hulsey, Harwood & Co.

Monroe, Louisiana



GRAMBLING UNIVERSITY ATHLETIC FOUNDATION

P.O. Box 913 • GRAMBLING, LOUISIANA 71245

November 20, 2000

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Hulsey, Harwood & Co., CPA's – APAC
1900 N. 18th Street
Monroe, LA 71201

RE: Management's Response to Audit

Dear Sir:

In response to the Management Report your firm issued for the audit of the financial statements of the Grambling University Athletic Foundation (GUAF) for the year ended June 30, 2000, management offers the following:

Inaccurate Books and Records

We concur with your finding. Our method of record keeping and computer system were not adequate to ensure the reliability of the information. Because of the delay in completing our Fiscal Year 1999 audit, many adjusting entries did not get recorded prior to the close of business for Fiscal Year 2000. In an effort to avoid this finding in the future, GUAF has purchased a new computer system and accounting software (Quick Books). We believe that this new system and software will save time and money, and ensure the reliability and accuracy of the records. This new system will commence with Fiscal Year 2001 transactions.

Concentration of Cash

We concur with your finding. With the addition of several new restricted contributions, the GUAF's balance in its general fund account exceeded the \$100,000 federally insured limit. In an effort to resolve this finding, the GUAF will establish additional accounts at other FDIC financial institutions and take the necessary percussion to ensure that the accounts balances does not exceed the limit. We will also, seek collateral from these banking institutions in the event that the accounts do exceed the federally insured limit.

Please accept these as management's response to the findings, while continue to organize and structure our efforts to eliminate all future findings involving situations such as these presented in your report.

If you have any questions, please let us know.

Sincerely,

Richard Ballard
Acting President