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GRAMBLING UNIVERSITY ATHLETIC FOUNDATION

Financial Statements
 For the Year Ended June 30, 1996

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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.

APR 1 5 1996

Release Date _____



Luffey
 Hutton
 & Monroe
 Chartered Public Accountants

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION

JUNE 30, 1996

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Grambling University Athletic Foundation
Grambling, Louisiana

We have audited the accompanying balance sheet of Grambling University Athletic Foundation, as of June 30, 1998, and the related statement of support and revenue, expenses, and changes in fund balances, and statement of cash flows for the year then ended. The financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we 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. We believe that our audit provides 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, 1998, and the results of its operations and cash flows for the year then ended in conformity with generally accepted accounting principles.

Our audit was 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 audit 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.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the balance sheet and statements of support, revenue, and expenses and changes in fund balances and cash flows.

September 12, 1997

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MEMBER OF THE NATIONAL INSTITUTE OF CERTIFIED ACCOUNTANTS

**GRANDEVALLE UNIVERSITY ATHLETIC FOUNDATION
BALANCE SHEET
JUNE 30, 1994**

	Operating Funds		Equipment Fund	Qual. Endowment Fund	Total All Funds	
	Unrestricted	Restricted			1994	1993
ASSETS						
Cash	\$ 111,483	\$ 0	\$ 0	\$ 0	\$ 111,483	\$ 66,060
Certificates of Deposit	0	1,275	0	0	1,275	1,177
Accounts Receivable	0	0	0	0	0	11,584
Vehicles	0	0	13,940	0	13,940	16,614
Equipment	0	0	1,112	0	1,112	1,112
Accumulated Depreciation	0	0	(28,008)	0	(28,008)	(27,621)
Due from Unrestricted						
Fund (State I)	0	16,611	0	0	16,611	16,006
Investments	0	0	0	23,700	23,700	25,240
TOTAL ASSETS	\$ 111,483	\$ 16,756	\$ 1,112	\$ 23,700	\$ 153,051	\$ 146,587
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 7,881	\$ 0	\$ 0	\$ 0	\$ 7,881	\$ 8,771
Due to Restricted Fund (State I)	55,441	0	0	0	55,441	28,006
Total Liabilities	63,322	0	0	0	63,322	36,777
Fund Balances						
Unrestricted						
Designated by the Board						
Byrne Clinic Account	36,787	0	0	0	36,787	14,217
External Relations Account	881	0	0	0	881	1,772
GRJAF Over-Allocments	0	0	0	24,700	24,700	28,549
Undesignated	11,704	0	0	0	11,704	11,704
Total Unrestricted Funds	49,372	0	0	24,700	74,072	56,242
Restricted	0	16,756	0	0	16,756	16,027
Equipment	0	0	1,112	0	1,112	1,112
Total Fund Balances	49,372	16,756	1,112	24,700	92,040	73,391
TOTAL LIABILITIES AND FUND BALANCES	\$ 112,694	\$ 16,756	\$ 1,112	\$ 24,700	\$ 155,262	\$ 146,587

The accompanying notes are an integral part of this statement.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
STATEMENT OF SUPPORT AND REVENUE, EXPENSES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 1998

	<u>Operating Funds</u>		<u>Equipment Fund</u>	<u>Qual- Endowment Fund</u>	<u>Total All Funds</u>	
	<u>Unrestricted</u>	<u>Restricted</u>			<u>1998</u>	<u>1999</u>
Support and Revenue						
Contributions	\$ 24,553	\$ 44,004	\$ 0	\$ 0	\$ 68,557	\$ 67,450
Fund Raisers -						
Concessions	4,838	0	0	0	4,838	25,050
Boys' Clinic	207,790	0	0	0	207,790	121,899
Golf Clinic	0	0	0	0	0	23,140
Incentives	3,987	94	0	997	5,080	5,828
Miscellaneous	1,084	0	0	1,374	2,458	1,088
Total Support and Revenue	<u>240,212</u>	<u>44,098</u>	<u>0</u>	<u>2,371</u>	<u>266,681</u>	<u>227,335</u>
Expenses						
Program Services	23,468	90,664	995	0	115,127	120,980
Supporting Services:						
Management and General	20,893	0	0	0	20,893	18,200
Fund Raising	149,888	0	111	0	149,999	127,595
Total Supporting Services	<u>170,789</u>	<u>0</u>	<u>111</u>	<u>0</u>	<u>170,900</u>	<u>146,795</u>
Total Expenses	<u>294,257</u>	<u>90,664</u>	<u>1,106</u>	<u>0</u>	<u>385,027</u>	<u>267,975</u>
Excess (Deficiency) of Support and Revenue Over Expenses	\$ 49,955	\$ (46,566)	\$ (1,106)	\$ 2,371	\$ 68,725	\$ (2,340)
Fund Balances, Beginning	\$ 49,840	\$ 31,280	\$ 1,107	\$ 24,149	\$ 106,386	\$ 110,690
Other Changes in Fund Balances						
Transfer from Unrestricted Fund To Restricted	<u>(170,600)</u>	<u>70,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCE, ENDED	<u>\$ 29,240</u>	<u>\$ 54,714</u>	<u>\$ 1,107</u>	<u>\$ 24,149</u>	<u>\$ 106,386</u>	<u>\$ 108,350</u>

The accompanying notes are an integral part of this statement.

**GRADUATE UNIVERSITY ATHLETIC FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1994**

	Operating Funds		Endowment Fund	Quasi- Endowment Fund	Total All Funds	
	Restricted	Unrestricted			1994	1993
Cash Flows From Operating Activities						
Excess (Deficiency) of Support and Business-Related Expenses Adjustments to Reconcile Excess (Deficiency) to Net Cash Provided by Operating Activities	\$	\$	\$	\$	\$	\$
Depreciation	0	0	1,000	0	1,000	1,000
Leases (Expenses) of Equipment	0	0	0	0	0	0
Changes in Assets and Liabilities						
Accounts Receivable	11,200	0	0	0	11,200	(10,000)
Accounts Payable	(20,000)	0	0	0	(20,000)	(20,000)
Total Adjustments	11,200	0	1,000	0	12,200	(10,000)
Net Cash Provided (Used) by Operating Activities	\$1,114	\$(1,000)	0	1,000	\$1,114	1,000
Cash Flows From Investing Activities						
Purchase Exhibit G, Rehearsal Room and Net Cash (Used) by Investing Activities	0	0	0	0	0	\$(24,000)
	0	0	0	0	0	\$(24,000)
Net Increase (Decrease) in Cash and Cash Equivalents	\$1,114	\$(1,000)	0	1,000	\$1,114	\$(14,000)
Reversals						
Reversal from (To) Other Funds	\$(1,000)	11,000	0	1,000	1,000	0
Cash and Cash Equivalents at Beginning of Year	\$6,000	\$4,000	0	0	\$10,000	\$24,000
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$	\$	\$	\$	\$	\$
	7,000	15,000	0	1,000	15,000	10,000

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

Cash	\$	12,100
(Deficiency) of Support		1,000
Total Cash and Cash Equivalents	\$	13,100

The accompanying notes are an integral part of these statements.

**GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1994**

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. Those receipts belong to the University to defray the expenses of their athletic programs.

Basis of Presentation:

The financial statements are prepared on the accrual basis of fund accounting and include an Unrestricted Fund, Restricted Fund, Equipment Fund, and Quasi-Endowment Fund. Revenue and expenses for all funds are maintained as self-balancing accounts. All re-designated funds are recorded in the Unrestricted Fund.

Cash & 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.

Fund Accounting:

The Unrestricted Fund includes designated funds which consist of the balances remaining from major fund raising activities to be used at the Board's discretion.

Restricted funds include amounts that have been donated for specific use of athletic departments or organizations of the University. The donations and earnings, if any, are held by the Foundation until requested by the specific department or organization.

The Equipment Fund includes capital expenditures for vehicles and equipment in excess of \$500 which are capitalized at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets.

Income Taxes:

The Foundation qualifies 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.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1998

Personal Services & 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. Values for these services are not included in the financial statements because an objective basis cannot be determined.

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 2 - Restricted Accounts

The Foundation has one operating bank account through which all transactions, except the Bayou Classic's, are handled. The operating bank account is reported in the Unrestricted Fund. The receivable in the Restricted Fund represents cash due from the Unrestricted Fund.

Note 3 - Bayou Classic Account

The major fund raises for Grambling University Athletic Foundation are the Bayou Classic Paperent, Battle of Bands/Gatek Show and other adjunct activities of the annual Bayou Classic football game. The Foundation and Southern University Alumni Association coordinate the planning and responsibility for these events and share the net proceeds. The organization representing the home team for the Football Classic has the planning and fiscal responsibility for that year. The Foundation was the home team for the current year's event; therefore, the Bayou Classic revenue and fund-raising expenses are more than the prior year because they include all fiscal transactions of the aforementioned activities.

Note 4 - Grant-Endowment Fund

In September, 1994 the Board established The Eddie G. Robinson Educational 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

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1996

and the remaining 50 percent added to the corpus. The endowment is invested with American Mutual Funds with the earnings reinvested for additional shares. At June 30, 1996 the historical value of this fund was \$28,700 and the market value was \$31,643. Capital gains on the fund totaled \$1,354 for the year ended June 30, 1996.

Note 5 - 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, 1996, the Foundation had no significant uninsured portion of these cash and cash investments.

**GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 1996**

SCHEDULE 1

	Program Services	Supporting Services		Total All Funds	
		Management and General	Food Raising	1995	1996
Awards	\$ 750	\$ 0	\$ 10,800	\$ 18,750	\$ 21,500
Casual Labor	962	0	1,100	2,083	10,940
Concessions	0	0	1,245	1,245	0
Departmental Expenses	84,120	0	0	94,121	124,738
Maintenance and Repair	0	0	0	0	25
Miscellaneous	608	0	10,882	11,487	0
Office Expenses	1,050	0	1,164	2,381	4,599
Professional Fees	0	20,000	23,521	45,404	18,265
Promotional Fees	13,677	0	51,895	65,572	14,507
Rents	0	0	0	0	7,245
Supplies	0	0	13,406	13,406	18,449
Travel	0	0	48,557	49,257	28,562
Vehicle Expenses	3,121	0	0	3,121	7,685
Total Expenses Before Disposition of Equipment	114,433	20,000	162,980	297,496	180,914
Depreciation of Equipment	979	0	111	1,090	2,439
(Gain) Loss on Disposition of Equipment	0	0	0	0	589
Total	979	0	111	1,090	2,439
TOTAL EXPENSES	\$ 115,412	\$ 20,000	\$ 163,091	\$ 298,586	\$ 183,353

**GRASHLING UNIVERSITY ATHLETIC FOUNDATION
ANALYSIS OF RESTRICTED FUNDS
FOR THE YEAR ENDED JUNE 30, 1998**

SCHEDULE 2

	Balance		Expenses		Transfers		Balance June 30 1998
	July 1, 1997	Support Income			From (To) Other Funds		
			Awards	Other Expenses			
Restricted Funds							
Athletic Auxiliary	\$ 3,688	\$ 4,129	\$ 0	\$ 75,072	\$ 48,911	\$ 12,153	\$ 12,153
Baseball Fund	157	4,129	0	3,848	0	2,487	2,487
Baseball	9	3,437	0	3,430	0	13	13
Cheerleaders	5,213	2,000	0	15,372	11,761	2,440	2,440
Edible Solicitors	3,335	1,400	758	442	0	3,584	3,584
Football Camp	0	0	0	0	0	0	0
Football Fund	15	4,129	0	3,300	0	943	943
Golf Fund	1,365	7,314	0	4,837	0	3,842	3,842
Grashting Middle School	180	0	0	0	0	180	180
Licensed Drills	2,097	84	0	0	0	1,999	1,999
Men's Basketball Fund	1,812	2,129	0	1,822	0	2,119	2,119
Orestin Dues	9,380	1,688	0	8,890	11,761	13,869	13,869
Sports Information	741	1,243	0	8,368	0	(1,082)	(1,082)
Track Fund	80	449	0	617	0	122	122
Track	328	1,814	0	1,487	0	836	836
Volleyball	483	333	0	632	0	328	328
Women's Sports	7,848	1,788	0	6,928	0	6,691	6,691
	<u>\$ 24,223</u>	<u>\$ 41,982</u>	<u>\$ 730</u>	<u>\$ 99,214</u>	<u>\$ 72,633</u>	<u>\$ 85,736</u>	