

**GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
GRAMBLING, LOUISIANA**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTAL INFORMATION
For The Year Ended June 30, 2004**

Under provisions of state law, this report is a public document. Access to this report has been submitted to the press 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.

BY

Release Date 10-16-04

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For The Year Ended June 30, 2004

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
Grambling, Louisiana
Financial Statements
and Independent Auditor's Report
with Supplemental Information
For the Year Ended June 30, 2004

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
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, 2004, 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 Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. 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 statements 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 respects, the financial position of Grambling University Athletic Foundation as of June 30, 2004, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

My audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental information and schedules are 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 my opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Rosie D. Harper
Certified Public Accountant
Monroe, Louisiana
September 7, 2004

FINANCIAL STATEMENTS

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
 Statement of Financial Position
 June 30, 2004

Assets

Cash and Cash Equivalents	\$ 301,120
Receivables	85,869
Investments	127,268
Furniture and Equipment (Net, Note E)	<u>1,860</u>
Total Assets	<u>516,117</u>

Liabilities and Net Assets**Liabilities:**

Accrued Liabilities	<u>16,992</u>
Total Liabilities	<u>16,992</u>

Net Assets:**Unrestricted**

Designated by the Board	
GLIAP Qual-Endowment	72,243
Net Assets Invested in Equipment	<u>1,860</u>
Total Designated by the Board	<u>74,103</u>

Undesignated	<u>59,829</u>
Total Unrestricted	<u>133,932</u>

Temporarily Restricted	<u>382,277</u>
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Total Net Assets	<u>492,189</u>
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Total Liabilities and Net Assets	<u>\$ 516,117</u>
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See Accompanying Auditors' Report and Notes to Financial Statements.

GRANBING UNIVERSITY ATHLETIC FOUNDATION
Statement of Activities and Changes in Net Assets
For the Year Ended
June 30, 2004

	<u>Restricted</u>	<u>Temporarily</u>	<u>Total</u>
Support and Revenues		<u>Restricted</u>	
Contributions	\$ 1,75	\$ (41,147)	\$ (41,392)
Fees/Grants	31,200	79,552	110,752
Membership Dues/Tiger Club	14,134	-	14,134
Other Revenues			
Interest	75	3,225	4,000
Dividends	1,408	-	1,408
Gains (Losses) on Investments	8,548	-	8,548
Distribution of Gains on Investments	787	-	787
Reclassification of Net Assets:			
Net Assets Released from Restrictions			
Restrictions Satisfied by Revenues	227,721	(227,721)	-
Other Reclassification	6,491	(6,491)	-
	<u>331,268</u>	<u>(248,970)</u>	<u>82,298</u>
Total Support, Revenues, Reclassifications,			
and Returns from Investments	331,268	(248,970)	82,298
Expenses			
General and Administrative Expenses	3,126	-	3,126
Facilities Expenses	16,814	-	16,814
Program Expenses	290,142	-	290,142
Total Expenses	<u>309,982</u>	<u>-</u>	<u>309,982</u>
Change in Net Assets	<u>21,286</u>	<u>(166,970)</u>	<u>(145,684)</u>
Other Changes in Net Assets:			
Transfer in (out)	(22,470)	12,578	-
Prior Period Adjustments	22,172	2,421	1,144
Total Other Changes in Net Assets	<u>28,232</u>	<u>15,000</u>	<u>1,144</u>
Total Change in Net Assets	<u>21,601</u>	<u>(151,970)</u>	<u>(130,369)</u>
Net Assets as at Beginning of Year	<u>28,271</u>	<u>179,446</u>	<u>207,717</u>
Net Assets as at End of Year	\$ 50,272	\$ 27,476	\$ 77,748

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

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
Statement of Cash Flows
For the Year Ended
June 30, 2004

Operating Activities	
Changes in Net Assets	\$ (30,946)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:	
Provision for Depreciation	628
Increase in Accounts/Pledges Receivable	(52,555)
Increase in Accounts Payable/Assured Liabilities	18,992
Total Adjustments	<u>(34,935)</u>
Net Cash Used by Operating Activities	<u>(65,129)</u>
Investing Activities	
Purchase of Investment Securities	(50,000)
Reinvested Dividends and Interest	<u>(11,831)</u>
Net Cash Used by Investing Activities	<u>(61,831)</u>
Net Cash Decrease for Period	(126,960)
Cash and Cash Equivalents as of Beginning of Year	428,088
Cash and Cash Equivalents as of the End of Year	<u>\$ 301,128</u>

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

GRABLING UNIVERSITY ATHLETIC FOUNDATION
Statement of Functional Expenses
For the Year Ended
June 30, 2004

	Program Services	Supporting Services		Total
		Management and General	Fund Building	
Awards	\$ 2,004	\$ -	\$ 1,200	\$ 3,204
Bank Charges	-	1,342	-	1,342
Conferences	608	1,009	-	1,617
Departmental Expenses	228,089	-	8,716	236,805
Depreciation	-	620	-	620
Insurance	364	-	-	364
Miscellaneous	700	128	-	828
Office Expenses	4,419	-	-	4,419
Printing	3,427	-	-	3,427
Professional Fees	16,560	158	880	17,598
Promotional Fees	396	-	3,889	4,285
Radio Broadcast	1,801	-	-	1,801
Rental	-	-	2,176	2,176
Scholarships	1,800	-	-	1,800
Supplies	1,870	-	-	1,870
Taxes	11,905	-	150	12,055
Total Functional Expenses	\$ 292,341	\$ 1,528	\$ 16,831	\$ 310,699

See Accompanying Auditors' Report and Notes to Financial Statements.

Grambling University Athletic Foundation
Grambling, Louisiana

Notes to the Financial Statement
For the Year Ended June 30, 2004

NOTE A. 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 activity. These receipts belong to the University to defray the expenses of their athletic programs.

Basis of Accounting

For the period ending June 30, 2004, the Foundation followed 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 assets 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 annual 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 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 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.

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

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.

Cash and Cash Equivalents

The Foundation 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 Foundation had no cash equivalents during the audit period. On June 30, 2004, the Foundation had cash totaling \$101,119. Cash at June 30, 2004 was as follows:

Unrestricted	\$	1,463
Temporarily Restricted		299,657
Total Cash	<u>\$</u>	<u>301,119</u>

Depreciation

The Foundation follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$500. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Furniture and Equipment	7 years
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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 these estimates.

Income Taxes

The Foundation qualified as a publicly supported organization exempt from Federal income tax under Section 501 (c) (1) of the Internal Revenue Code. Contributions to the Foundation are tax deductible within the limitations prescribed by the Code.

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 market values and all investments in debt

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

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.

Donated Services and Facilities

Personnel and occupancy are provided by Grambling State University to the Foundation as needed. During the years ended June 30, 2004, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. The University donates the use of the facilities to the Foundation. The fair value of such use cannot be objectively determined.

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. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE C. RECEIVABLES

Receivables are deemed fully collectible by management and are composed of the following at June 30, 2004:

Bayou Classic Allocation Receivable	\$ 51,615
Concession Receivable	14,930
Radio Broadcast Receivable	22,000
Pledges Receivable	1,258
Total Receivables	<u>\$ 89,803</u>

NOTE D. INVESTMENTS

All investments consist of listed designated net assets as of June 30, 2004. The amount of \$28,542 is solely for scholarship purposes. They are summarized as follows:

	Carrying Value	Fair Value
Certificate of Deposits	\$ 2,921	\$ 2,921
Mutual Funds	124,577	124,577
Total Investments	<u>\$ 127,498</u>	<u>\$ 127,498</u>

In September 1994 the Board established the Eddie Robinson Education Endowment with an original investment of \$25,000. There were to be no withdrawals for five years after which 90 percent of the earnings will be available for scholarships and the remaining 10 percent added to

Grambling University Athletics Foundation
Note to the Financial Statements (Continued)

the corpus. The endowment is invested with the Basic One Securities Corporation with the earnings reinvested for additional shares. As reflected in unrestricted net assets under the caption "OUAF Quasi-Endowment" at June 30, 2004, the market value of this fund was \$72,343.

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2004:

Dividends	\$	1,368
Distributed Capital Gains		259
Unrealized Gains		<u>1,804</u>
Total Investment Return	\$	<u>3,431</u>

NOTE E. FURNITURE AND EQUIPMENT

At June 30, 2004, The Foundation had the following fixed assets:

Furniture and Equipment	\$	4,341
Less Accumulated Depreciation		<u>(2,481)</u>
Total Furniture and Equipment	\$	<u>1,860</u>

NOTE F. FUND RAISING ACCOUNTS

The major fundraisers for Grambling University Athletics Foundation are the Bayou Classic Pagara, Golf Classic, Cocharis (a direct camp), and other adjacent 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 raised during the Bayou Classic. For the year ended June 30, 2004, the Organization had a reversible allocation of \$68,000 from the Bayou Classic Committee.

NOTE G. PRIOR PERIOD ADJUSTMENTS

To correct the beginning balances of unrestricted net assets, the following prior period adjustments were made:

Tiger Club Contributions to Temporarily Restricted Funds	\$	5,117
Voided Checks		<u>1,514</u>
Total Prior Period Adjustments	\$	<u>6,631</u>

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

Each year Tiger Club members contribute to various temporarily restricted funds. For the fiscal year ending June 30, 2004, the contributions were made by Tiger Club members to the following temporarily funds:

Men's Basketball	\$ 566
Women's Basketball	938
Baseball	547
Football	1,347
Golf	91
Soccer	89
Softball	91
Tennis	40
Track	1,613
Total Prior Period Contribution Adjustments	<u>\$ 5,318</u>

Unrestricted and temporarily net assets were adjusted in the prior period accordingly.

NOTE H. TEMPORARILY RESTRICTED NET ASSETS

The following temporarily restricted net assets were reclassified as unrestricted net assets for the following purposes:

Reclassification of Net Assets	
Restrictions Satisfied by Payments	\$ 257,251
3% Administration Fee	6,441
Total Reclassifications	<u>\$ 263,692</u>

NOTE I. SUBSEQUENT EVENTS

The Foundation has retained legal counsel in the following matters:

1. A petition was filed against Millennium Concepts, L.L.C. on August 20, 2004 on behalf of Grambling University Athletic Foundation.
In May of 2002, Grambling University Athletic Foundation entered a contract with Millennium Concepts for concession services for the football stadium, baseball and baseball areas. As of June 30, 2004, the Millennium Concepts owed Grambling University Athletic Foundation the sum of 270,910.45.
2. A letter of demand was issued against Delta Sports Network on August 10, 2004 on behalf of Grambling University Athletic Foundation. There has been no legal action filed at this time.

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

In December of 2003, Grumbling University Athletic Foundation entered an exclusive broadcast agreement with Delta Sports Network for the broadcast of Grumbling State University football. As of June 30, 2004, Delta Sports Network owed Grumbling University Athletic Foundation the sum of \$12,500.

3. Grumbling University Athletic Foundation was served with the Petition on August 10, 2004 on behalf of New South Communications, Inc.

New South Communications, Inc. et al has filed a petition against Grumbling University Athletic Foundation for a disputed amount of \$1,835.

The attorney could make no predictions concerning the probability of outcome on these legal matters because they are in the beginning stages. As a result, no amounts have been reflected in the financial statements in reference to their possible outcome.

SUPPLEMENTAL INFORMATION

BOULDER UNIVERSITY ACADEMIC RELATIONS
 1988-89
 1000 University Avenue
 Boulder, CO 80502-0101

1988-89

	ACADEMIC RELATIONS										
	State	Region	West	Midwest	South	North	Other	Unk	Total	Unk	Total
State of Alaska	0	0	0	0	0	0	0	0	0	0	0
State of Arizona	0	0	0	0	0	0	0	0	0	0	0
State of Arkansas	0	0	0	0	0	0	0	0	0	0	0
State of California	0	0	0	0	0	0	0	0	0	0	0
State of Colorado	0	0	0	0	0	0	0	0	0	0	0
State of Connecticut	0	0	0	0	0	0	0	0	0	0	0
State of Delaware	0	0	0	0	0	0	0	0	0	0	0
State of Florida	0	0	0	0	0	0	0	0	0	0	0
State of Georgia	0	0	0	0	0	0	0	0	0	0	0
State of Hawaii	0	0	0	0	0	0	0	0	0	0	0
State of Idaho	0	0	0	0	0	0	0	0	0	0	0
State of Illinois	0	0	0	0	0	0	0	0	0	0	0
State of Indiana	0	0	0	0	0	0	0	0	0	0	0
State of Iowa	0	0	0	0	0	0	0	0	0	0	0
State of Kansas	0	0	0	0	0	0	0	0	0	0	0
State of Kentucky	0	0	0	0	0	0	0	0	0	0	0
State of Louisiana	0	0	0	0	0	0	0	0	0	0	0
State of Maine	0	0	0	0	0	0	0	0	0	0	0
State of Maryland	0	0	0	0	0	0	0	0	0	0	0
State of Massachusetts	0	0	0	0	0	0	0	0	0	0	0
State of Michigan	0	0	0	0	0	0	0	0	0	0	0
State of Minnesota	0	0	0	0	0	0	0	0	0	0	0
State of Missouri	0	0	0	0	0	0	0	0	0	0	0
State of Montana	0	0	0	0	0	0	0	0	0	0	0
State of Nebraska	0	0	0	0	0	0	0	0	0	0	0
State of Nevada	0	0	0	0	0	0	0	0	0	0	0
State of New Hampshire	0	0	0	0	0	0	0	0	0	0	0
State of New Jersey	0	0	0	0	0	0	0	0	0	0	0
State of New Mexico	0	0	0	0	0	0	0	0	0	0	0
State of New York	0	0	0	0	0	0	0	0	0	0	0
State of North Carolina	0	0	0	0	0	0	0	0	0	0	0
State of North Dakota	0	0	0	0	0	0	0	0	0	0	0
State of Ohio	0	0	0	0	0	0	0	0	0	0	0
State of Oklahoma	0	0	0	0	0	0	0	0	0	0	0
State of Oregon	0	0	0	0	0	0	0	0	0	0	0
State of Pennsylvania	0	0	0	0	0	0	0	0	0	0	0
State of Rhode Island	0	0	0	0	0	0	0	0	0	0	0
State of South Carolina	0	0	0	0	0	0	0	0	0	0	0
State of South Dakota	0	0	0	0	0	0	0	0	0	0	0
State of Tennessee	0	0	0	0	0	0	0	0	0	0	0
State of Texas	0	0	0	0	0	0	0	0	0	0	0
State of Utah	0	0	0	0	0	0	0	0	0	0	0
State of Vermont	0	0	0	0	0	0	0	0	0	0	0
State of Virginia	0	0	0	0	0	0	0	0	0	0	0
State of Washington	0	0	0	0	0	0	0	0	0	0	0
State of West Virginia	0	0	0	0	0	0	0	0	0	0	0
State of Wisconsin	0	0	0	0	0	0	0	0	0	0	0
State of Wyoming	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0
Total Unk	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0

Grambling University Athletic Foundation
Schedule of Payments to Grambling State University (GSU) Employees
FY June 30, 2004

Employee	Payments
Ashford, Okraust	\$ 216
Barnett, Joe	1,200
Bass, Cyril	1,289
Clawson, Yolanda	500
Crawford, Beverly	150
Curia, Woods	2,475
Donnis, Kalar	100
Forster, Barbara	7,080
Hall, Mark	1,900
Hill, Michael L.	300
Jones, Kim	1,444
Jones, Orla	200
Lemelle, Cynthia	298
Lewis, Charlie	900
Maroney, Dianne A.	3,783
McCall, Ricky	250
Northers, Heishem	900
Palmer, Luther	900
Paul, Richard	850
Penton, David Jr.	14,000
Roberts, Carl	900
Simmons, Patricia	150
Smallwood, Gloria N.	4,000
Spears, Melvin	1,818
Tippet, Rex	25
Watley, Willie	100
Wesley, Lela	38
White, Sammy	900
Williams, Doug	21,325
Wills, Howard	40
Wright, Ross	100
Total Payments to GSU Employees	\$ 71,434