

**GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
GRAMBLING, LOUISIANA**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2007**

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

1/30/08

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
Grambling, Louisiana

Financial Statements
And
Independent Auditor's Report
With Supplemental Information
For the Year Ended June 30, 2007

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Bobby Gray
Certified Public Accountant

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

Independent Auditor's Report

I have audited the accompanying statement of financial position of Grambling University Athletic Foundation (a nonprofit organization) as of June 30, 2007, 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, 2007, and the results of its operations 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 17, 2007

FINANCIAL STATEMENTS

Statement A

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION, INCORPORATED
Statement of Financial Position
June 30, 2007

Assets	
Cash and cash equivalents	\$ 227,135
Accounts receivable	1,609
Investments	154,595
Property and equipment	-
Total assets	<u>\$ 383,339</u>
Liabilities	
Accrued liabilities	\$ 859
Total liabilities	<u>859</u>
Net assets	
Unrestricted	
Board Designated	
GUAF Quasi-Endowment	81,983
Net assets invested in property and equipment	-
Total board-designated	<u>81,983</u>
Undesignated	
Total unrestricted	<u>116,510</u>
Temporarily restricted	265,970
Total net assets	<u>382,480</u>
Total liabilities and net assets	<u>\$ 383,339</u>

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, 2007

	Unrestricted	Temporarily Restricted	Total
Support and revenue			
Contributions	\$ -	\$ 67,062	\$ 67,062
Fundraisers	-	10,539	10,539
Membership dues	-	-	-
Other revenue			
Interest income	343	2,303	2,646
Dividends	6,358	-	6,358
Gains (losses) on investments	5,529	-	5,529
Other miscellaneous	20	-	20
Reclassifications of net assets			
Net assets released from restrictions:			
Restrictions satisfied by payments	47,530	(47,530)	-
Other reclassifications(Adm. Fees)	1,233	(1,233)	-
Total support, revenue, reclassifications, and releases from restrictions	61,013	31,140	92,153
Expenses			
General and administrative expenses	12,991	-	12,991
Fundraising expenses	-	-	-
Program expenses	84,334	-	84,334
Total expenses	97,325	-	97,325
Changes in net assets	(36,312)	31,140	(5,172)
Other changes in net assets			
Transfers in (out)	(14,000)	14,000	-
Total other changes in net assets	(14,000)	14,000	-
Total changes in net assets	(50,312)	45,140	(5,172)
Net assets at beginning of year	121,559	265,967	387,526
Restatement of beginning net assets	-	126	126
Net assets at end of year	\$ 71,247	\$ 311,107	\$ 382,480

See accompanying notes to the financial statements.

Statement C

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
Statement of Cash Flows
For the Year Ended June 30, 2007

Cash flows from operating activities:	
Change in net assets	\$ (5,172)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Provision for depreciation	620
(Increase) decrease in accounts receivable	12,166
Increase (decrease) in accounts payable/accrued liabilities	859
Total adjustments	<u>13,645</u>
Net cash used (provided) by operating activities	<u>8,473</u>
Cash flows from investing activities:	
Restated beginning net assets	126
Increase in investments	<u>(11,997)</u>
Net cash used by investing activities	<u>(11,871)</u>
Net increase (decrease) in cash and cash equivalents	(3,398)
Cash and cash equivalents at beginning of year	<u>230,533</u>
Cash and cash equivalents at end of year	<u>\$ 227,135</u>

See accompanying notes to the financial statements.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
Statement of Functional Expenses
For the Year Ended June 30, 2007

	Program Services	Supporting Services		Total
		Management and General	Fundraising	
Bad debt	\$ -	\$ 10,950	\$ -	\$ 10,950
Bank charges	-	195	-	195
Courtesies	1,578	-	-	1,578
Departmental	53,043	-	-	53,043
Depreciation	-	620	-	620
Insurance	879	-	-	879
Office expenses	2,272	-	-	2,272
Printing and reproduction	654	-	-	654
Professional fees	19,936	1,225	-	21,161
Scholarships	4,000	-	-	4,000
Supplies	157	-	-	157
Travel	1,816	-	-	1,816
	<u>\$ 84,334</u>	<u>\$ 12,991</u>	<u>\$ -</u>	<u>\$ 97,325</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, 2007

NOTE A:

SUMMARY OF 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 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, 2007, 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

The Foundation considers all highly liquid investments with a 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 period under audit. At June 30, 2007, the Foundation had cash totaling \$227,135 categorized as follows:

Unrestricted	\$ 50,355
Temporarily Restricted	<u>\$ 176,780</u>
Total Cash	\$ 227,135

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 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.

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 securities are reported at their fair market 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 office space are provided by Grambling State University to the Foundation as needed. During the year ended June 30, 2007, the value of contributed services meeting the requirements for recognition in the financial statements were not material and therefore were not recorded in the financial statements. The University donates the use of 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 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, 2007 that are considered valid and collectible include:

Pledges Receivable \$ 750
Receivables written off during the year totaled \$13,025.

NOTE D. INVESTMENTS

All investments consist of board-designated net assets as of June 30, 2007. The investments of the Foundation as of June 30, 2007 are summarized as follows:

	Carrying Value	Fair Value
Certificate of Deposit	\$ 3,136	\$ 3,136
Mutual Funds	<u>151,459</u>	<u>151,459</u>
Total Investments	\$154,595	\$ 154,595

NOTE E. PROPERTY AND EQUIPMENT

As of June 30, 2007, the Foundation listed fixed assets as follows:

Property and Equipment, at cost	\$ 4,341
Less: Accumulated Depreciation	<u>(4,341)</u>
Total Property and Equipment	\$ 0

NOTE F. FUND RAISING ACCOUNTS

Primary fundraisers for normally included Orchesis Dance Camp, radio broadcasts and other minor sources but for the year ended June 30, 2007 there were no fundraising activities considered significant.

NOTE G. TEMPORARILY RESTRICTED NET ASSETS

For the year ended June 30, 2007, the Foundation reclassified \$47,530 to unrestricted net assets due to restrictions being satisfied by payment. The significant decrease from the prior fiscal year resulted because a major revenue source is no longer received by the Foundation. 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. CONTINGENCIES

The Foundation had retained legal counsel and for the period ended June 30, 2006 only one outstanding issue is reported. The attorney indicated that it involved a demand against Delta Sports Network. No legal action was filed in the matter and the case has been dropped by the Foundation.

SUPPLEMENTAL INFORMATION

GRANDELAND UNIVERSITY ATHLETIC FOUNDATION
 Schedule of Account Activity and Balances
 For the Year Ended June 30, 2007

Schedule 1

	Balance at June 30, 2006	Support Revenue	Program Expenses	Management and General	Fundraising	Total Expenses	3% Fee	Cover Transfer	Total Transfer	Balance June 30, 2007
Athletic Advisory	1,563	-	-	-	-	1,563	(99)	(16)	(115)	(1,678)
Athletic Academy	(11,782)	2,254	2,010	-	-	2,010	(22)	(24)	(46)	(9,644)
Broadcast	2,021	1,057	5,328	-	-	3,328	(9)	(9)	(18)	(3,122)
Broadcast-men's	1,870	181	-	-	-	-	(9)	(5)	(14)	2,041
Broadcast-women's	2,021	181	-	-	-	-	(9)	(5)	(14)	2,192
Building	437	181	-	-	-	-	(9)	(5)	(14)	608
Capital	(4,154)	782	-	-	-	-	(25)	(23)	(48)	(3,428)
Campuses	-	-	4,000	-	-	4,000	(99)	(4,000)	(14,000)	10,000
Charitable-activities	165,307	2,191	-	-	-	-	(99)	(4,000)	(14,000)	175,368
Charitable-expenditures	-	-	-	-	-	-	-	-	-	-
External relations(not tournament)	8,996	-	900	-	-	900	-	-	-	9,896
Football	3,390	-	-	-	-	-	-	-	-	3,390
Football-activities	3,441	227	3,411	-	-	3,411	(7)	(7)	(14)	245
Field Hockey	267	-	-	-	-	-	(6)	(6)	(12)	318
Gift	1,448	1,282	-	-	-	-	(6)	(6)	(12)	3,198
GRU Middle School	190	-	-	-	-	-	-	-	-	190
Leeward Golf	2,974	64	-	-	-	-	(9)	(9)	(18)	3,082
Leeward Golf	822	24,990	22,078	-	-	22,078	(749)	(749)	(1,498)	2,206
Offshore	25,128	5,000	5,123	-	-	5,123	(150)	(150)	(300)	22,702
Radio broadcast	605	-	-	-	-	-	-	-	-	605
Robert F. Schick	185	181	-	-	-	-	(6)	(6)	(12)	388
Soccer	541	281	524	-	-	524	(6)	(6)	(12)	7,857
Sports Information	7,215	450	-	-	-	-	(14)	(14)	(28)	886
Sports Medicine	388	-	-	-	-	-	-	-	-	388
Student Affairs	10,789	-	2,882	-	-	2,882	-	-	-	7,777
Stable Farm Life Season Book	818	352	515	-	-	515	(11)	(11)	(22)	4,398
Tennis	4,842	352	-	-	-	-	(11)	(11)	(22)	6,202
Track	2,394	409	1,088	-	-	1,088	(19)	(18)	(30)	1,795
Waterpolo	-	-	-	-	-	-	-	-	-	-
Total temporarily restricted net assets	256,395	41,105	47,530	-	-	47,530	(1,233)	(1,233)	(2,466)	247,504
Unrestricted net assets	(89,389)	2,004	19,882	2,040	-	17,722	1,233	1,233	2,466	(82,617)
Operating (including net investment in equipment)	31,292	-	-	10,855	-	10,855	-	-	-	27,337
Football concessions	8,040	-	-	-	-	-	-	-	-	8,040
Savings (former activity)	389	-	-	-	-	-	-	-	-	389
Scenes & View	81,188	36,592	-	-	-	21,122	-	-	-	76,458
Tiger Club	8,700	-	-	-	-	-	-	-	-	9,700
Reason Lincoln CVB	-	-	-	-	-	-	-	-	-	-
Wilbert Ellis Retirement Account	-	-	-	-	-	-	-	-	-	-
Board designated	81,683	10,653	-	-	-	49,098	1,233	1,233	2,466	82,639
Edna Robinson Educational Fund	131,267	81,048	36,600	-	-	49,098	1,233	1,233	2,466	134,878
Total unrestricted net assets	\$ 367,652	\$ 92,154	\$ 64,324	\$ 12,895	\$ -	\$ 97,229	\$ -	\$ -	\$ -	\$ 382,480

Grambling University Athletic Foundation
Schedule of Payments Made to Grambling State University Employees
For the Fiscal Year Ended June 30, 2007

Employees	Payments
Hicks, Dennis	\$90
Moss, Larry	\$90
Total Payments	\$180