

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION

Grambling, Louisiana

FINANCIAL STATEMENTS

June 30, 2019

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GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
Grambling, Louisiana

Financial Statements

For The Year Ended
June 30, 2019

TABLE OF CONTENTS

	<u>STATEMENTS</u>	<u>PAGE NO.</u>
Independent Auditor's Report		1-2
<u>Basic Financial Statements</u>		
Statement of Financial Position	A	4
Statement of Activities	B	5
Statement of Cash Flows	C	6
Statement of Functional Expenses	D	7
<u>Notes to the Financial Statements</u>		
Notes to the Financial Statements		9-12
<u>Supplemental Information</u>		
Schedule of Findings and Responses		14
Board of Directors		15
Reconciliation of Cash to Net Assets		16
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer		17

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INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying financial statements of Grambling University Athletic Foundation, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows, for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principals generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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Grambling University Athletic Foundation, Inc.
Independent Auditor's Report

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, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, listed in the table of contents as Supplemental Information, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has not been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, therefore, I express no opinion on it.



Jimmie Self, CPA
Monroe, Louisiana
November 5, 2019

Basic Financial Statements

Statement of Financial Position
June 30, 2019**Assets**

Cash	\$ 79,201
Furniture and Equipment (Net)	-
Investments	18,868
Accounts Receivable	800
Total Assets	<u>98,869</u>

Liabilities and Net Assets

Liabilities:

Accrued Liabilities	3,750
Payroll Liabilities	<u>249</u>
Total Liabilities	<u>3,999</u>

Net Assets:

Without Donor Restrictions	(1,960)
With Donor Restrictions	<u>96,830</u>
Total Net Assets	<u>94,870</u>

Total Liabilities and Net Assets \$ 98,869

See accompanying notes to financial statements.

Statement of Activities
For the Year Ended
June 30, 2019

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenue and Gains	
Contributions	\$ 16,808
Fundraising	1,418
Dues	10,176
Other Revenue	18
	<hr/>
TOTAL REVENUES AND GAINS WITHOUT DONOR RESTRICTIONS	28,420
Net Assets Released from Restrictions	
Restrictions Satisfied by Payments	76,187
	<hr/>
TOTAL REVENUES, GAINS AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS	104,607
	<hr/>
Expenses	
General and Administrative	5,012
Program Expenses	108,477
	<hr/>
Total Expenses	113,489
	<hr/>
DECREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(8,882)
	<hr/>

CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS

Support	
Contributions	90,946
	<hr/>
TOTAL REVENUE AND GAINS WITH DONOR RESTRICTIONS	90,946
	<hr/>
Net Assets Released from Restrictions:	
Restrictions Satisfied by Payments	(76,187)
	<hr/>
INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	14,759
	<hr/>
INCREASE IN NET ASSETS	5,877
	<hr/>
Net Assets as of Beginning of Year	83,062
	<hr/>
Other Changes in Net Assets	
Prior Period Adjustment	5,931
	<hr/>
Total Other Changes in Net Assets	5,931
	<hr/>
Net Assets as of End of Year	\$ 94,870
	<hr/> <hr/>

See accompanying notes to the financial statement.

Statement of Cash Flows
For the Year Ended
June 30, 2019

Operating Activities	<u>All Funds</u>
Change in Net Assets	\$ 5,877
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Increase in Accrued Liabilities	-
Total Adjustments	-
Net Cash Decrease by Operating Activities	<u>5,877</u>
 Investing Activities	
Cash Proceeds from Certificated of Deposit	<u>18,000</u>
Net Cash Provided by Investing Activities	<u>18,000</u>
 Net Increase in Cash	 23,877
 Cash as of Beginning of Year	 <u>55,324</u>
 Cash as of the End of the Year	 <u><u>\$ 79,201</u></u>

See accompanying notes to financial statement.

Statement of Functional Expenses
For the Year Ended
June 30, 2019

	General and <u>Administrative</u>	Program <u>Services</u>	Total <u>Expenses</u>
Other Expenses			
Awards	-	30	30
Bank Charges	116	-	116
Courtesies	-	195	195
Office Expenses and Supplies	-	1,960	1,960
Payroll Expenses	-	6,994	6,994
Printing and Reproduction	-	82	82
Professional Fees	4,896	4,585	9,481
Program Expense	-	92,011	92,011
Telephone	-	2,620	2,620
Total Expenses	<u>5,012</u>	<u>108,477</u>	<u>113,489</u>
Total Expenses	<u>\$ 5,012</u>	<u>\$ 108,477</u>	<u>\$ 113,489</u>

See accompanying notes to financial statements.

Notes to the Financial Statements

**Grambling University Athletic Foundation
Grambling, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended
June 30, 2019**

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.

Cash and Cash Equivalents

For purposes of the statement 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 records donations of property, furniture, and equipment as support at their fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Assets purchased by the Foundation are recorded at costs.

The Foundation records, at cost, purchases of property and equipment in excess of \$5,000 as fixed assets. Donations of property and equipment are recorded at fair market value at the time of donation. Depreciation is calculated on the straight-line method over the useful lives of its respective assets.

Automobiles	5 years
Computer Equipment	5 years
Equipment	8 years
Office Furniture	8 years

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Revenue Recognition

In order to comply with restrictions, which donors place on grants and other gifts as well as designations made by its governing board, the principles of reporting net assets are used. Revenue and public support consist mainly of fundraising, and contributions. Grants and other contributions of cash and other assets are reported as permanently restricted or temporarily restricted if they are received with donor restriction or restrictions designated by the governing board. Contributions are considered to be unrestricted unless restricted by the donor. All assets over which the Board of Directors has discretionary control have been included in the General Fund.

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

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Public Support and Revenue

In order to comply with restrictions that donors place on grants and other gifts as well as designations made by its governing board, the principles of reporting net assets are used. Revenue and public support consist mainly of membership dues, fundraising, and contributions. Contributions of cash and other assets are reported as net assets with donor restrictions if they are received with donor restrictions or restrictions designated by the governing board. Contributions are considered to be without restrictions unless restricted by the donor and are reported as net assets without donor restrictions.

Contributed Services

The Foundation receives significant services donated by members from the various communities it serves in conducting its programs. No amounts have been reflected in the financial statements for those services.

Income Taxes

The Foundation is a non-profit corporation, is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, no provision for corporate income taxes has been included in the accompanying financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Foundation and recognize a tax liability (or asset) if the Foundation has taken an uncertain tax position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Foundation, and has concluded that as of October 7, 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Foundation is subject to routine audits by Internal Revenue Service for the years ended June 30, 2017, 2018, and 2019; however, there are currently no audits for any tax period in progress.

NOTE B. CASH AND CASH EQUIVALENTS

The Foundation considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. For the period ended June 30, 2019, the Foundation had the following cash:

With Donor Restrictions	<u>\$79,201</u>
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Cash and cash equivalents for purposes of the statement of cash flows exclude permanently donor restricted cash and 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. Carrying values approximate their fair values because of short term maturities of the financial instruments.

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

Investments

The Foundation has Certificates of Deposits in the amount of \$18,868
 The entity has no known policy for custodial credit risk.

NOTE C. PROPERTY, PLANT, AND EQUIPMENT

A summary of change in property, plant, and equipment for the year ended June 30, 2019 is as follows:

	7/1/2018	Additions	Deletions	6/30/2019
Depreciable Assets				
Furniture and Equipment	\$ 4,341	\$ -	\$ -	\$ 4,341
Vehicle	63,422	-	-	63,422
Total Depreciable Assets	67,763	-	-	67,763
Less Accumulated Depreciation				
Depreciation	(67,763)	-	-	(67,763)
Total Accumulated Depreciation	(67,763)	-	-	(67,763)
Net Property and Equipment	\$ -	\$ -	\$ -	\$ -

For the period ended June 30, 2019, the Foundation entered into a short-term lease agreement with Grambling University Alumni Association that provided the Foundation with 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 interval and requires payment of \$250.00 monthly.

NOTE D. 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 E. LIQUIDITY MANAGEMENT

As of June 30, 2019, the following financial assets could be made readily available within one year of the statement of financial position date to meet general expenditures:

Cash	\$ 79,201
Accounts Receivable	800
Total	<u>\$ 80,001</u>

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

As part of its liquidity management, the Foundation has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due.

NOTE F. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 5, 2019, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE G. PRIOR PERIOD ADJUSTMENT

For the year ended June 30, 2019, the Organization had the following prior period adjustment:

Overstated Expenses	\$ 5,931
Total	<u>\$ 5,931</u>

SUPPLEMENTAL INFORMATION

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SCHEDULE OF FINDINGS AND RESPONSES

Grambling University Athletic Foundation

Grambling, Louisiana

No findings for the year ending June 30, 2019.

Findings for the Prior Year Ended June 30, 2018

FINDING 2018-1 –Inadequate segregation of duties:

Criteria: Duties should be distributed among employees

Condition: Inadequate segregation of duties

Context: The district has only one person for handling the duties of the office personnel.
Office duties are a part-time job.

Effect of Condition: Internal control is weakened by the limited staff. Risk is mitigated and internal control is strengthened by the continuing oversight of the board.

Cause of Condition: The staff consists of only one person.

Recommendation: Hire more employees and redistribute duties.

Client Response: This would be impractical and cannot be remedied due to lack of funds. The condition is mitigated to a great extent by the continuing close scrutiny of the Board of Directors.

FINANCIAL IMPACT OF FINDING: Finding without cause- resolution of finding is under the control of the agency and would be cost effective.

Status: CLEARED

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION, INC
Board of Directors
2018-2019

Mrs. Nelda W. Baisy	Post Office Box 396 Secretary Grambling, LA 71245 (318) 247-6912 (Home)	Dr. Raymond Hicks	110 Holcomb Drive Shreveport, LA 71103 E-mail: rhicks20@bellsouth.net
Dr. Richard Ballard	3700 High Pointe Drive Ruston, LA 71270 (318) 251-2281 (Home) (318) 251-6387 (Office)	Mr. Roy L Jackson	112 Wayside Vice President Grambling, LA 71245 (318) 237-5144 (Cell) (318) 247-0429 (Fax) E-mail: jack1957@suddenlink.net
Mr. Russell LeDay	President, GUNAA Post Office Box 10856 San Antonio, TX 78210 (318) 436-8181 E-mail: russell.leday@yahoo.com	Mrs. Theresa G. Jacobs	Post Office Box 252 Grambling, LA 71245 E-mail: jacobsheath@aol.com
Dr. Joseph Carter	3844 Eames Circle Shreveport, LA 71119 (318) 635-8042 (Home) (318) 635-8043 ((Fax) Email: drredcarter@bellsouth.net	Mr. Edward C Johnson	203 Lansdowne Drive Slidell, LA 70461 (985) 643-9018
Mr. Gardner N. Clark	128 Sandbed Road #9 Ruston, LA 71270 (318) 247-0140 (Home) Email: gnathanielclark@yahoo.com	Mr. Reginald Johnson	1437 Peak Cedar Hill, TX 75104 (214) 538-9009 Email: rjohnson96@tx.rr.com
Mr. Henry Coaxum	Coaxum Enterprises, Inc. 231 Harbor Circle Court New Orleans, LA 70126 (504) 388-6718 (Pager) Email: hcoaxum@cox.net	Dr. Suzanne M. Mayo	Post Office Box 384 Grambling, LA 71245 (318) 274-8110 Email: drsuzannemayo@gmail.com
Lt Col.Ret.Ewing Collier	Post Office Box 343 Grambling, LA 71245 (318) 247-6516 Email: collier256306@bellsouth.net	Mr. Douglas T. Porter	1415 MLK Jr., Avenue President Grambling, LA 71245 (318) 247-6934 (Home) Email: porterdouglas@att.net
Mr. Lamarr Davis	Post Office Box 620 Treasurer Hodge, LA 71247 (318) 259-7598 (Home) E-mail: ggalice2@aol.com	Mr. Moses Shillow	309 Winding Ridge Lane Rockwall, TX 75032 (318) 470-9505 (Cell) Email: shiloh71047@aol.com
Mr. Wilbert Ellis	Post Office Box 787 Grambling, LA 71245 (318) 614-8716	Mr. Leon Smith	3112 Dove Court Alexandria, LA 71301 (318) 289-5816 Email: lsmithret11@gmail.com
Dr. Dorothy Hardy	Post Office Box 689 Financial Secretary Grambling, LA 71245	Mr. Jeffrey Thomas	Post Office Box 19432 Shreveport, LA 71149 (512) 589-5417 (Cell) Email: thomasmgt@gmail.com
Mr. Roosevelt Richardson, Jr.	15950 S.W. 14 Street Pembroke Pines, FL 33027 (954) 450-5302 (Home) E-mail: roehall@aol.com	Mr. Robert Williams	23431 Plank Road Zachary, LA 70791 (225) 654-4658 Home (225) 654-4658 Home

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
Reconciliation of Cash to Net Assets
As of June 30, 2019

EXPENSES

	Beginning	Support	Program	Management and General	Fund Raising	Total Expenses	Interfund Transfers		Ending Balance 06/30/19		
	Balance 07/01/18						Revenue	3% Fee		Other	Total
										Transfers	Transfers
Athletic Advisory	-	-	-	-	-	-	-	-	-		
Athletic Auxiliary	(8,218)	-	-	-	-	-	-	-	(8,218)		
Athletic Director's Special Account	1,365	-	65	-	-	65	-	-	1,300		
Athletic Special Account	6,668	-	-	-	-	-	-	-	6,668		
Baseball	1,662	3,800	1,303	-	-	1,303	(114)	(114)	4,045		
Basketball-Men's	8,259	61,200	21,680	-	-	21,680	(1,836)	(1,836)	45,943		
Basketball-Women's	1,552	200	1,659	-	-	1,659	(6)	(6)	87		
Bowling	60	-	-	-	-	-	-	-	60		
Cheerleaders	(2,005)	-	-	-	-	-	-	-	(2,005)		
Culverhouse-Scholarships	31,533	15	7,000	-	-	7,000	(0)	(0)	24,548		
Curric Foundation	749	-	-	-	-	-	-	-	749		
External Relations (Golf Tournament)	3,641	-	-	-	-	-	-	-	3,641		
Football	3,110	2,380	4,138	-	-	4,138	(71)	(71)	1,281		
Football-Banquet	7,414	2,700	7,090	-	-	7,090	(81)	300 219	3,243		
Golden Masquerade Ball	10,512	500	5,556	-	-	5,556	(15)	(15)	5,441		
Golf	193	-	-	-	-	-	-	-	193		
Leonard Griffin	3,434	-	-	-	-	-	-	-	3,434		
Orchestrals Dance	3,174	1,693	3,291	-	-	3,291	(51)	(51)	1,525		
Radio Promotions	(1,742)	-	-	-	-	-	-	-	(1,742)		
Robert Piper Scholarship	805	-	-	-	-	-	-	-	805		
Robinson Stadium Suite Seats	8,122	-	-	-	-	-	-	-	8,122		
Soccer	1,954	5,553	5,023	-	-	5,023	(167)	(167)	2,317		
Softball	2,049	1,715	2,359	-	-	2,359	(51)	(51)	1,354		
Sponsorship/Media	7,193	6,527	13,006	-	-	13,006	(196)	(196)	518		
Sports Information	(27)	-	-	-	-	-	-	-	(27)		
State Farm Life Season Book	3,217	-	-	-	-	-	-	-	3,217		
Stay At Home Fundraiser	-	2,275	-	-	-	-	(68)	(68)	2,207		
Student Affairs	1,163	-	-	-	-	-	-	-	1,163		
Tennis	460	-	-	-	-	-	-	-	460		
Track	341	38	-	-	-	-	(1)	(1)	378		
Volleyball	193	2,350	1,589	-	-	1,589	(71)	(71)	884		
Total Temporarily Restricted Net Assets	96,832	90,946	73,759	-	-	73,759	(2,728)	300 (2,428)	111,590		
Unrestricted Net Assets											
** Operating (Includes net investment in equipment)	(188,351)	9,240	21,147	5,012	-	26,159	2,728	(300) 2,428	(202,842)		
Football Concession	-	-	-	-	-	-	-	-	-		
Savings (Former Escrow)	9,957	-	-	-	-	-	-	-	9,957		
Scarves & Ties	-	-	-	-	-	-	-	-	-		
Tiger Club	170,557	19,181	13,571	-	-	13,571	-	-	176,167		
RV Parking	-	-	-	-	-	-	-	-	-		
Membership Dues (BOD)	-	-	-	-	-	-	-	-	-		
Board Designated											
Eddie Robinson Educational Fund	-	-	-	-	-	-	-	-	-		
Total Unrestricted Net Assets	(7,837)	28,421	34,718	5,012	0	39,730	2,728	(300) 2,428	(16,718)		
Total Net Assets	88,995	119,367	108,477	5,012	0	113,489	0	0	94,872		

Grambling University Athletic Foundation, Inc.
Grambling, Louisiana

Schedule of Compensation,
Benefits and Other Payments to Agency Head,
or Chief Executive Officer

6-30-2019

Agency Head Name: Gloria Smallwood

Purpose	Amount
Salary	\$6,994
Benefits-insurance	0
Benefits-retirement	0
Benefits-<list any other here>	0
Car allowance	0
Vehicle provided by government	0
Per diem	0
Reimbursements	0
Travel	0
Registration fees	0
Conference travel	0
Continuing professional education fees	0
Housing	0
Unvouchered expenses	0
Special meals	0

Gloria Smallwood, Secretary, receives \$6,994. She receives **no** other benefits.

Year Ended 6-30-2019