

**GRAMBLING UNIVERSITY NATIONAL ALUMNI
ASSOCIATION, INCORPORATED
GRAMBLING, LOUISIANA**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTAL INFORMATION
As of And for The Years Ended
December 31, 2013 and December 31, 2012**

BY

**ROSIE D. HARPER
CERTIFIED PUBLIC ACCOUNTANT, LLP**

**Post Office Box 1167 • 604 NORTH THIRD STREET • MONROE, LOUISIANA 71210
OFFICE (318) 387-8008 FAX (318) 387-0806**

**GRAMBLING UNIVERSITY NATIONAL ALUMNI
ASSOCIATION, INCORPORATED
GRAMBLING, LOUISIANA**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
WITH SUPPLEMENTAL INFORMATION
As of And for The Years Ended
December 31, 2013 and December 31, 2012**

**GRAMBLING UNIVERSITY NATIONAL
ALUMNI ASSOCIATION, INCORPORATED
Grambling, Louisiana**

**Financial Statements
and Independent Auditor's Report
with Supplemental Information
As of and for the Years Ended
December 31, 2013 and December 31, 2012**

CONTENTS

	<u>STATEMENTS</u>	<u>PAGE NO.</u>
Independent Auditor's Report		1
Financial Statements (<i>December 31, 2013 & December 31, 2012</i>)		
Statement of Financial Position	A	3
Statement of Activities	B	4
Statement of Cash Flows	C	5
Statement of Functional Expenses	D	6
Notes to the Financial Statements		7-13
Supplemental Information:		
Schedule of Findings and Questioned Costs		15-18
Summary Schedule of Prior Audit Findings		19
Schedule of Board Members		20



ROSIE D. HARPER

Certified Public Accountant, LLP

Post Office Box 1167 • 604 North 3rd Street • Monroe, Louisiana 71210

Phone: (318) 387-8008 • Fax: (318) 387-0806

Independent Auditor's Report

To the Board of Directors of
Grambling University National Alumni Association, Incorporated

I have audited the accompanying financial statements of Grambling University National Alumni Association, Incorporated (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013 and December 31, 2012, and the related statements of activities, cash flows and functional expenses for the years 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 principles 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.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grambling University National Alumni Association, Incorporated as December 31, 2013 and December 31, 2012 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.

Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
June 30, 2015

FINANCIAL STATEMENTS

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
Statement of Financial Position

December 31, 2013 and December 31, 2012

	2013	2012
Assets		
Cash and Cash Equivalents	\$ 117,758	\$ 101,876
Property and Equipment, Net (Note D)	111,775	116,816
Investment	111,604	109,416
Total Assets	341,137	328,108
 Liabilities and Net Assets		
Liabilities:	-	-
Total Liabilities	-	-
Net Assets:		
Unrestricted	(102,405)	(106,319)
Temporarily Restricted	87,839	94,537
Permanently Restricted	355,703	339,890
Total Net Assets	341,137	328,108
Total Liabilities and Net Assets	\$ 341,137	\$ 328,108

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

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
Statement of Activities

For the Years Ended
December 31, 2013 and December 31, 2012

UNRESTRICTED NET ASSETS	2013	2012	Total
Funds Held by Former President			
Contributions	\$ 43,289	\$ 46,898	\$ 90,187
Membership Dues	19,682	21,251	40,933
Chapter Assessments	3,104	1,500	4,604
National Meeting	20,301	13,241	33,542
Bayou Classic Revenue	1,796	2,200	3,996
Other Support	5,612	19,495	25,107
Total Support	<u>93,784</u>	<u>104,585</u>	<u>198,369</u>
Other Revenue			
Gain on Investment	2,188	4,551	6,739
Interest Income	101	217	318
Total Other Revenue	<u>2,289</u>	<u>4,768</u>	<u>7,057</u>
TOTAL UNRESTRICTED SUPPORT	<u>96,073</u>	<u>109,353</u>	<u>205,426</u>
Net Assets Released from Restrictions			
Restrictions Satisfied by Payments	70,254	62,710	132,964
TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATION	<u>166,327</u>	<u>172,063</u>	<u>338,390</u>
Expenses			
General and Administrative Expenses	90,971	62,248	153,219
Fundraiser Expenses	54,949	54,173	109,122
Program Expenses	18,029	24,841	42,870
Total Expenses	<u>163,949</u>	<u>141,262</u>	<u>305,211</u>
Change in Unrestricted Net Assets	<u>2,378</u>	<u>30,801</u>	<u>33,179</u>
TEMPORARILY RESTRICTED NET ASSETS			
Revenue			
Charitable Gaming Revenue	58,223	55,268	113,491
Scholarship Revenue	5,334	2,200	7,534
Total Revenue	<u>63,557</u>	<u>57,468</u>	<u>121,025</u>
TOTAL TEMPORARILY RESTRICTED SUPPORT AND RECLASSIFICATION	<u>(70,254)</u>	<u>(62,710)</u>	<u>(132,964)</u>
Change in Temporarily Restricted Net Assets	<u>(6,697)</u>	<u>(5,242)</u>	<u>(11,939)</u>
PERMANENTLY RESTRICTED NET ASSETS			
Revenue			
Life Membership Dues	17,348	13,113	30,461
Total Revenue	<u>17,348</u>	<u>13,113</u>	<u>30,461</u>
TOTAL PERMANENTLY RESTRICTED SUPPORT AND RECLASSIFICATION	<u>17,348</u>	<u>13,113</u>	<u>30,461</u>
Change in Permanently Restricted Net Assets	<u>17,348</u>	<u>13,113</u>	<u>30,461</u>
Change in Net Assets	<u>13,029</u>	<u>38,672</u>	<u>51,701</u>
Net Assets as of Beginning of Year	328,108	294,089	294,089
Other Changes in Net Assets			
Prior Period Changes	-	(4,653)	(4,653)
Total Other Changes in Net Assets	<u>-</u>	<u>(4,653)</u>	<u>(4,653)</u>
Net Assets as of End of Year	<u>\$ 341,137</u>	<u>\$ 328,108</u>	<u>\$ 341,137</u>

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

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
Statement of Cash Flows

For the Years Ended
December 31, 2013 and December 31, 2012

	<u>2013</u>	<u>2012</u>
Operating Activities		
Change in Net Assets	\$ 13,029	\$ 38,672
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Provision for Depreciation	5,041	5,041
(Decrease) Increase in Accounts Payable/Accrued Liabilities	-	(279)
Gain on Investment	(2,188)	(4,551)
Prior Period Adjustment	-	(4,653)
Total Adjustments	<u>2,853</u>	<u>(4,442)</u>
Net Cash Provided (Used) by Operating Activities	<u>15,882</u>	<u>34,230</u>
Net Increase in Cash	<u>15,882</u>	<u>34,230</u>
Cash and Cash Equivalents as of Beginning of Year	<u>101,876</u>	<u>67,646</u>
Cash and Cash Equivalents as of the End of Year	<u>\$ 117,758</u>	<u>\$ 101,876</u>

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

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
Statement of Functional Expenses

For the Years Ended
December 31, 2013 and December 31, 2012

	<u>2013</u>	<u>2012</u>	<u>Total</u>
General and Administrative			
Accounting/Auditing	\$ 2,975	\$ 5,800	\$ 8,775
Bank Service Charges	691	1,212	1,903
Bayou Classic Expense	5,703	5,756	11,459
Contributions	14,375	450	14,825
Depreciation	5,041	5,041	10,082
Gifts, Flowers & Courtesies	665	892	1,557
Insurance	3,604	5,484	9,088
Legal Fees	2,000	-	2,000
Licenses and Permits	15	5	20
Maintenance & Repairs	2,434	1,738	4,172
Office Supplies	3,127	2,512	5,639
Other Expenses	2,356	4,284	6,640
Postage and Delivery	1,536	2,185	3,721
Printing	58	2,951	3,009
Professional Fees	24,375	18,121	42,496
Supplies	1,282	-	1,282
Telephone	2,260	1,979	4,239
Travel	13,330	-	13,330
Utilities	5,144	3,838	8,982
Total General and Administrative	<u>90,971</u>	<u>62,248</u>	<u>153,219</u>
Fundraising			
Bayou Classic Concert Expense	-	126	126
Gaming Expenses	54,849	47,565	102,414
Other Fundraising Expense	100	4,236	4,336
Membership Pins	-	2,246	2,246
Total Fundraising	<u>54,949</u>	<u>54,173</u>	<u>109,122</u>
Program			
Homecoming/Alumni Day	163	8,808	8,971
National Meetings	5,301	3,900	9,201
Scholarship Awards/Student Support	12,565	12,133	24,698
Total Program	<u>18,029</u>	<u>24,841</u>	<u>42,870</u>
Total Functional Expenses	<u>\$ 163,949</u>	<u>\$ 141,262</u>	<u>\$ 305,211</u>

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

Grambling University National Alumni Association, Incorporated
Grambling, Louisiana

Notes to the Financial Statements
As of and for the Years Ended
December 31, 2013 and December 31, 2012

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Grambling University National Alumni Association, Incorporated is a private non-profit Organization domiciled in the State of Louisiana at Grambling, Louisiana. The State of Louisiana chartered the Organization on October 13, 1967. The Organization is recognized as a tax exempt (non-profit) organization under section 501 (c) (3) of the Internal Revenue Service Code.

The Organization goals and objectives are:

- To facilitate better communication and a closer relationship between Grambling State University, its graduates and friends.
- To cooperate with the University's Administration, Field Services, and other Alumni organizations in the promotion of worthwhile activities for the Grambling State University faculty, staff, alumni, students, prospective students and friends.
- To encourage the highest degree of professional ethics and scholarship in the alumni and students.
- To stimulate school loyalty, devotion, and responsibility.
- To further encourage professional enthusiasm, initiative, and growth.
- To provide a National Organization to channel information to support local, state, regional and national programs.
- To provide suitable headquarters, offices and facilities to direct Alumni Affairs and to channel information to support local, state, regional and national programs.
- To study any propositions concerning the mutual relationship of the University and the various allied organizations to the end that both will benefit from their close Organization.
- To legislate through bylaws or by resolution upon any subject of general concern to the members of this organization.
- To promote a "Greater Grambling" through the work of the Alumni Organization.
- To secure financial assistance for Grambling State University through the following methods: Cash, Securities, Requests, Life-Income, Real Estate, Insurance, Specified Property, Annual Dues, and Annual Fund Drives.

Grambling University National Alumni Association, Incorporated
Notes to the Financial Statements (Continued)

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- To establish Alumni chapters throughout the nation to assist Grambling State University in achieving the above goals, as well as, educational excellence, financial security, humanitarian ideals, athletic and social prominence.
- Membership in the Organization is composed of University graduates and attendees, as well as, faculty and staff members. The Board of Directors of the Organization consists of seven (7) members. The members serve without compensation.

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 consists mainly of membership dues, fundraising, and contributions. Contributions of cash and other assets are reported as permanently restricted or temporarily restricted if they are received with donor restrictions or restrictions designated by the governing board. Contributions are considered to be unrestricted unless restricted by the donor.

Total Columns

Total columns are presented to facilitate financial analysis. Data in these columns do not present financial position results of operations and changes in net assets in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Cash and Cash Equivalents

The Organization 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 Organization had no cash equivalents during the audit period. On December 31, 2013 and 2012, the Organization had cash totaling \$117,758 and \$101,876 as follows:

	<u>2013</u>	<u>2012</u>
Unrestricted	\$ 53,373	\$ 45,014
Temporarily Restricted	7,293	5,936
Permanently Restricted	57,092	50,926
Total	<u>\$ 117,758</u>	<u>\$ 101,876</u>

Income Taxes

The Grambling University National Alumni Association, Incorporated is exempt from federal income taxes under Section 501 (c) (3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Organization, and has concluded that as of June 30, 2015, 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 Organization is subject to routine audits by Internal Revenue Service for the years ended December 31, 2012, 2013, and 2014; however, there are currently no audits for any tax period in progress.

Grambling University National Alumni Association, Incorporated
Notes to the Financial Statements (Continued)

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Depreciation

The Organization follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$5,000. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Building and improvements	30 years
Furniture and equipment	7 years

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 B. INVESTMENTS

On July 30, 2010, the Organization invested \$101,314 into a fixed rate annuity which matured on August 4, 2012. The annuity is renewed automatically at maturity unless changed by the Alumni . For the years ended December 31, 2013 and 2012 the value of the annuity was as follows:

<u>2013</u>						
<u>Annuity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Renewal Terms</u>	<u>Gain</u>	<u>Owner/ Beneficiary</u>	<u>Annuitant</u>
Protective Life Insurance	\$ 111,604	2.00%	Fixed 2 Year Guarantee	\$ 2,188	GUNAA	Bobby Rabon
	<u>\$ 111,604</u>					
<u>2012</u>						
<u>Annuity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Renewal Terms</u>	<u>Gain</u>	<u>Owner/ Beneficiary</u>	<u>Annuitant</u>
Protective Life Insurance	\$ 109,416	2.00%	Fixed 2 Year Guarantee	\$ 4,551	GUNAA	Bobby Rabon
	<u>\$ 109,416</u>					

A fixed rate annuity is similar to a certificate of deposit but the funds are invested with an insurance company rather than a bank. The income payments are determined by measuring the life of the annuitant. The Alumni is both the owner and beneficiary of the annuity.

NOTE C. 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.

Grambling University National Alumni Association, Incorporated
Notes to the Financial Statements (Continued)

NOTE D. PROPERTY AND EQUIPMENT

For the years ended December 31, 2013 and December 31, 2012, the Organization had net property equipment totaling \$111,775 and \$116,816, respectively. The following schedule reflects the balances in property and equipment as of December 31, 2013 and December 31, 2012:

	1/1/2013	Additions	Deletions	12/31/2013
Depreciable Assets				
Furniture & Fixtures	\$ 23,965	\$ -	\$ -	\$ 23,965
Equipment	8,024	-	-	8,024
Building	148,484	-	-	148,484
Total Depreciable Assets	180,473	-	-	180,473
Less Accumulated Depreciation				
Depreciation	(113,067)	(5,041)	-	(118,108)
Total Accumulated Depreciation	(113,067)	(5,041)	-	(118,108)
Net Depreciable Assets	67,406	-	-	62,365
Other Property & Equipment				
Land	49,410	-	-	49,410
Net Property & Equipment	\$ 116,816	\$ -	\$ -	\$ 111,775

	1/1/2012	Additions	Deletions	12/31/2012
Depreciable Assets				
Furniture & Fixtures	\$ 23,965	\$ -	\$ -	\$ 23,965
Equipment	8,024	-	-	8,024
Building	148,484	-	-	148,484
Total Depreciable Assets	180,473	-	-	180,473
Less Accumulated Depreciation				
Depreciation	(108,026)	(5,041)	-	(113,067)
Total Accumulated Depreciation	(108,026)	(5,041)	-	(113,067)
Net Depreciable Assets	72,447	-	-	67,406
Other Property & Equipment				
Land	49,410	-	-	49,410
Net Property & Equipment	\$ 121,857	\$ -	\$ -	\$ 116,816

NOTE E. PERMANENTLY RESTRICTED FUNDS HELD BY UNIVERSITY

For the year ended December 31, 2002, the Organization transferred \$60,000 from the Life Membership Fund to Grambling State University to establish an endowed professorship. The Life Membership Fund is used to account for life membership dues and life endowment contributions. The principal of the assets accounted for in the Life Membership Fund is permanently restricted. Since the funds were used to establish a permanently restricted endowed professorship, the permanent restriction of the funds is maintained.

NOTE F. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 30, 2015, 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.

Grambling University National Alumni Association, Incorporated
Notes to the Financial Statements (Continued)

NOTE G. CHANGE IN NET ASSETS

Net assets represent the difference between assets and liabilities. They are classified based on the presence or absence of donor-imposed restrictions as either (a) unrestricted, (b) temporarily restricted, or (c) permanently restricted. Temporarily restricted net assets are those whose use has been limited by donor-imposed time restrictions or purpose restrictions. Permanently restricted net assets are net assets required by donor restriction or by law to be maintained by the organization in perpetuity. Unrestricted net assets are all other net assets. Net assets as of December 31, 2013 and 2012 were as follows:

2013	Temporarily Restricted						
	General Fund	Building Fund	Gaming	Scholarship	Total	Lifetime Membership	All Funds
Beginning Net Assets	\$ (155,731)	\$ 116,816	\$ 1,642	\$ 25,491	\$ 143,949	\$ 339,890	\$ 328,108
Change in Net Assets	3,914	(5,041)	(2,991)	1,334	(6,698)	15,813	13,029
Ending Balance	\$ (151,817)	\$ 111,775	\$ (1,349)	\$ 26,825	\$ 137,251	\$ 355,703	\$ 341,137

2012	Temporarily Restricted						
	General Fund	Building Fund	Gaming	Scholarship	Total	Lifetime Membership	All Funds
Beginning Net Assets	\$ (183,081)	\$ 121,857	\$ 1,225	\$ 27,311	\$ 150,393	\$ 326,777	\$ 294,089
Prior Period Adjustment	(4,653)	-	-	-	-	-	(4,653)
Change in Net Assets	32,003	(5,041)	417	(1,820)	(6,444)	13,113	38,672
Ending Balance	\$ (155,731)	\$ 116,816	\$ 1,642	\$ 25,491	\$ 143,949	\$ 339,890	\$ 328,108

NOTE H. PRIOR PERIOD ADJUSTMENT

For the year ended December 31, 2012, the Organization had the following prior period adjustment:

Overstated Income	\$ (1,349)
Overstated Investments	(3,304)
Total	<u>\$ (4,653)</u>

NOTE I. INTERFUND TRANSACTIONS

The statement of Financial Position focuses on the Organization as a whole. Therefore, interfund receivables (“Due From”) and interfund liabilities (“Due To”) are eliminated from the financial statements because they are not assets or liabilities of the Organization as a whole. However, since the Organization maintains separate funds to account for activities within those funds; interfund liabilities and receivables are recognized at the fund level. The Organization maintained the following funds for the years ended December 31, 2013 and December 31, 2012:

General Fund

All assets that are not restricted by the donor or the Board of Directors have been included in the General Fund.

Scholarship Fund

The Scholarship Fund is used to account for contributions that have been restricted for providing scholarships to university students.

Grambling University National Alumni Association, Incorporated
Notes to the Financial Statements (Continued)

NOTE I. INTERFUND TRANSACTIONS (Continued)

Building Fund

The Building Fund is used to account for all contributions designated by donor or the board for the purpose of maintaining and operating the Alumni properties as well as the fixed assets owned by the Alumni. All assets are temporarily restricted for that same purpose.

Life Membership Fund

The Life Membership Fund is used to account for life membership dues and life endowments. The principal of the assets accounted for in the Life Membership Fund is permanently restricted. However, the earnings are unrestricted and transferred to the General Fund when paid.

At December 31, 2013 and December 31, 2012, the “Due To” and “Due From” accounts for each of the funds were as follows:

12/31/2013	Due To	Due From
General Fund		
Scholarship Fund	\$ 20,781	\$ -
Life Membership Fund	137,349	-
Total General Fund	<u>158,130</u>	<u>-</u>
Scholarship Fund		
General Fund	-	20,781
Total Scholarship Fund	<u>-</u>	<u>20,781</u>
Building Fund		
Life Membership Fund	49,658	-
Total Building Fund	<u>49,658</u>	<u>-</u>
Life Membership Fund		
Building Fund	-	49,658
General Fund	-	137,349
Total Life Membership Fund	<u>-</u>	<u>187,007</u>
Total Interfund Transactions	<u>\$ 207,788</u>	<u>\$ 207,788</u>

Grambling University National Alumni Association, Incorporated
Notes to the Financial Statements (Continued)

NOTE I. INTERFUND TRANSACTIONS (Continued)

12/31/2012	Due To	Due From
General Fund		
Scholarship Fund	\$ 23,795	\$ -
Gaming Fund	-	2,598
Life Membership Fund	129,890	-
Total General Fund	153,685	2,598
Scholarship Fund		
General Fund	-	23,795
Total Scholarship Fund	-	23,795
Building Fund		
Life Membership Fund	49,658	-
Total Building Fund	49,658	-
Gaming Fund		
General Fund	2,598	-
Total Gaming Fund	2,598	-
Life Membership Fund		
Building Fund	-	49,658
General Fund	-	129,890
Total Life Membership Fund	-	179,548
Total Interfund Transactions	\$ 205,941	\$ 205,941

SUPPLEMENTAL INFORMATION

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Years Ended
December 31, 2013 and December 31, 2012

SUMMARY OF AUDIT RESULTS

The auditor's report expresses an unqualified opinion on the financial statements of Grambling University National Alumni Association, Incorporated.

Finding 12-13-01 Inadequate and Missing Documentation (Repeat)

The Alumni collects funds for unrestricted, temporarily restricted, and permanently restricted funds. The organization has a responsibility to comply with donor restrictions on contributions by maintaining adequate records to track these funds. For some contributions and support, only bank receipts or bank statements were retained. For the year ending December 31, 2013, there was no documentation available to classify deposits totaling \$21,586.

Recommendation:

All deposits should be adequately supported with documentation which clearly identifies source of collection, and records should be maintained properly for fiscal control and accountability.

Management Response:

We agree with the stated recommendations to develop, execute and monitor the adherence to policies and procedures to properly support and managed incoming receipts for all deposit types, including events and activities. This is to include proper documentation for internal record keeping and confirmation to the donors and payers to acknowledge receipt in a timely manner.

1. Fiscal Management Procedures and Financial Policies

In January 2013, the newly elected officers, Melissa Bickham (GUNAA President), Margaret Watson (GUNAA Treasurer), Russell Leday (Financial Secretary) and office staff person met to address financial reporting gaps and develop financial procedures to enable the financial team to operate efficiently.

We will review, assess and modify accordingly the developed policies and procedures for receipts and disbursements to ensure it adequately addresses noted recommendations and needs of the organization to ensure completeness, accuracy and timely processing while adhering to internal controls.

2. Communication

Upon receipt of funds for all deposit types with no or incomplete documentation, we will immediately make notification to the donor or payer to obtain the information for proper processing, documentation and reporting. We will document the attempts for tracking and audit trail purposes. If not obtained in a timely manner, the appropriate actions as identified in the financial policies and procedures will be followed.

Grambling University National Alumni Association, Incorporated
Schedule Of Findings And Questioned Costs (Continued)

Staffing

While policies and procedures were developed and communicated for execution with current staff in early 2013, adherence was not consistent due to turnover and prolonged vacancies. In 2014, the GUNAA Executive Board approved the hiring of a part-time staff person to address the bookkeeping and data entry needs of the organization along with executing the developed policies and procedures for financial receipt and disbursement processing and reporting. The new hire began February 2014.

We are reasonably satisfied with the quality of work performed by the current staff person. However, to mitigate the potential exposure of any prolonged absence or job vacancy due to job change or other unplanned vacancy type, we will explore options to have a back-up person to assist. The option will be presented to the GUNAA Executive Board to determine the next steps and establish an action plan.

3. Process Review and Training

We will perform internal end to end process reviews of the financial transaction process for receipts and disbursements to determine resources needs to ensure the proper execution of policies and procedures, including training on processes and systems and other tools. This action will take place with the office staff and designated GUNAA Board Members.

We will explore means to provide electronic acknowledgement of receipts and disbursements when deemed reasonable and acceptable to expedite the process, reduce possible errors, have a faster turnaround and lower operating costs associated with mailing receipts

4. Oversight Financial Committee

We will request a small group of 3-5 active GUNAA alumni members with a substantiated corporate or non-profit accounting, financial analysis and/or audit professional experience in good financial standing to assist on a volunteer basis. They will provide financial oversight reviews on a quarterly basis and after major events/campaigns to provide recommendations via a report to the GUNAA Executive Board based upon observations.

Finding 12-13-02 Expenditures of Restricted Assets (Repeat)

The Organization maintains a Lifetime Membership Account. Lifetime Membership dues that are deposited into the account are permanently restricted. However, the interest earned on the Lifetime Membership account is unrestricted and can be transferred to the General fund. During 2013 \$7,459 of permanently restricted funds, respectively, were either expended or not deposited to the Lifetime Membership Account.

Recommendation:

All Lifetime Membership deposits should be deposited into the proper account and no General Fund expenditures should be paid from the Lifetime Membership account.

Grambling University National Alumni Association, Incorporated
Schedule Of Findings And Questioned Costs (Continued)

Management Response:

We agree with the stated recommendations to strictly adhere to the policies and procedures for making deposits, transfers and withdrawals to the Life Membership Account, a permanently restricted account to be compliance.

1. Complete and provide timely bank reconciliations of all GUNAA bank accounts will be performed by the office staff person.
2. The designated GUNAA financial officer(s) will review and sign off on the completed and submitted bank reconciliation in a timely manner. Appropriate follow-up measures will be executed if more than the allotted time as noted in the financial policies and procedures has elapsed without a bank reconciliation submission from the office staff person.

Finding 12-13-03 Loss of Funds

For the year ended December 31, 2012, a donation of \$5,400 was made to the Alumni but no documentation could be provided that the funds were deposited to the Alumni account.

Recommendation:

The Alumni should improve its internal control policies and procedures to ensure that all funds received are deposited timely to the appropriate Alumni account, an acknowledgement is provided to all donors, the donation is recorded accurately and adequate documentation is maintained.

Management Response:

We agree with the stated recommendations to develop, execute and monitor the adherence to policies and procedures to properly support and managed incoming receipts for all deposit types, including events and activities. This is to include proper documentation for internal record keeping and confirmation to the donors and payers to acknowledge receipt in a timely manner.

- We will execute all noted items in Management Response 12-13-01, review for more details.

Finding 12-13-04 Untimely Reporting

For the years ended December 31, 2012 and December 31, 2013, the Alumni failed to have an annual audit conducted by June 30th of the following year as required by Louisiana R.S. 17:3390. Copies of their annual audits are filed with the Legislative Auditor.

Recommendation:

The Alumni should comply with Louisiana R.S. 17:3390 and have an annual audit conducted and completed by June 30th of the following year. Copies of the audit are to be submitted to Grambling State University and filed with the Legislative Auditor.

Grambling University National Alumni Association, Incorporated
Schedule Of Findings And Questioned Costs (Continued)

Management Response:

We agree with the stated recommendations to conduct and file annual audits in a timely fashion with the Louisiana Legislative Auditor.

1. Staffing

While policies and procedures were developed and communicated for execution with current staff in early 2013, adherence was not consistent due to turnover and prolonged vacancies. There was a data entry backlog of the financial transactions. In January 2014, the GUNAA Executive Board approved the hiring of a part-time staff person to address the bookkeeping and data entry needs of the organization along with executing the developed policies and procedures for financial receipt and disbursement process and reporting. The new hire began February 2014.

We are reasonably satisfied with the quality of work performed by the current staff person. However, to mitigate the potential exposure of any prolonged absence or job vacancy due to job change or other unplanned vacancy type, we will explore the options to have a back-up person to assist. The option will be presented to the GUNAA Executive Board to determine the next steps and establish an action plan.

2. Oversight Financial Committee

We will request a small group of 3–5 active GUNAA alumni members with a substantiated corporate or non-profit accounting, financial analysis and/or audit professional experience in good financial standing to assist on a volunteer basis. They will provide financial oversight reviews on a quarterly basis and after major events/campaigns to provide recommendations via a report to the GUNAA Executive Board based upon observations.

QUESTIONED COSTS

There were no questioned costs.

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
GRAMBLING, LOUISIANA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Years Ended
December 31, 2013 and December 31, 2012

FINDINGS-FINANCIAL STATEMENTS AUDIT

Finding 10-11-01 Inadequate and Missing Documentation

The Alumni collects funds for unrestricted, temporarily restricted, and permanently restricted funds. The organization has a responsibility to comply with donor restrictions on contributions by maintaining adequate records to track these funds. For some contributions and support, only bank receipts or bank statements were retained. For the years ending December 31, 2010 and 2011, some deposit ticket copies were lost and there was no documentation available to classify deposits totaling \$18,564 for 2010 and \$46,814 for 2011.

Current Status:

UNCLEARED

Finding 10-11-02 Expenditures of Restricted Assets (Repeat)

A. The Organization maintains a Lifetime Membership Account. Lifetime Membership dues that are deposited into the account are permanently restricted. However, the interest earned on the Lifetime Membership account is unrestricted and can be transferred to the General fund. During 2010 and 2011, \$3,285 and \$3,543 of permanently restricted funds, respectively, were either expended or not deposited to the Lifetime Membership Account.

Current Status:

UNCLEARED

B. The Organization maintains a Scholarship fund which is temporarily restricted for the purpose of providing scholarships to Grambling State University's students. In 2010 and 2011, \$7,724 and \$3,688, respectively, were either expended or not deposited into the Scholarship account.

Current Status:

CLEARED

SCHEDULE OF BOARD MEMBERS
For the Years Ended
December 31, 2013 and December 31, 2012

Year 2013

Melissa Bickham, President
Alvin Washington, Vice President
Bobbie C. Williams, Secretary
Margaret Watson, Treasurer
Russell Leday, Financial Secretary
Vickie Joe (Appointed), Business Manager

Year 2012

Clifton Lemelle, Sr., President
Melissa Bickham, Vice President
Bobbie C. Williams, Secretary
Bobby Rabon, Treasurer
Russell Leday, Financial Secretary
Veronica Johnson, Business Manager