

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

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT WITH
SUPPLEMENTAL INFORMATION
As of And for The Year Ended December 31, 2025**

BY

**ROSIE D. HARPER
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ASSOCIATION, INCORPORATED
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As of And for The Year Ended December 31, 2025**

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

**Financial Statements
And Independent Auditor's Report
With Supplemental Information
As of and for the Year Ended
December 31, 2025**

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Independent Auditor's Report

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

Opinion

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, 2025, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

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 of December 31, 2025, 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.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Grambling University National Alumni Association, Incorporated and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Grambling University National Alumni Association, Incorporated's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of

Grambling University National Alumni Association, Incorporated
Independent Auditor's Report (Continued)

internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Grambling University National Alumni Association, Incorporated's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate that raise substantial doubt about Grambling University National Alumni Association, Incorporated's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The information in Schedules 1 through 4 is presented for purposes 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 been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Rosie D. Harper
Certified Public Accountant

June 26, 2026

FINANCIAL STATEMENTS

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
Statement of Financial Position

As of December 31, 2025

Assets

Cash and Cash Equivalents	\$ 314,367
Accounts Receivable	24,876
Property and Equipment, Net (Note F)	51,557
Investment	274,747
Total Assets	<u>665,547</u>

Liabilities and Net Assets

Accrued Liabilities	<u>-</u>
Total Liabilities	<u>-</u>

Net Assets:

Without Donor Restrictions	88,202
With Donor Restrictions	577,345
Total Net Assets	<u>665,547</u>
Total Liabilities and Net Assets	<u>\$ 665,547</u>

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

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
Statement of Activities

For the Year Ended
December 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support			
Alumni Day/Homecoming	\$ 1,983	\$ -	\$ 1,983
Bayou Classic Revenue	44,669	-	44,669
Contributions	19,592	-	19,592
Life Membership Dues	-	16,677	16,677
Sustainable Dues	1,357	-	1,357
Pledge Revenue	1,698	-	1,698
Membership Dues	73,038	-	73,038
Chapter Assessments	14,631	-	14,631
National Meeting	6,790	-	6,790
Other Revenue	700	-	700
Scholarship Revenue	-	16,663	16,663
Total Support	<u>164,458</u>	<u>33,340</u>	<u>197,798</u>
 Other Revenue			
Miscellaneous Income	6,701	-	6,701
Interest Income	5,625	-	5,625
Total Other Revenue	<u>12,326</u>	<u>-</u>	<u>12,326</u>
 TOTAL SUPPORT	<u>176,784</u>	<u>33,340</u>	<u>210,124</u>
 Net Assets Released from Restrictions			
Restrictions Satisfied by Payments	42,878	(42,878)	-
TOTAL SUPPORT AND RECLASSIFICATION	<u>219,662</u>	<u>(9,538)</u>	<u>210,124</u>
 Expenses			
General and Administrative Expenses	77,298	-	77,298
Fundraiser Expenses	31,881	-	31,881
Program Expenses	90,978	-	90,978
Total Expenses	<u>200,157</u>	<u>-</u>	<u>200,157</u>
Change in Net Assets	<u>19,505</u>	<u>(9,538)</u>	<u>9,967</u>
 Net Assets as of Beginning of Year	(160,057)	814,332	654,275
Other Changes in Net Assets			
General Fund Interest Reinvested into Annuity	(5,625)	5,625	-
Interfund Debt Forgiveness	233,074	(233,074)	-
Prior Period Adjustment	1,305	-	1,305
Total Other Changes in Net Assets	<u>228,754</u>	<u>(227,449)</u>	<u>1,305</u>
 Net Assets as of End of Year	<u>\$ 88,202</u>	<u>\$ 577,345</u>	<u>\$ 665,547</u>

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

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
Statement of Cash Flows

For the Year Ended
December 31, 2025

Operating Activities

Change in Net Assets	\$ 9,967
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Provision for Depreciation	4,766
Increase in Accounts Receivable	(9,782)
Prior Period Adjustment	1,305
Total Adjustments	<u>(3,711)</u>
Net Cash Provided by Operating Activities	<u>6,256</u>

Investing Activities

Reinvested Interest on Investment	(5,625)
Net Cash Used by Investing Activities	<u>(5,625)</u>

Net Increase in Cash

	<u>631</u>
Cash and Cash Equivalents as of Beginning of Year	<u>313,736</u>
Cash and Cash Equivalents as of the End of Year	<u><u>\$ 314,367</u></u>

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

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
Statement of Functional Expenses

For the Year Ended
December 31, 2025

General & Administrative

Payroll Expense

Salaries and Wages	\$ 4,297
Payroll Taxes	5,716
Total Payroll Expense	<u>10,013</u>

Other Expenses

Accounting and Auditing	6,130
Bank Charges	311
Contributions	7,230
Depreciation	4,766
Gifts, Flowers and Courtesies	3,726
Insurance	3,655
Maintenance and Repairs	2,935
Office Expense	1,958
Other Expenses	9,286
Professional Fees	13,747
Telephone	1,290
Travel	7,095
Utilities	5,156
Total Other Expenses	<u>67,285</u>

Total General and Administrative	<u>77,298</u>
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Fundraising

Bayou Classic Expense	<u>31,881</u>
Total Fundraising	<u>31,881</u>

Program

National Meetings	3,951
Scholarship Awards and Student Support	<u>87,027</u>
Total Program	<u>90,978</u>

Total Functional Expenses	<u>\$ 200,157</u>
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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 Year Ended
December 31, 2025

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. The State of Louisiana chartered the Organization on October 13, 1967. The Alumni is recognized as a tax-exempt (non-profit) organization under section 501 (c) (3) of the Internal Revenue Service Code.

The Alumni 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 Alumni is composed of University graduates and attendees, as well as faculty and staff members. The Board of Directors of the Alumni consists of eleven (11) members. The members serve without compensation.

Public Support and Revenue Recognition

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. Dues and other contributions of cash and other assets are reported as net assets with donor restrictions if they are received with donor restrictions. Contributions and grants are considered to be unrestricted unless restricted by the donor and are reported as net assets without donor restrictions.

Revenue from dues is recorded in the applicable membership period. Contributions are recognized when received. Fund-raising revenue is recognized in the period in which the event occurs. The related fundraising expenses are recorded as expenses in the period in which the event occurs.

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 Alumni considers all highly liquid investments with maturity of three months or less when purchased to be cash equivalents. The Alumni had no cash equivalents during the audit period. On December 31, 2025, the Alumni had cash totaling \$314,367 as follows:

	 2025
Without Donor Restrictions	\$ 29,695
With Donor Restrictions	284,672
Total	<u><u>\$ 314,367</u></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 Alumni and recognize a tax liability (or asset) if the Alumni 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 Alumni and has concluded that as of June 26, 2026, 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 Alumni is subject to routine audits by Internal Revenue Service for the years ended December 31, 2023, 2024, and 2025; 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 Alumni 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 AND FAIR VALUE MEASUREMENT

On May 7, 2021, the Alumni invested \$250,000 into a new fixed rate annuity which will mature on May 7, 2075. For the year ended December 31, 2025, the value of the annuity was as follows:

<u>Annuity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Renewal Terms</u>	<u>Interest Earned</u>	<u>Owner/ Beneficiary</u>	<u>Annuitant</u>
Eagle Life Insurance Company	\$ 274,747	2.00%	Guaranteed Minimum Interest Rate	\$ 5,625	GUNAA	Tammy Richardson
	<u>\$ 274,747</u>					

The value of annuity is reported at contract value which approximates fair value.

A fixed rate annuity is similar to a certificate of deposit, but the funds are invested with an insurance company rather than a bank. Annuities generally pay a higher interest rate than a certificate of deposit. 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.

NOTE D. PERPETUALLY RESTRICTED FUNDS HELD BY UNIVERSITY

For the year ended December 31, 2002, the Alumni 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 restricted in perpetuity. Since the funds were used to establish a perpetually restricted endowed professorship, the perpetual restriction of the funds is maintained.

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

NOTE E. ACCOUNTS RECEIVABLE

For the year ended December 31, 2025, the Alumni had the following accounts receivable:

Bayou Classic Refund-Hilton	\$ 10,790
Bayou Classic Hotel Rebate	14,086
Total	<u>\$ 24,876</u>

NOTE F. PROPERTY AND EQUIPMENT

For the year ended December 31, 2025, the Alumni had net property equipment totaling \$51,557. The following schedule reflects the balances in property and equipment as of December 31, 2025:

	01/01/2025	Additions	12/31/2025
Depreciable Assets			
Building	\$ 148,484	\$ -	\$ 148,484
Total Depreciable Assets	<u>148,484</u>	<u>-</u>	<u>148,484</u>
Less Accumulated Depreciation			
Depreciation	(141,571)	(4,766)	(146,337)
Total Accumulated Depreciation	<u>(141,571)</u>	<u>(4,766)</u>	<u>(146,337)</u>
Net Depreciable Assets	6,913	-	2,147
Other Property and Equipment			
Land	49,410	-	49,410
Net Property and Equipment	<u>\$ 56,323</u>	<u>\$ -</u>	<u>\$ 51,557</u>

NOTE G. LIQUIDITY MANAGEMENT

For the year ended December 31, 2025, the following financial assets could be made readily available within one year of the statement of financial position date to meet general expenditures:

Cash	\$ 29,695
Accounts Receivable	24,876
Total	<u>\$ 54,571</u>

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

NOTE H. PRIOR PERIOD ADJUSTMENT

For the year ended December 31, 2025, the Alumni had the following prior period adjustment:

Overstated Expenses	\$ 1,305
Total	<u>\$ 1,305</u>

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

NOTE I. 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 net assets with donor restrictions or net assets without donor restrictions. Net assets with donor restrictions are those whose use has been limited by donor-imposed time restrictions, purpose restrictions, or by law or donor to be maintained by the organization in perpetuity. Net assets without donor restrictions are all other net assets. Net assets as of December 31, 2025 were as follows:

	Without Donor Restrictions	With Donor Restrictions				
		With Temporary Restrictions			With Perpetual Restrictions	
		Building Fund	Scholarship	Total	Lifetime Membership	Total
Beginning Net Assets	(\$160,057)	\$6,913	\$56,158	\$63,071	\$751,261	\$654,275
Change in Net Assets	19,505	(4,766)	(21,449)	(26,215)	16,677	9,967
Prior Period Adjustments	1,305	-	-	-	-	1,305
General Fund Interest						
Reinvested into Annuity	(5,625)	-	-	-	5,625	-
Interfund Debt Forgiveness	233,074	-	-	-	(233,074)	-
Ending Net Assets	<u>\$88,202</u>	<u>\$2,147</u>	<u>\$34,709</u>	<u>\$36,856</u>	<u>\$540,489</u>	<u>\$665,547</u>

NOTE J. INTERFUND TRANSACTIONS

The Statement of Financial Position focuses on the Alumni as a whole. Therefore, inter-fund receivables (“Due From”) and inter-fund liabilities (“Due To”) are eliminated from the financial statements because they are not assets or liabilities of the Alumni as a whole. However, since the Alumni maintains separate funds to account for activities within those funds; inter-fund liabilities and receivables are recognized at the fund level. The Alumni maintained the following funds for the years ended December 31, 2025:

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.

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 perpetually 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 perpetually restricted by donors. However, the earnings are without donor restrictions and transferred to the General Fund when paid.

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

NOTE K. INTERFUND TRANSACTIONS (continued)

For the year ended December 31, 2025, the “Due To” and “Due From” accounts for each of the funds were as follows:

12/31/2025	Due To	Due From
General Fund		
Scholarship Fund	\$ 34,709	\$ -
Life Membership Fund	8,836	\$ -
Total General Fund	<u>\$ 43,545</u>	<u>\$ -</u>
Scholarship Fund		
General Fund	<u>\$ -</u>	<u>\$ 34,709</u>
Total Scholarship Fund	<u>\$ -</u>	<u>\$ 34,709</u>
Life Membership Fund		
General Fund	<u>\$ -</u>	<u>\$ 8,836</u>
Total Life Membership Fund	<u>\$ -</u>	<u>\$ 8,836</u>
Total Interfund Transactions	<u><u>\$ 43,545</u></u>	<u><u>\$ 43,545</u></u>

On Friday, July 11, 2025, a duly conducted vote was held among registered convention attendees. Life Members constituted approximately 75% of the registered voting body present. The convention body voted to forgive the \$269,087 loan due to Life Membership from the General Fund. The forgiveness amount was adjusted to the balance of the interfund debt as of December 31, 2024, in the amount of \$233,074.

NOTE L. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued June 26, 2026, 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.

SUPPLEMENTAL INFORMATION

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED

Schedule of Board Members
For the Year Ended
December 31, 2025

Year 2025	Title	Term	City, State	Compensation
Dr. Tammy Richardson	President	January 2025 - December 2025	Houston, TX	-
Crystal Sayles	Vice President	January 2025 - December 2025	Atlanta, GA	-
Torry Dean	Secretary	January 2025 - December 2025	New Orleans, LA	-
Shirley Burch	Treasurer	January 2025 - December 2025	Marion, LA	-
Wilbur Washington	Financial Secretary	January 2025 - December 2025	Los Angeles, CA	-
Sandra Green	Business Manager	January 2025 - December 2025	Houston, TX	-
Courtland Dixon	Sergeant-at-Arms	January 2025 - December 2025	Los Angeles, CA	-
Kip Andrews	Chaplain	January 2025 - December 2025	Hammond, LA	-
Bobbie Williams	Historian	January 2025 - December 2025	Beaumont, TX	-
Freddie Colston	Parliamentarian	January 2025 - December 2025	Washington, DC	-
Thomas Jones	Immediate Past President	January 2025 - December 2025	Mansfield, LA	-

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

GRAMBLING UNIVERSITY NATIONAL ALUMNI
ASSOCIATION, INCORPORATED
Schedule of Compensation - Key Management

Schedule 2

For the Year Ended
December 31, 2025

	Kathy Lathon	
	Office Manager	
Job Title		
Salary	\$	18,044
Per Diem		-
Reimbursements		-
Travel		-
Registration Fees		-
Conference Travel		-
Total Compensation	\$	18,044

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

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

For the Year Ended
December 31, 2025

SUMMARY OF AUDIT RESULTS

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

Finding 12-25-01 (Repeat) Failure to Adequately Monitor Subordinates' Filing Compliance with IRS

The Alumni has a group exemption for affiliate chapters. Internal Revenue Service (IRS) requires each of the chapters to file annually an income tax return for a tax-exempt organization by submitting Form 990, Form 990 EZ, Form 990 N or submitting their financial information to be included in a group Form 990. Failure to file the required form for three (3) consecutive years results in an automatic revocation of the tax-exempt status of the subordinate chapter. The Alumni does not have a system in place to monitor the required filing by the chapters. As a result, many of the chapters' tax-exempt status has been revoked by IRS.

Recommendation:

The Alumni should implement a mandatory requirement that all subordinate chapters submit their financial information annually to the National office to be included in a group return. The business manager or another representative should be assigned the responsibility of monitoring the compliance of each chapter with the new requirement. Additionally, the Alumni should sponsor mandatory training for all new officers within the National and affiliated chapters. The training should at a minimum teach Alumni bylaws and constitution and IRS compliance. This training would minimize the risk of chapter non-compliance due to lack of knowledge.

Management Response:

The Business Manager's job description has been updated to formally include responsibility for monitoring chapter activity and maintaining an accurate, current listing of chapters and their compliance status.

Regarding training, group sessions were conducted twice, and individual chapter training was provided twice during both 2025 and 2026. Going forward, all required annual training will be delivered on a consistent and ongoing basis.

QUESTIONED COSTS

There were no questioned costs.

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

For the Years Ended
December 31, 2025

Finding 12-24-01 Failure to Adequately Monitor Subordinates' Filing Compliance with IRS

The Alumni has a group exemption for affiliate chapters. Internal Revenue Service (IRS) requires each of the chapters to file annually an income tax return for a tax-exempt organization by submitting Form 990, Form 990 EZ, Form 990 N or submitting their financial information to be included in a group Form 990. Failure to file the required form for three (3) consecutive years results in an automatic revocation of the tax-exempt status of the subordinate chapter. The Alumni does not have a system in place to monitor the required filing by the chapters. As a result, many of the chapters' tax-exempt status has been revoked by IRS.

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Status: **Uncleared**

Finding 12-24-02 Inadequate Segregation of Duties

The financial policy and procedures of the Alumni have an internal control design to accomplish adequate segregation of duties for check disbursements. Those controls were not followed. The operating policy requires the president to authorize and approve disbursements. Checks are supposed to be signed by two parties, the president, treasurer or the business manager. The financial secretary is a signature on the bank accounts and the president does not approve payments before being disbursed.

Recommendation:

The Alumni should adhere to its financial policies and procedures to ensure proper segregation of duties when making payments.

Status: **Cleared**