

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
GRAMBLING, LOUISIANA

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2020

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GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
JUNE 30, 2020

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Grambling University Athletic Foundation  
Grambling, Louisiana

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Grambling University Athletic Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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, we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion on the Statement of Financial Position**

In our opinion, the statement of financial position referred to in the first paragraph presents fairly, in all material respects, the financial position of the Grambling University Athletic Foundation as of June 30, 2020, 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 Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules I and II on pages 20 and 21 are presented for purposes of additional analysis and are 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 our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2020 on our consideration of the Grambling University Athletic Foundation's internal control over financial reporting and on our tests of its compliance with certain

provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Grambling University Athletic Foundation's internal control over financial reporting and compliance.

*Johnson, Perry, Roussel & Cuthbert, LLP*

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS  
September 30, 2020

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2020

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 25,437
Accounts Receivable	-
Investments	<u>4,348</u>

TOTAL CURRENT ASSETS 29,785

RESTRICTED DEPOSITS

Restricted Cash	<u>28,351</u>
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FIXED ASSETS

Land, Buildings, and Equipment, Net	<u>-</u>
-------------------------------------	----------

NET FIXED ASSETS -

TOTAL ASSETS \$ 58,136

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ -
Payroll Liabilities	<u>497</u>

TOTAL CURRENT LIABILITIES 497

TOTAL LIABILITIES 497

NET ASSETS

Without Donor Restrictions	(25,978)
With Donor Restrictions	<u>83,617</u>

TOTAL NET ASSETS 57,639

TOTAL LIABILITIES AND NET ASSETS \$ 58,136

See Independent Auditors' Report and accompanying notes.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenues and Gains	
Contributions	\$ 15,228
Fundraising	4,136
Dues	8,486
Other Revenue	708
<u>TOTAL REVENUES AND GAINS WITHOUT DONOR RESTRICTIONS</u>	<u>28,558</u>
Net assets released from restrictions	
Restrictions satisfied by payments	44,401
<u>TOTAL NET ASSETS RELEASED FROM RESTRICTIONS</u>	<u>44,401</u>
<u>TOTAL REVENUES, GAINS, AND OTHER SUPPORT WITHOUT DONOR RESTRICTIONS</u>	<u>72,959</u>
Expenses	
Program Services	77,303
Supporting Services	4,913
<u>TOTAL EXPENSES</u>	<u>82,216</u>
<u>INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</u>	<u>(9,257)</u>

CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS

Contributions	16,427
Net assets released from restrictions	(44,401)
<u>INCREASE (DECREASE) IN NET ASSETS WITH DONOR RESTRICTIONS</u>	<u>(27,974)</u>
<u>INCREASE IN NET ASSETS</u>	<u>(37,231)</u>
<u>NETS ASSETS AT BEGINNING OF YEAR</u>	<u>94,870</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 57,639</u>

See Independent Auditors' Report and accompanying notes.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020

	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>		<u>TOTAL</u>
		<u>Management And General</u>	<u>Fund-Raising</u>	
Awards	\$ -	\$ -	\$ -	\$ -
Bank Charges	-	12	-	12
Courtesies	-	-	-	-
Office Expenses and Supplies	2,522	-	-	2,522
Payroll Expenses	10,491	-	-	10,491
Printing and Reproduction	220	-	-	220
Professional Fees	5,900	4,901	-	10,801
Program Expense	55,167	-	-	55,167
Telephone	3,003	-	-	3,003
Depreciation	-	-	-	-
<u>TOTAL EXPENSES</u>	<u>\$ 77,303</u>	<u>\$ 4,913</u>	<u>\$ -</u>	<u>\$ 82,216</u>

See Independent Auditors' Report and accompanying notes.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets	\$ (37,231)
Adjustments to Reconcile Change in Unrestricted Net Assets to Net Cash Provided by Operating Activities	
Depreciation and Amortization	-
(Increase) Decrease in:	
Accounts Receivable	800
Increase (Decrease) in:	
Accrued Liabilities	(3,750)
Accrued Payroll Taxes	248

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES (39,933)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Fixed Assets	-
Proceeds from Certificate of Deposit	15,000
Net Change in Value of Investments	(480)

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES 14,520

NET INCREASE (DECREASE) IN CASH (25,413)

CASH AND RESTRICTED CASH AT BEGINNING OF PERIOD 79,201

CASH AND RESTRICTED CASH AT END OF PERIOD 53,788

RECONCILIATION OF CASH AND RESTRICTED CASH

Cash and Cash Equivalents	25,437
Restricted Cash	28,351

TOTAL CASH AND RESTRICTED CASH \$ 53,788

Interest Paid	\$ -
Income Taxes Paid	\$ -

See Independent Auditors' Report and accompanying notes.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020

NOTE 1 - NATURE OF ACTIVITIES AND 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 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.

Method of Accounting

The financial statements have been prepared on the accrual method of accounting and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its *Audit and Accounting Guide for Not-for-Profit Organizations*.

Basis of Presentation

The financial statements have been prepared in accordance with U.S generally accepted accounting principles ("US GAAP"), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation and the board of directors.

Net Assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES: (Continued)

Basis of Presentation (Continued)

of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Promises to Give and Contributions

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

Revenue Recognition

*Revenue from Exchange Transactions:* The Foundation recognizes revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition. The Foundation records the following exchange transaction revenue in its statements of activities and changes in net assets for the year ending June 30, 2020:

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES: (Continued)

Revenue Recognition (Continued)

Membership Dues:

Membership dues are set by the Foundation and are paid on an annual basis. The performance obligation lasts throughout the fiscal year. The membership dues paid allows the member the right to attend various events during the year and the member may receive various novelty items.

Special Fundraising Event Revenue

The Foundation conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event—the exchange component, and a portion represents a contribution to the Foundation. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Foundation. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Foundation, are recorded as costs of direct donor benefits in the statement of activities and changes in net assets. The performance obligation is delivery of the event, which is usually accompanied by a presentation. The event fee is set by the Foundation. FASB ASU 2014-09 requires allocation of the transaction price to the performance obligation(s). Accordingly, the Foundation separately presents in its statements of activities and changes in net assets or notes to financial statements the exchange and contribution components of the gross proceeds from special events. Special event fees collected by the Foundation in advance of its delivery are initially recognized as liabilities (deferred revenue) and recognized as special event revenue after delivery of the event. For special event fees received

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES: (Continued)

Special Fundraising Event Revenue (Continued)

before year-end for an event to occur after year-end, the Foundation follows AICPA guidance where the inherent contribution is conditioned on the event taking place and is therefore treated as a refundable advance along with the exchange component.

Public Support and Revenue

Grants and other contributions of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as contributions without donor restrictions.

Endowment contributions and investments are restricted by the donor. Investment earnings available for distribution are recorded in net assets without donor restrictions. Investment earnings with donor restrictions are recorded in net assets with donor restrictions based on the nature of the restrictions.

Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that created or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES: (Continued)

Public Support and Revenue (Continued)

The accounting and reporting of grants is determined by the underlying substance of the transaction. A grant may be accounted for as contribution, an exchange transaction, or a combination of the two. If it is determined to be a contribution, a grant may be considered a conditional or an unconditional grant.

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.

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. During the year ended June 30, 2010, the Foundation adopted the provisions of FASB ASC 740, *Income Taxes*. The Foundation believes that it has appropriate support for any tax provisions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundations' Federal Return of Organization Exempt from Income Tax (form 990) for the years ended June 30, 2017, 2018, 2019, and 2020 are subject to examination by the IRS.

Advertising

The Foundation expenses advertising costs as they are incurred. For the year ended June 30, 2020, advertising expense was immaterial.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES: (Continued)

Reserve for Bad Debts

Accounts receivable are reviewed by management for bad debts monthly and it has been determined that there is no requirement for an allowance for doubtful accounts as of June 30, 2020.

Donated Services - Volunteers

No amounts have been reported in the financial statements for donated goods and services because no objective basis is available to measure the value of such services. Board members receive no compensation for services provided.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Foundation considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents. Fair value approximates carrying amounts.

Depreciation

The Foundation 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, which are generally as follows:

Furniture and Equipment	5 - 7 Years
Vehicles	5 Years

New Accounting Pronouncement

As of July 1, 2019, the Foundation adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), as amended. ASU 2014-09 applies to exchange transactions with customers that are bound by contracts or similar arrangements and establishes a performance obligation approach to revenue recognition.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES: (Continued)

New Accounting Pronouncement (Continued)

Results for reporting the year ending June 30, 2020 is presented under FASB ASC Topic 606. The ASU has been applied retrospectively, with no effect on net assets or previously issued financial statements.

During the year, the Foundation also adopted the provisions of FASB ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 958). This accounting standard is meant to help not-for-profit entities evaluate whether transactions should be accounted for as contributions or as exchange transactions and, if the transaction is identified as a contribution, whether it is conditional or unconditional. ASU 2018-08 clarifies how an organization determines whether a resource provider is receiving commensurate value in return for a grant. If the resource provider does receive commensurate value from the grant recipient, the transaction is an exchange transaction and would follow the guidance under ASU 2014-09 (FASB ASC Topic 606). If no commensurate value is received by the grant maker, the transfer is a contribution. ASU 2018-08 stresses that the value received by the general public as a result of the grant is not considered to be commensurate value received by the provider of the grant. Results for reporting the year ending June 30, 2020 are presented under FASB ASU 2018-08. There was no material impact to the financial statements as a result of adoption. Accordingly, no adjustment to opening net assets was recorded.

In 2019, the Foundation adopted the provisions of FASB ASU 2016-18, *Statement of Cash Flows* (Topic 230). This ASU requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

New Accounting Pronouncement (Continued)

the consolidated statement of cash flows. The amendments in the ASU do not provide a definition of restricted cash or restricted cash equivalents. The Foundation has applied the provisions of ASU 2016-18 with no effect on net assets or previously issued financial statements.

NOTE 2 - NET ASSETS WITH DONOR RESTRICTIONS:

Funds Available for Programs and Scholarships

Included in the Statement of Financial Position under net assets with donor restrictions are funds available for programs. The programs consist of funds for various sports, scholarships, and special projects. Changes in funds available for programs during the year ended June 30, 2020 were as follows:

Funds Available - Beginning of Year	111,591
Contributions	16,427
Earnings	
Other Revenue	
Program Expenses	( 43,908)
Transfers	( 493)
<u>Funds Available - End of Year</u>	<u>83,617</u>

The Foundation has not maintained the necessary amounts of cash to comply with the above donor-imposed restrictions.

NOTE 3 - INVESTMENTS:

As of June 30, 2020, investments consisted of a certificate of deposit in the amount of \$3,314 and mutual funds in the amount of \$1,034.

NOTE 4 - PROPERTY, PLANT, AND EQUIPMENT:

A summary of change in property, plant and equipment for the year ended June 30, 2020 is as follows:

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2020

NOTE 4 - PROPERTY, PLANT, AND EQUIPMENT: (Continued)

	<u>7/01/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/2020</u>
Depreciable Assets				
Furniture and Equipment	4,341	-	-	4,341
Vehicle	<u>63,422</u>	<u>-</u>	<u>-</u>	<u>63,422</u>
Total Depreciable Assets	67,763	-0-	-0-	67,763
Less Accumulated				
Depreciation				
Depreciation	(67,763)	<u>-</u>	<u>-</u>	(67,763)
Total Accumulated				
Depreciation	(67,763)	<u>-0-</u>	<u>-0-</u>	(67,763)
<u>Net Property and</u>				
<u>Equipment</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>

NOTE 5 - 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, fund-raising costs, and supporting services benefited.

NOTE 6 - CONCENTRATION OF CREDIT RISK:

All cash funds are in institutions insured by an agency of the federal government.

NOTE 7 - SUBSEQUENT EVENTS:

Subsequent events have been evaluated through September 30, 2020, the date the financial statements were available to be issued. No significant events have occurred since that date that would require disclosure in the financial statements.

NOTE 8 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Foundation's financial assets as of the balance sheet date of June 30, 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2020

NOTE 8 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS: (Continued)

Financial Assets at June 30, 2020	58,136
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Less those unavailable for general expenditure within one year, due to:

Donor-Restricted	(83,167)
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Financial assets availability to meet cash needs for general expenditure, within one year	(25,031)
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In addition to financial assets available to meet general expenditures over the year, the Foundation anticipates covering its general expenditures using the income generated from dues, contributions, and fund-raising events.

NOTE 9 - RESTRICTED CASH:

The Foundation has \$28,351 held in the bank which is restricted for athletic programs and scholarships.

NOTE 10 - FUND-RAISING ACTIVITIES:

Details of the special fund-raising events summarized on the statement of activities are as follows:

Miscellaneous Fund-Raising Events	4,136
Direct Benefit Costs (Exchange Transaction)	-
Net (Contribution)	<u>4,136</u>
<u>Total Net Fund-Raising Revenue</u>	<u>4,136</u>

Other fund-raising costs were not material.

NOTE 11 - PRIOR PERIOD ADJUSTMENT:

Net assets as of the beginning of the fiscal year have been adjusted to reclassify \$14,761 from net assets without donor to net assets with donor restrictions. The reclassification resulted in a decrease to beginning net assets without restrictions from \$(1,960) to \$(16,721), and an increase to

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

NOTE 11 - PRIOR PERIOD ADJUSTMENT: (Continued)

beginning net assets with donor restrictions from \$96,830 to \$111,591. The correction has no effect on the results of current year's activities.

NOTE 12 - SUMMARY OF FAIR VALUE EXPOSURE:

The FASB *Fair Value Measurement* standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Foundation has adopted this standard for its financial assets and liabilities measured on a recurring and nonrecurring basis (ASC 820-10).

*Fair Value Measurement* defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e., an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.)
- Level 3: Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments).

The inputs and methodology used for valuing the Foundation's financial assets and liabilities are not indicators of the risks associated with those instruments.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2020

NOTE 12 - SUMMARY OF FAIR VALUE EXPOSURE: (Continued)

The following table provides fair value measurement information for financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2020:

<u>Description</u>	<u>Investments in Securities</u>
Level 1: Quoted Prices	1,034
Level 2: Other Significant Observable Inputs	-
Level 3: Significant Unobservable Inputs	-
<u>Total Fair Value</u>	<u>1,034</u>

The following methods and assumptions were used to estimate the fair values of the assets and liabilities in the table above:

LEVEL 1: FAIR VALUE MEASUREMENTS

Investments in Securities

The fair value of the Foundation's investments in marketable equity and debt securities is based on quoted market prices.

SUPPLEMENTAL INFORMATION

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
Reconciliation of Cash to Net Assets  
As of June 30, 2020

	Beginning Balance	Support	EXPENSES			Interfund Transfers			Ending Balance		
			7/1/2019	Revenue	Program	Management and General	Fund Raising	Total Expenses		Other	
										3% Fee	Transfers
Athletic Advisory	-	-	-	-	-	-	-	-	-	-	
Athletic Auxiliary	(8,218)	-	-	-	-	-	-	-	-	(8,218)	
Athletic Director's Special Account	1,300	-	890	-	-	890	-	-	-	410	
Athletic Special Account	6,668	-	-	-	-	-	-	-	-	6,668	
Baseball	4,045	-	6,334	-	-	6,334	-	-	-	(2,289)	
Basketball – Men's	45,943	-	22,062	-	-	22,062	-	-	-	23,881	
Basketball – Women's	87	-	-	-	-	-	-	-	-	87	
Bowling	60	-	-	-	-	-	-	-	-	60	
Cheerleaders	(2,005)	663	184	-	-	184	(20)	-	(20)	(1,546)	
Culverhouse – Scholarships	24,548	14	-	-	-	-	-	-	-	24,562	
Currie Foundation	749	-	-	-	-	-	-	-	-	749	
External Relations (Golf Tournament)	3,641	-	-	-	-	-	-	-	-	3,641	
Football	1,281	2,000	1,581	-	-	1,581	(60)	-	(60)	1,640	
Football – Banquet	3,243	-	2,221	-	-	2,221	-	-	-	1,022	
Golden Masquerade Ball Golf	5,441	-	1,400	-	-	1,400	-	-	-	4,041	
Golf	193	-	-	-	-	-	-	-	-	193	
Leonard Griffin	3,434	-	-	-	-	-	-	-	-	3,434	
Orchisis Dance	1,525	10,234	4,946	-	-	4,946	(307)	-	(307)	6,506	
Radio Promotions	(1,742)	-	-	-	-	-	-	-	-	(1,742)	
Robert Piper Scholarship	805	-	-	-	-	-	-	-	-	805	
Robinson Stadium Suite Seats	8,122	-	-	-	-	-	-	-	-	8,122	
Soccer	2,317	1,015	1,405	-	-	1,405	(30)	-	(30)	1,897	
Softball	1,354	-	848	-	-	848	-	-	-	506	
Sponsorship/Media	518	-	363	-	-	363	-	-	-	155	
Sports Information	(27)	-	-	-	-	-	-	-	-	(27)	
State Farm Life Season Book	3,217	-	492	-	-	492	-	-	-	2,725	
Stay At Home Fundraiser	2,207	750	-	-	-	-	(23)	-	(23)	2,934	
Student Affairs	1,163	-	-	-	-	-	-	-	-	1,163	
Tennis	460	1,001	-	-	-	-	(30)	-	(30)	1,431	
Track	378	-	-	-	-	-	-	-	-	378	
Volleyball	884	750	1,182	-	-	1,182	(23)	-	(23)	429	
<b>Total Net Assets With Donor Restrictions</b>	<b>111,591</b>	<b>16,427</b>	<b>43,908</b>	<b>0</b>	<b>0</b>	<b>43,908</b>	<b>(493)</b>	<b>0</b>	<b>(493)</b>	<b>83,617</b>	
<b>Net Assets Without Donor Restrictions</b>											
Operating (Includes net investment in equipment)	(202,845)	6,954	21,912	4,913	-	26,825	493	-	493	(222,223)	
Football Concessions	-	-	-	-	-	-	-	-	-	-	
Savings (Former Escrow)	9,957	-	-	-	-	-	-	-	-	9,957	
Scholarships (Restricted)	-	1,103	-	-	-	-	-	-	-	1,103	
Tiger Club	176,167	18,879	11,483	-	-	11,483	-	-	-	183,563	
RV Parking	-	-	-	-	-	-	-	-	-	-	
Membership Dues (BOD)	-	1,150	-	-	-	-	-	-	-	1,150	
<b>Board Designated</b>											
Eddie Robinson Educational Fund	-	472	-	-	-	-	-	-	-	472	
<b>Total Net Assets Without Donor Restrictions</b>	<b>(16,721)</b>	<b>28,558</b>	<b>33,395</b>	<b>4,913</b>	<b>-</b>	<b>38,308</b>	<b>493</b>	<b>-</b>	<b>493</b>	<b>(25,978)</b>	
<b>Total Net Assets</b>	<b>94,870</b>	<b>44,985</b>	<b>77,303</b>	<b>4,913</b>	<b>0</b>	<b>82,216</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>57,639</b>	

See Independent Auditors' Report and accompanying notes.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO  
 AGENCY HEAD OR CHIEF EXECUTIVE OFFICER  
 FOR THE YEAR ENDED JUNE 30, 2020

AGENCY HEAD NAME/TITLE: GLORIA SMALLWOOD, OFFICE MANAGER

<u>Purpose</u>	<u>Amount Paid</u>
Salary	9,467
Benefits-insurance	-0-
Benefits-retirement	-0-
Benefits-other (describe)	-0-
Benefits-other (describe)	-0-
Benefits-other (describe)	-0-
Car allowance	-0-
Vehicle provided by government (enter amount reported on W-2)	-0-
Per diem	-0-
Reimbursements	1,412
Travel	-0-
Registration Fees	-0-
Conference travel	-0-
Housing	-0-
Unvouchered expenses (example: travel advances, etc.)	-0-
Special meals	-0-
Other - Training	-0-

See Independent Auditors' Report and accompanying notes.

COMPLIANCE REPORTS

# JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.

ROWLAND H. PERRY, CPA, APC  
CHARLES L. JOHNSON, JR., CPA  
VIOLET M. ROUSSEL, CPA, APC  
JAY CUTHBERT, CPA, APAC  
PAM BATTAGLIA, CPA  
DAWN WHITSTINE, CPA  
JOHN R. FORSELL, IV, CPA



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- Bookkeeping & Payroll Services

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors  
Grambling University Athletic Foundation  
Monroe, Louisiana

We were engaged to audit, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Grambling University Athletic Foundation (a nonprofit organization) as of and for the year ended June 30, 2020, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2020.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Grambling University Athletic Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Grambling University Athletic Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Grambling University Athletic Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of

the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Grambling University Athletic Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Johnson Perry Roussel & Cuthbert, LLP*

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.  
CERTIFIED PUBLIC ACCOUNTANTS  
September 30, 2020

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020

Internal Control

There were no findings or questioned costs for the year ended June 30, 2020.

Compliance

There were no findings or questioned costs for the year ended June 30, 2020.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS  
JUNE 30, 2020

There were no findings or questioned costs for the year ended June 30, 2019.