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GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
GRAMBLING, LOUISIANA

FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 0920-00

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
GRAMBLING, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

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Hulsey, Harwood & Co.

A Professional Accounting Corporation

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of financial position of Grambling University Athletic Foundation (a nonprofit organization) as of June 30, 1999 and 1998, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Grambling University Athletic Foundation as of June 30, 1999 and 1998, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information identified as Schedules in the accompanying Index is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

HULSEY, HARWOOD AND CO., CPAs
A Professional Accounting Corporation

Hulsey Harwood & Co.
May 31, 2000

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 1999 AND 1998

ASSETS	Unrestricted	Temporarily Restricted	Total	
			1999	1998
Cash	\$ 73,820	\$ 30,000	\$ 103,820	\$ 117,471
Certificates of deposit	-	2,591	2,591	2,442
Accounts receivable	13,200	-	13,200	-
Contributions receivable	-	290	290	1,640
Vehicles	-	-	-	3,511
Equipment	4,120	-	4,120	4,120
Accumulated depreciation	(2,617)	-	(2,617)	(4,998)
Due from unrestricted net assets (Note 3)	-	96,020	96,020	109,333
Investments	61,194	-	61,194	48,005
TOTAL ASSETS	\$ 149,717	\$ 128,901	\$ 278,618	\$ 281,524
LIABILITIES AND NET ASSETS				
Liabilities:				
Accounts payable	\$ 11,508	\$ -	\$ 11,508	\$ 8,306
Accounts payable - Coaches	30,000	-	30,000	35,000
Due to restricted net assets (Note 3)	96,020	-	96,020	109,333
Total liabilities	137,528	-	137,528	152,639
Net Assets:				
Unrestricted:				
Designated by the board				
External relations account	19,960	-	19,960	12,593
GUAF Quasi-Endowment	61,193	-	61,193	48,005
Equipment	1,503	-	1,503	2,633
Undesignated	(70,467)	-	(70,467)	(47,761)
Total unrestricted net assets	12,189	-	12,189	15,470
Temporarily Restricted	-	128,901	128,901	113,415
Total Net Assets	12,189	128,901	141,090	128,885
TOTAL LIABILITIES AND NET ASSETS	\$ 149,717	\$ 128,901	\$ 278,618	\$ 281,524

The accompanying notes to financial statements
are an integral part of the statements.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	Unrestricted	Temporarily Restricted	Total	
			1999	1998
Support and revenue:				
Contributions	\$ 5,326	\$ 109,587	\$ 114,913	\$ 163,144
Fund raisers:				
Concessions	4,526	-	4,526	2,542
Golf Classic - Eddie Robinson	7,367	-	7,367	8,868
Raffle - Cash Give-Away	1,090	-	1,090	-
Scarfs/ties sale	6,020	-	6,020	-
Car flags/pennants/wind socks, pom-poms sale	3,490	-	3,490	-
Membership dues (Tiger Club)	18,674	-	18,674	-
Interest	9,127	150	9,277	8,415
Miscellaneous	-	-	-	-
Gain on the sale of assets	250	-	250	-
Unrealized gains	1,815	-	1,815	2,303
Net Assets Released from Restrictions:				
Satisfaction of Program Restrictions	90,863	(90,863)	-	-
Total support and revenue	148,548	18,874	167,422	185,272
Expenses				
Program services	\$ 90,674	\$ -	\$ 90,674	\$ 138,108
Supporting services:				
Management and general	33,599	-	33,599	21,533
Fund raising	11,906	-	11,906	62,116
Membership development	19,038	-	19,038	-
Total supporting services	64,543	-	64,543	83,649
Total expenses	155,217	-	155,217	221,757
Excess (Deficiency) of support and revenue over expenses	(6,669)	18,874	12,205	(36,485)
Other sources and uses				
Transfer to other entities	-	-	-	-
Support, revenue, and other sources over (under) expenses and other uses	(6,669)	18,874	12,205	(36,485)
Net Assets at Beginning of Year	18,858	110,027	128,885	165,370
NET ASSETS AT END OF YEAR	\$ 12,189	\$ 128,901	\$ 141,090	\$ 128,885

The accompanying notes to the financial statements
are an integral part of the these statements.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	Total	
	1999	1998
Cash flows from operating activities:		
Increase (Decrease) in Net Assets	\$ 12,205	\$ (36,485)
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	1,130	602
Gain on sale of property and equipment	(250)	-
Unrealized gains on securities	(1,815)	(2,303)
 (Increase) decrease in operating assets		
Accounts receivable	(13,200)	5,000
Pledges receivable	1,350	(290)
Increase (decrease) in operating liabilities		
Accounts payable	3,202	4,512
Accounts payable - coaches	(5,000)	35,000
Total adjustments	(14,583)	42,521
Net cash provided (used) by operating activities	(2,378)	6,036
Cash flows from investing activities:		
Payments received for sale of property and equipment	250	-
Purchase of investments	(11,374)	(4,777)
Net cash provided (used) by investing activities	(11,124)	(4,777)
Net increase (decrease) in cash and cash equivalents	(13,502)	1,259
Cash and cash equivalents, beginning of year	119,913	118,654
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 106,411	\$ 119,913

CASH AND CASH EQUIVALENTS ARE PRESENTED ON THE
BALANCE SHEET AS:

Cash	\$ 103,820	\$ 117,471
Certificates of deposit	2,591	2,442
Total cash and cash equivalents	\$ 106,411	\$ 119,913

The accompanying notes to the financial statements
are an integral part of these statements.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
GRAMBLING, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

NOTE 1 - NATURE OF ACTIVITIES & SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Grambling University Athletic Foundation (the Foundation) is an independent corporation organized and designed to work cooperatively in support of the athletic programs of Grambling State University in compliance with NCAA Regulations. Income is derived primarily from contributions and fund raising activities. The Foundation does not participate in the gate receipts from any athletic activity. These receipts belong to the University to defray the expenses of their athletic programs.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis.

Basis of Presentation

The Foundation is in conformity with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Foundation is required to present a statement of cash flows, as well as to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

A description of the three net assets categories follows:

Unrestricted Net Assets - Net assets that are not subject to donor imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or by passage of time.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally the donors of these assets permit the Foundation to use all or part of the income earned on related investments for general or specific purposes.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
GRAMBLING, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

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

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment in excess of \$500 is capitalized at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Depreciation expense for the years ended June 30, 1999 and 1998 was \$1,130 and \$602, respectively.

Investments

The Foundation is reporting in conformity with SFAS No. 124, "Accounting for Certain Investments Held by Not-for-Profit Organizations". Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

Income Taxes

The Foundation qualified as a publicly-supported organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Contributions to the Foundation are tax deductible within the limitations prescribed by the Code.

Donated Services and Facilities

Personnel and occupancy are provided by Grambling State University to the Foundation as needed. The Foundation provides vehicles for use by the athletic departments. During the year ended June 30, 1999, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. The use of the facilities of the Foundation is donated by the University. The fair value of such use cannot be objectively determined.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
GRAMBLING, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

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

Contributions

In accordance with SFAS No. 116, "Accounting for Contributions Received and Contributions Made", contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional. Contributions that are restricted by time by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a time restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Foundation uses the allowance method to determine uncollectible unconditional contributions receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

NOTE 2 - 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 3 - BANK ACCOUNTS

The Foundation has one operating bank account through which all transactions are handled. The operating bank account is reported in Unrestricted Net Assets. The receivable in Restricted Net Assets represents cash due from Unrestricted Net Assets.

NOTE 4 - FUND RAISING ACCOUNTS

The major fund raisers for Grambling University Athletic Foundation are the Bayou Classic Pageant, Golf Classic, Orchesis (a dance camp), and other adjunct activities of the annual Bayou Classic football game. The Foundation has no role with the Bayou Classic Football event. It only receives an allocation of funds from the revenue produced.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
GRAMBLING, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

NOTE 5 - QUASI-ENDOWMENT FUND

In September, 1994 the Board established The Eddie G. Robinson Education Endowment with an original investment of \$25,000. There are to be no withdrawals for five years after which 50 percent of the earnings will be available for scholarships and the remaining 50 percent added to the corpus. The endowment is invested with American Mutual Funds with the earnings reinvested for additional shares. As reflected in unrestricted net assets at June 30, 1999, the market value of this fund was \$61,194. Capital gains on the fund totaled \$1,815 for the year ended June 30, 1999.

In 1998, the market value of this fund was \$48,004. Capital gains on the fund totaled \$2,303 for the year ended June 30, 1998.

NOTE 6 - SIGNIFICANT CONCENTRATIONS OF CREDIT RISK

The Foundation's cash and cash investments are held in multiple financial institutions located in the same geographic region. The balances are insured by Federal Deposit Insurance Corporation coverage of up to \$100,000 at each institution. At June 30, 1999 and 1998, the Foundation has \$-0- and \$25,354, respectively, of these cash and cash investments uninsured.

NOTE 7 - CONTRIBUTIONS RECEIVABLE

Unconditional contributions receivable consist of the following:

	<u>1999</u>	<u>1998</u>
Unconditional contributions receivable	\$ 290	\$ 1,640
Less unamortized discount	<u>-</u>	<u>-</u>
Net unconditional contributions receivable	<u>\$ 290</u>	<u>\$ 1,640</u>
Amounts due in:		
Less than one year	\$ 290	
One to five years	<u>-</u>	
Total	<u>\$ 290</u>	

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	Program Services	Supporting Services			Total	
		Management and General	Fund Raising	Membership Development	1999	1998
Awards	\$ 1,842	\$ -	\$ -	\$ -	\$ 1,842	\$ 3,420
Bad debt expense	-	-	4,118	-	4,118	5,000
Casual Labor	-	10,809	-	-	10,809	9,107
Departmental expenses	88,832	-	-	-	88,832	134,688
Meals and entertainment	-	542	-	-	542	-
Membership relations	-	-	-	19,038	19,038	-
Miscellaneous	-	-	-	-	-	-
Office expenses	-	581	-	-	581	620
Postage	-	-	404	-	404	-
Printing	-	-	668	-	668	-
Professional fees	-	5,949	-	-	5,949	14,146
Promotional fees	-	677	-	-	677	26,622
Rental	-	1,510	-	-	1,510	15,600
Supplies	-	2,370	5,586	-	7,956	5,909
Travel	-	11,161	-	-	11,161	3,689
Vehicle expense	-	-	-	-	-	2,354
Total expenses before disposition of equipment	90,674	33,599	10,776	19,038	154,087	221,155
Depreciation	-	-	1,130	-	1,130	602
Total supporting services	-	-	1,130	-	1,130	602
Net assets released from restrictions						
TOTAL EXPENSES	\$ 90,674	\$ 33,599	\$ 11,906	\$ 19,038	\$ 155,217	\$ 221,757

The accompanying notes to financial statements
are an integral part of these statements.

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
ANALYSIS OF TEMPORARILY RESTRICTED NET ASSETS
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	Balance July 1, 1998	Support Income	Expenses		Transfers Balance June 30, 1999
			Awards	Other Expenses	
Temporarily Restricted Net Assets					
Athletic Auxiliary	\$ 49,661	\$ 1,029	\$ 115	\$ 17,538	\$ 33,037
Baseball Fund	736	1,616	-	1,675	677
Bowling	-	1,012	-	-	1,012
Broadcast	13	25,018	-	16,787	8,244
Cheerleaders	282	2,500	-	75	2,707
Eddie Robinson	1,482	-	-	500	982
Football Camp	1,038	-	-	1,038	-
Football Fund	18,747	37,027	915	17,139	37,720
Golf Fund	3,461	5,343	-	4,326	4,478
Grambling Middle School	180	-	-	-	180
Leonard Griffin	2,442	150	-	-	2,592
Lifetime Season Pass	3,395	3,500	-	181	6,714
Marching Band	-	26,590	812	23,412	2,366
Men's Basketball Fund	(1,060)	3,100	-	3,093	(1,053)
Orchasis Dance	23,540	140	-	2,713	20,967
Sports Information	1,418	-	-	-	1,418
Tennis Fund	506	143	-	4	645
Track	1,224	143	-	4	1,363
Volleyball	82	358	-	11	429
Women's Sports	2,880	2,068	-	525	4,423
Totals	\$ 110,027	\$ 109,737	\$ 1,842	\$ 89,021	\$ 128,901

The accompanying notes to financial statements
are an integral part of these statements.



Hulsey, Harwood & Co.
A Professional Accounting Corporation

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Certified Public Accountants

May 31, 2000

To the Board of Directors
Grambling State University Athletic Foundation
Grambling, LA

In planning and performing our audit of the financial statements of Grambling State University Athletic Foundation for the year ended June 30, 1999, we considered the Foundation's internal control structure in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure. However, we noted certain matters involving internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of internal control that, in our judgement, could adversely affect the Foundation's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Inaccurate Books and Records

We noted several balance sheet accounts that were not reconciled at year-end. These accounts included accounts receivable, investments, accounts payable, a certificate of deposit and general fixed assets. In addition, numerous audit adjusting journal entries were required. As a result, the actual increase in net assets of the Foundation was higher than anticipated. In addition, there were numerous classification errors of expenses. Due to these deficiencies, any interim financial statements may not have been reliable. We recommend that mandatory procedures be implemented so that interim financial statements can be relied upon.

Failure to Comply with State Law

In order to comply with state law, an audit report should have been submitted to the Office of Legislative Auditors within six months of the Foundation's fiscal year-end. The original target date to issue the audit report was set for the week of Thanksgiving, 1999. However, due to several delays, fieldwork was not begun until April 24, 2000. This matter of noncompliance should be addressed before the fiscal year June 30, 2000's deadline arrives.

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In the prior year's management letter, improvements in internal controls were suggested in the following area. Changes were made to this area during the year ended June 30, 1999.

Concentration of Cash

In the past, the Foundation has maintained its unrestricted cash in one commercial bank. As a result, the deposit amount often exceeded the federally insured limits. During the fiscal year ended June 30, 1999, the Foundation opened an additional bank account in order to prevent cash concentration in excess of federally insured limits.

This report is intended solely for the information and use of the Board of Directors, management and others within the Foundation and is not intended to be and should not be used by anyone other than these specified parties.

HULSEY, HARWOOD & CO., CPAs
A Professional Accounting Corporation

Hulsey, Harwood & Co.

Monroe, Louisiana



GRAMBLING UNIVERSITY ATHLETIC FOUNDATION

P. O. Box 913

Grambling, Louisiana 71245

00 SEP 14 AM 9:15
318-274-2627

Hulsey, Harwood & Company
A Professional Accounting Corporation
1900 North 18th Street, 5th Floor
Monroe, LA 71201

Dear Sir:

Herewith are the responses for the Grambling University Athletic Foundation, Inc. (GUAF) regarding the audit of its financial statements for the fiscal year ended June 30, 1999.

Inaccurate Books and Records

We concur with the findings. The GUAF has taken steps to update its computer capabilities, which will provide for more reliable, accurate, and timely financial statements. However, this new system will not be in place until fiscal year 2001.

Failure to Comply with State Law

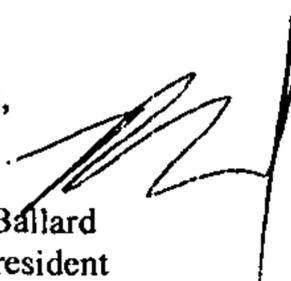
We concur with the finding. Due to various complications with staffing needs, permanent location for records, inadequate facility to perform the duties, and outdated equipment and software, were major contributors to this finding. The GUAF believes that with locating a permanent site, providing additional staff, and acquiring of a new computer system will enable it to be in full compliance with state law for fiscal year 2000. The representation letter to engage your firm to conduct the fiscal year ended June 30, 2000 audit, is in process. Therefore, our expectation is that the audit would be completed and in the appropriate hands prior to the published deadline.

Concentration of Cash

In an effort to reduce the GUAF's exposure to liability, a separate bank account was established at the Shreveport Federal Credit Union-Grambling Branch. However, due to several fundraising initiatives during fiscal year 2000, the need for an additional account may arise. Therefore, the GUAF will monitor the situation to determine the appropriate course of action.

The Grambling University Athletic Foundation is a non-profit organization established for the sole purpose of supporting athletics at Grambling State University (GSU). It has been our mission and will continue to be our mission to be a support and not a liability to GSU. Therefore, we will take whatever steps necessary to ensure that the GUAF is in compliance with all university, state, and federal guidelines.

Sincerely,


Richard Ballard
Acting President

RB/rl