

**GRAMBLING UNIVERSITY NATIONAL
ALUMNI ASSOCIATION, INCORPORATED
BAYOU CLASSIC SPECIAL FUND**

GRAMBLING, LOUISIANA

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
As of And for The Year Ended December 31, 1999**

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 12-13-00

**GRAMBLING UNIVERSITY NATIONAL
ALUMNI ASSOCIATION, INCORPORATED
BAYOU CLASSIC SPECIAL FUND
Monroe, Louisiana
Financial Statements
and Independent Auditor's Report
As of and for the Year Ended December 31, 1999**

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ROSIE D. HARPER

Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Grambling University National Alumni Association, Incorporated
Bayou Classic Special Fund
Grambling, Louisiana

I have audited the accompanying statement of financial position of Grambling University National Alumni Association, Incorporated Bayou Classic Special Fund (a nonprofit organization) as of December 31, 1999 and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards 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 I plan and perform the audit 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. I believe that my audit provides a reasonable basis for my 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 Bayou Classic Special Fund as of December 31, 1999 and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

Rosie D. Harper
Certified Public Accountant

Monroe, Louisiana
August 17, 2000

FINANCIAL STATEMENTS

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
BAYOU CLASSIC SPECIAL FUND
Statement of Financial Position
December 31, 1999

Assets

Cash and cash equivalents \$ 242,829

Total Assets 242,829

Liabilities and Net Assets

Liabilities:

Accrued liabilities -

Total liabilities -

Net Assets:

Unrestricted 242,829

Total net assets 242,829

Total liabilities and net assets \$ 242,829

See Accompanying Notes to Financial Statements

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
 BAYOU CLASSIC SPECIAL FUND
 Statement of Activities
 For the Year Ended December 31, 1999

Unrestricted support

Battle of Bands	\$ 96,121
Game	28,186
Job Fair	15,050
Other Receipts	19,569
Pageant	410
Scholarship	74,460
Sponsorships	378,780
Ticket Sales	62,838
Vendor Fees	50,550
Total unrestricted support	<u>725,964</u>

Other unrestricted revenue

Interest income	2,747
Total other revenue	<u>2,747</u>

Total unrestricted support and revenue	<u>728,711</u>
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Expenses

General and administrative expenses	-
Program expense	485,882
Total expenses	<u>485,882</u>

Change in unrestricted net assets	<u>242,829</u>
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Net assets as of beginning of year	<u>-</u>
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Net assets as of end of year	<u>\$ 242,829</u>
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See Accompanying Notes to Financial Statements

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
BAYOU CLASSIC SPECIAL FUND

Statement of Cash Flows
For the Year Ended
December 31, 1999

Operating activities

Change in net assets	\$ 242,829
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease (increase) in accounts receivable	-
Increase (decrease) in accounts payable/accrued liabilities	-
(Increase) decrease in other assets	-
Total adjustments	-
Net cash provided (used) by operating activities	242,829
Net Cash Increase (Decrease) for Period	242,829
Cash and cash equivalents as of beginning of year	-
Cash and cash equivalents as of the end of year	\$ 242,829

See Accompanying Notes to Financial Statement

GRAMBLING UNIVERSITY NATIONAL ALUMNI ASSOCIATION, INCORPORATED
BAYOU CLASSIC SPECIAL FUND
Statement of Functional Expenses
For the Year Ended
December 31, 1999

Advertisement	580
Allocations	122,041
Courtesies	4,935
Miscellaneous	111
Postage and shipping	358
Printing	31,769
Professional fees	67,630
Promotional	118,194
Rental	18,562
Scholarship	17,500
Student activities	1,029
Supplies	3,109
Telephone	24
Travel	100,040
	<hr/>
Total functional expenses	<u>485,882</u>

See Accompanying Notes to Financial Statements

Grambling University National Alumni Bayou Classic Special Fund
Bayou Classic Special Fund

Grambling, Louisiana

Notes to the Financial Statement
As of and for the Year Ended December 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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 Association on October 13, 1967. The Association is recognized as a tax-exempt (non-profit) organization under section 501 © (3) of the Internal Revenue Service Code.

Membership in the Association is composed of University graduates and attendees, as well as, faculty and staff members. The Board of Directors of the Association consists of seven (7) members. The members serve without compensation.

The Bayou Classic Special Fund is an agency fund of Grambling University National Alumni Association, Incorporated which was temporarily created for the purpose of handling the financial transactions of the annual event known as the Bayou Classic.

Background

The Bayou Classic is an annual event held the weekend after the Thanksgiving holiday. The main event in the Bayou Classic is a collegiate football game played in the Louisiana Superdome between Grambling State University and Southern University. All rights to the selling of promotional interests, including title sponsorship in the Bayou Classic belong to Grambling University National Alumni Association, Grambling, Louisiana and Southern University System Foundation, Baton Rouge, Louisiana.

In June of 1999, the Grambling State University Foundation filed bankruptcy. As a result, Grambling University National Alumni Association, Inc. accepted the role to act as an agent for the Grambling State University by handling all fiscal matters and committee functions for the Bayou Classic.

B. Basis of Presentation

For the period ending December 31, 1999, the Bayou Classic Special Fund followed provisions of Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. Statement No. 117

Grambling University National Alumni Bayou Classic Special Fund, Incorporated
Bayou Classic Special Fund
Grambling, Louisiana
Notes to the Financial Statements (Continued)

requires the Bayou Classic Special Fund to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. Statement No. 117 establishes standards for general-purpose external financial statements of not-for-profit organizations and requires a statement of financial position, a statement of activities, and a statement of cash flows.

C. Public Support and Revenue

Revenue and public support consists mainly of ticket sales, event sponsorship, and other sundry funds. All revenue generated by the Bayou Classic event is non-state generated revenue. Support and 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. There were no restricted funds at December 31, 1999.

D. 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.

E. Cash and Cash Equivalents

All highly liquid investments of Bayou Classic Special Fund with maturity of twelve months or less when purchased are considered 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 Bayou Classic Special Fund had no cash equivalents during the audit period. On December 31, 1999, the Bayou Classic Special Fund had cash totaling \$ 242,829 as follows:

Grambling University National Alumni Bayou Classic Special Fund, Incorporated
 Bayou Classic Special Fund
 Grambling, Louisiana
 Notes to the Financial Statements (Continued)

Unrestricted	\$ 242,829
Total	<u>\$ 242,829</u>

2. **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. All expenses of the fund are to benefit the Bayou Classic event and have been classified as program costs.

3. **ALLOCATIONS**

Net proceeds from the Bayou Classic Night Activity and Sponsorship Dollars are distributed by the following percentages to each of the Grambling State University Departments listed below:

<u>Distribution</u>	<u>Percentage</u>
Atheletics	30%
Band	20%
Cheerleaders	8%
Orchesis	8%
Student Activities	6%
President's General Fund	13%
Bayou Classic Operating Fund	<u>15%</u>
Total	100%

4. **RECEIVABLES AND LIABILITIES**

At December 31, 1999, the amount for the Bayou Classic Night Activity and Sponsorship dollars could not be determined because the accounts are handled by third-party agents which provided settlement reports and payment several months

Grambling University National Alumni Bayou Classic Special Fund, Incorporated
Bayou Classic Special Fund
Grambling, Louisiana
Notes to the Financial Statements (Continued)

after the Bayou Classic event. As a result, accruals for account receivables and accrued liabilities are not reflected in the financial statements.

5. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial Assets	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 242,829	\$ 242,829
Total Financial Assets	<u>\$ 242,829</u>	<u>\$ 242,829</u>



ROSIE D. HARPER

Certified Public Accountant

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To: The Board of Directors
Grambling University National Alumni Association, Incorporated
Bayou Classic Special Fund
Grambling, Louisiana

I have audited the financial statements of Grambling University National Alumni Association; Incorporated Bayou Classic Special Fund as of and for the year ended December 31, 1999, and have issued my report thereon dated August 17, 2000. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Grambling University National Alumni Association, Incorporated's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Grambling University National Alumni Association, Incorporated internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. The results of my tests disclosed no instances of material weaknesses that is required to be reported under *Government Auditing Standards*.

REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS*

This report is intended for the information of the audit committee, management, and the members.



Rosie D. Harper
Certified Public Accountant

August 17, 2000
Monroe, Louisiana