

**FLORIDA A & M UNIVERSITY (FAMU)  
RATTLER BOOSTERS, INC.  
TALLAHASSEE, FLORIDA  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2017**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Florida A & M University (FAMU) Rattler Boosters, Inc.  
Tallahassee, Florida

### Report on the Financial Statements

We were engaged to audit the accompanying financial statements of Florida A&M University (FAMU) Rattler Boosters, Inc. ("the Boosters") (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### Basis for Disclaimer of Opinion

Proper accounting records and supporting evidential matter were not maintained for the Boosters in fiscal year ended June 30, 2017, information provided may be incomplete, and no controls were exercised over financial transactions. As a result of these matters, we were not able to obtain sufficient audit evidence to determine if all transactions incurred during fiscal year ended June 30, 2017 were recorded. Consequently, we were unable to determine if any adjustments might have been found necessary to properly reflect elements making up the statements of financial position, activities and cash flows.

### Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on these financial statements.

## INDEPENDENT AUDITORS REPORT – CONTINUED

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2017, on our consideration of the Boosters' 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 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 Boosters' internal control over financial reporting and compliance.

*S. Davis & Associates, P.A.*

Hollywood, Florida

December 29, 2017

**FLORIDA A & M UNIVERSITY (FAMU) RATTLER BOOSTERS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**June 30, 2017**

**ASSETS**

**Current assets:**

Cash and cash equivalents	\$ 1,069
Cash held in trust	12,087
Total current assets	<u>13,156</u>

**Non-current assets:**

Endowment fund	1,800
Fixed assets, net	2,866
Total non-current assets	<u>4,666</u>

Total assets \$ 17,822

**NET ASSETS**

Permanently restricted	\$ 1,800
Unrestricted	16,022
Total net assets	<u>17,822</u>

Total net assets \$ 17,822

See notes to financial statements.

**FLORIDA A & M UNIVERSITY (FAMU) RATTLER BOOSTERS, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2017**

	<u>Unrestricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>SUPPORT AND REVENUES:</b>			
Membership dues	\$ 367,411	\$ -	\$ 367,411
Donated rent	34,200	-	34,200
Contribution	39,039	1,800	40,839
Other income	607	-	607
Total support and revenues	<u>441,257</u>	<u>1,800</u>	<u>443,057</u>
<b>PERSONNEL EXPENSES:</b>			
Salaries and wages	35,575	-	35,575
Employee benefits	11,858	-	11,858
Payroll taxes	1,999	-	1,999
Total personnel expenses	<u>49,432</u>	<u>-</u>	<u>49,432</u>
<b>OPERATING EXPENSES:</b>			
University support, including interest and amortization	39,409	-	39,406
Membership gifts	27,856	-	27,856
Professional and consulting fees	17,041	-	17,041
Hospitality	462	-	462
Office supplies and expenses	4,200	-	4,200
Telephone expenses and maintenance	1,005	-	1,005
Utilities	2,148	-	2,148
Travel and meetings	1,987	-	1,987
Donated rent	34,200	-	34,200
Bank charges	691	-	691
Postage	697	-	697
Bad debt expense	117,452	-	117,452
Maintenance and repairs	1,139	-	1,139
Miscellaneous	5,680	-	5,680
Depreciation expense	5,423	-	5,423
Parking expense	642	-	642
Total operating expenses	<u>260,029</u>	<u>-</u>	<u>260,029</u>
Changes in net assets	131,796	1,800	133,596
Net deficit at beginning of year	(115,774)	-	(115,774)
Net assets at end of year	<u>\$ 16,022</u>	<u>\$ 1,800</u>	<u>\$ 17,822</u>

See notes to financial statements.

**FLORIDA A & M UNIVERSITY (FAMU) RATTLER BOOSTERS, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended June 30, 2017**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Increase in unrestricted net assets	\$ 131,796
Adjustments to reconcile changes in unrestricted net assets to net cash used in operating activities:	
Depreciation	5,423
Bad debt expense	117,452
Endowment income	1,800
Changes in operating assets and liabilities:	
Decrease in membership dues receivable	27,346
Decrease in other receivables	921
Decrease in accounts payable and accrued liabilities	(6,465)
Decrease in deferred revenue	(367,411)
Net cash used in operating activities	<u>(89,138)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Endowment fund	<u>(1,800)</u>
Net cash used in investing activities	<u>(1,800)</u>
Net decrease in cash and cash equivalents	(90,938)
Cash and cash equivalents, beginning of year	<u>104,094</u>
Cash and cash equivalents, end of year	<u>\$ 13,156</u>

See notes to financial statements.

**FLORIDA A & M UNIVERSITY (FAMU) RATTLER BOOSTERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2017**

**NOTE 1 – ORGANIZATION AND PURPOSE**

Florida A & M University Rattler Boosters, Inc. (the “Boosters”) is a nonprofit organization whose purpose is to make distributions to the Florida Agricultural and Mechanical University (“FAMU”) for the purpose of stimulating the education, health, and physical welfare of the students at FAMU.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A summary of the Boosters’ significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

a. Basis of Presentation

The accompanying financial statements were prepared in accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification No. ASC 958-205, *Presentation of Financial Statements of Not-for-Profit Organizations*. This pronouncement requires not-for-profit organizations to report information regarding their financial position and activities according to three classes of net assets as follows:

Unrestricted Net Assets – represents resources whose use are not covered by donor-imposed restrictions; which have met all applicable restrictions, and/or resources generated through sources other than receipts from donors.

Temporarily Restricted Net Assets – represents resources recognized as restricted support until such time when all associated restrictions have been met. Temporary restrictions by donors can involve time frames and specific purposes.

Permanently Restricted Net Assets – represents resources that contain a stipulation, which permanently restricts the use of such funds, but allows earnings from the funds to be used in a certain manner.

The Boosters’ financial position and activities are reported as unrestricted and permanently restricted net assets. There are no temporarily restricted net assets.

b. Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash equivalents include certificates of deposit and money market funds with original maturities of three months or less.



**FLORIDA A & M UNIVERSITY (FAMU) RATTLER BOOSTERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2017**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

c. Fixed Assets

Fixed assets are stated at original cost, less accumulated depreciation. Maintenance and repairs are charged to expense as incurred. These assets are depreciated using the straight-line method over their estimated useful lives as follows:

Asset	Years
Office equipment	3-5
Transportation equipment	5-7

The Boosters capitalizes all expenditures for office equipment in excess of a \$1,000.

d. Fair Value of Financial Instrument

The carrying amounts of cash and cash equivalents, membership dues receivables and accounts payable approximate fair value due to the short maturity of these financial instruments.

The carrying value of receivables has been reduced by an appropriate allowance for uncollectible accounts, based on historical collection experience and therefore approximates net realizable value.

e. Support and Revenue

The Boosters' major source of support and revenue consists of membership dues and parking sales. All support and revenue, except the contribution to the endowment funds are recorded as unrestricted, based on the absence of donor-imposed restrictions. The endowment contributions are recorded as permanently restricted as these funds are permanently restricted by donors. The income from the endowment fund is temporarily restricted, however, there was no income on endowment during the fiscal year ended June 30, 2017. During the fiscal year ended June 30, 2017, the University Board of Trustees transferred certain revenue usually collected by the Boosters to the Athletic Department leaving the Boosters with a membership contribution of \$100 per member. This is collected on a walk-in basis toward the Boosters' operation.

f. Donations-In-Kind

In-kind donations received by the Boosters are recorded as income along with a corresponding charge to expense.

**FLORIDA A & M UNIVERSITY (FAMU) RATTLER BOOSTERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2017**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

g. Income Taxes

The Boosters is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Boosters qualifies for the charitable contribution deduction under Section 170(b)(A) and has been classified as an organization that is not a private foundation, under Section 509(a) (2).

Management has determined that the Boosters does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Because tax matters are subject to some degree of uncertainty, there can be no assurance that the Booster's tax returns will not be challenged by the taxing authorities and that the Booster will not be subjected to additional tax, penalties, and interest as a result of such challenge.

The Boosters' Form 990, Return of Organization Exempt from Income Tax, is subject to examination by the IRS, generally, for three years after they are filed.

h. Affiliated Organizations

FAMU has other direct support organizations that operate for similar purposes. Such other organizations as well as local chapters of the Boosters' financial activities have not been included in these financial statements.

i. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

j. Concentrations of Credit Risk

The Boosters' cash accounts are secured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2017, FAMU did not exceed the FDIC limit.

**NOTE 3 - CASH HELD IN TRUST**

FAMU Foundation (the "Foundation"), an affiliated entity, holds funds in trust for the Boosters for collections made on behalf of the Boosters. In the current fiscal year, members of the Boosters made payments for member's contribution and payment into the members' lifetime endowment

**FLORIDA A & M UNIVERSITY (FAMU) RATTLER BOOSTERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2017**

**NOTE 3 - CASH HELD IN TRUST - Continued**

fund. The uses of the members’ lifetime endowment fund is permanently restricted (see Note 11). The balance on the endowment fund at June 30, 2017 was \$1,800 and is included in the cash held in trust. The balance of the funds held by the Foundation on behalf of the Boosters at June 30, 2017 was \$13,887.

**NOTE 4 – FIXED ASSETS**

As of June 30, 2017, fixed assets consisted of:

Office equipment	\$ 28,946
Transportation equipment	10,738
Fixed assets, at cost	<u>39,684</u>
Accumulated depreciation	<u>(36,818)</u>
Total	<u>\$ 2,866</u>

Depreciation expense for fiscal year ended June 30, 2017 was \$5,423.

**NOTE 5 – FUNCTIONAL EXPENSES**

Expenses are presented in the functional classifications below in accordance with Financial Accounting Standards Board (*FASB*) *Accounting Standards Codification No. ASC 958-720-45-2* to help understand the service efforts of the Boosters. Total program service expenses represented 28% of total expenses for the year ended June 30, 2017.

Program services	\$ 87,128
General and administrative	163,452
Fund-raising	58,881
Total	<u>\$ 309,461</u>

**NOTE 6 – OPERATING LEASES**

During the fiscal year ended June 30, 2017, the Boosters received donated rent from FAMU. Total rental expense was \$34,200 for year ended June 30, 2017, which is attributed to donated rent. Facility rentals related to fund-raising events are reflected in fund-raising events expenses.

**NOTE 7– SUPPORT TO ATHLETIC PROGRAMS**

During the fiscal year ended 2017, the Boosters provided direct support of \$39,406. The support of \$39,406 included amounts paid to or on behalf of FAMU’s athletic department.

**FLORIDA A & M UNIVERSITY (FAMU) RATTLER BOOSTERS, INC.**  
**NOTES TO FINANCIAL STATEMENTS – CONTINUED**  
**June 30, 2017**

**NOTE 7– SUPPORT TO ATHLETIC PROGRAMS - Continued**

*Amount Owed to the Athletic Department*

During the fiscal year ended, June 30, 2016, the FAMU Athletic Department (the “Athletic Department”) determined that the Booster’s owed the athletic department for parking fees collected in 2015 and 2016. In the past, there was no obligation to remit specific amounts to the athletic department, except for \$1,000 to be paid September 15<sup>th</sup> of each year for the use of the University Welcome Center and the Parking Garage to help defray the cost of utilities and maintenance of these facilities per section D (16) of the Parking Memorandum of Understanding. On August 31, 2016, \$30,000 was paid to the FAMU Foundation on behalf of the Athletic Department as full settlement of the amount owed for parking.

**NOTE 8 – RESTRUCTURING OF THE ORGANIZATION**

During the fiscal year ended June 30, 2017, the Board of Trustees of FAMU University took steps to re-organize the Boosters operation. The organization appointed new management and new members to the Board of Directors. The Boosters has not determined that there is any cost associated with the restructuring of the organization and therefore no amounts are included in these financial statements for restructuring charges.

**NOTE 9 – MEMBERS’ ENDOWMENT FUND**

During the fiscal year ended June 30, 2107, the Boosters established a lifetime membership endowment fund. Each member has the option to pay \$1,000 into the fund. The contribution required by each member was not finalized at June 30, 2017. The members’ lifetime endowment fund is permanently restricted and the earnings are temporarily restricted for the payment of future membership dues and members’ expenses. The balance of the endowment fund at June 30, 2017 was \$1,800 and is included in the cash held in trust by FAMU Foundation.

**NOTE 10 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 29, 2017, which is the date the financial statements were available to be issued. The Boosters is continuing to undergo restructuring and re-engineering of its operations. The Boosters’ interim director has been given the mandate of raising \$100,000 towards the new athletic department director’s salary.

**INDEPENDENT AUDITOR’S 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***

To the Board of Trustees of  
Florida A & M University (FAMU) Rattler Boosters, Inc.  
Tallahassee, Florida

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 Florida A&M University (FAMU) Rattler Boosters, Inc. (the “Boosters”) ( a nonprofit organization), which comprise the statement of financial position as of June 30, 2017 and the related statements of activities and cash flows for the year ended, and the related notes to the financial statements, and have issued our report thereon dated December 29, 2017. Our report disclaims an opinion on such financial statements because we were not able to obtain sufficient audit evidence to determine if any adjustments might have been found necessary to properly reflect elements making up the statements of financial position, activities and cash flows.

**Internal Control Over Financial Reporting**

In connection with our engagement to audit the financial statements of the Boosters, we considered the Boosters’ internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Boosters’ internal control. Accordingly, we do not express an opinion on the effectiveness of the Boosters’ internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*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

**INDEPENDENT AUDITOR’S 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 - CONTINUED**

corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses to be material weaknesses: 2017-1 and 2017-2.

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. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency: 2017-3.

**Compliance and Other Matters**


In connection with our engagement to audit the financial statements of the Boosters, 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 noncompliance or other matters that are required to be reported under *Government Auditing Standards*. If the scope of our work had been sufficient to enable us to express an opinion on the financial statements, instances of noncompliance may have been identified and reported herein. We noted that certain other matters that are included in the “Other Matters” section of the schedule of findings and responses: 2016-1 through 2016-5.

**The Boosters’ Response to Findings**

The Boosters response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The Boosters’ responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

**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 results of that testing, and not to provide an opinion on the effectiveness of the organization’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 organization’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Hollywood, Florida  
December 29, 2017

**FLORIDA A&M UNIVERSITY (FAMU) RATTLER BOOSTERS, INC.  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2017**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of Auditor’s Report Issued	Disclaimer
Internal Control over financial reporting:	
Material weaknesses identified and considered to be?	Yes
Significant deficiencies identified that are not considered to be material weaknesses?	Yes
Noncompliance which is material to the financial statements noted?	None

**FLORIDA A&M UNIVERSITY (FAMU) RATTLER BOOSTERS, INC.  
SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2017**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Material Weaknesses and Significant Deficiency**

We identified certain deficiencies in internal control that we consider to be material weaknesses as identified below.

**2017-1 PROPER ACCOUNTING RECORDS (Material weakness)**

**Observation**

Proper accounting records and supporting evidential matter were not maintained for the Boosters in fiscal year ended June 30, 2017 and information provided may be incomplete. As a result of these matters, we were not able to determine if all transactions incurred during fiscal year ended June 30, 2017 were recorded.

**Recommendation**

The Boosters should hire an accounting professional to properly maintain its books and records. Complete records should be maintained at all times in the event there is a change in management or accountants so that the information is easily transferable. The accountant should submit financial reports to the Executive Director and Board of Trustees on a monthly basis.

**Management's Response**

We agree with the auditor's observation and recommendation and have hired an accountant to properly record the financial transactions.

**2017-2 ACCOUNTS RECEIVABLE**

**Observation**

The Boosters billed membership dues in the prior year with a portion of the amount billed remaining in the accounts receivables at the end of the prior fiscal year. During the fiscal year ended June 30, 2017, no controls were exercised over the collection of accounts receivables and amounts were, possibly, collected by other university departments. Allowance for doubtful accounts was recorded for the total amount of membership dues receivable at June 30, 2017. We were not able to obtain sufficient audit evidence about the amounts collected for accounts receivable.



**FLORIDA A&M UNIVERSITY (FAMU) RATTLER BOOSTERS, INC.  
SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2017**

**Recommendation**

Boosters management should work with an accounting professional to design and implement proper internal controls over financial recording and reporting. The controls should extend to transactions that are handled by other University departments. The design and implementation of internal controls is the responsibility of management and the governing body.

**Management's Response**

We agree with the auditor's observation and recommendation.

**Significant deficiencies identified that are not considered to be material weaknesses**

We consider the deficiencies described below to be significant deficiencies.

**2017-3 DISBURSEMENTS**

**Observation**

A review of subsequent disbursements indicated that there is no formal procedures for the authorization of disbursements. Disbursements are being made on the verbal requests without proper supporting documents.

**Recommendation**

Boosters management should work with an accounting professional to design proper procedures and controls over disbursements, which will include procedures for the request for disbursement, approval, check signing, making the disbursement and recording the disbursement.

**Management's Response**

We agree with the auditor's observation and recommendation.

**FLORIDA A&M UNIVERSITY (FAMU) RATTLER BOOSTERS, INC.  
SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2017**

**SECTION III – OTHER MATTERS**

Other matters are carried forward from the prior year. These matters were not resolved during the year ended June 30, 2017.

**2016-1 MINUTES**

**Observation**

Based on our review, we noted that the minutes of the Board of Trustees' meetings were in draft form and were not signed. In the past, this observation was noted and resolved, however, it was noted again in current year.

**Recommendation**

We recommend that as good practice, management establish and implement policies and procedures to ensure that minutes document all major decisions for record keeping purposes and that the minutes be signed after they are approved, evidencing they are final.

**Management's response**

Due to the Boosters' reorganization, current management is new to the entity as of fiscal year ended June 30, 2017; however, we agree with the auditor's observation and recommendation.

**2016-2 DEPOSITS**

**Observation**

A review of receipts of funds collected during the fiscal year 2016, indicated that there were significant timing gaps between the date of collection and the date the funds were deposited into the bank account. However, it should be noted that apart from events held, no cash is collected on a daily basis. The risk is that checks collected could be misplaced and not deposited to the bank account.

**Recommendation**

Management should establish and implement policies and procedures to ensure that funds are deposits on timely basis; and that checks and balances procedures are in place to ensure all funds collected are deposited to the bank account.

**FLORIDA A&M UNIVERSITY (FAMU) RATTLER BOOSTERS, INC.**  
**SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 2017**

**Management's Response**

Due to the Boosters' reorganization, current management is new to the entity as of fiscal year ended June 30, 2017; however, we agree with the auditor's observation and recommendation.

**2016-3 HOMECOMING GAME DAY PARKING PROCEEDS**

**Observation**

A review of the proceeds from homecoming game day parking, which took place on October 18, 2015, indicated that funds totaling \$1,190 were not deposited until July 2016. Further inquiries with management indicated that the funds were left in the ticket office intact in an envelope. This appears to be an isolated incident, but could be an indication that internal control procedures (checks and balances) are not being adhered to or must be strengthened for events of this nature.

**Recommendation**

In the future, for events of such nature, management should implement and follow policies and procedures to ensure that proceeds are tallied based on ticket sales and agreed to the amount of funds to be deposited, prior to making the deposits to the bank account, to prevent a similar occurrence.

**Management's Response**

Due to the Boosters' reorganization, current management is new to the entity as of fiscal year ended June 30, 2017; however, we agree with the auditor's observation and recommendation.

**2016-4 LIABILITY INSURANCE**

**Observation**

A review of the memorandum of understanding for parking, dated June 14, 2013, indicated that the liability insurance as required by section D16 was not put in place. However, we ascertained that the parking facilities might no longer be under the control of the Boosters and as such this responsibility may go away.

**Recommendation**

As part of the operating policies and procedures, management should ensure that the contracted obligations are honored so that the Boosters organization is compliant with and not faced with possible legal consequences.

**FLORIDA A&M UNIVERSITY (FAMU) RATTLER BOOSTERS, INC.  
SCHEDULE OF FINDINGS AND RESPONSES - CONTINUED  
FOR THE YEAR ENDED JUNE 30, 2017**

**Management's Response**

Due to the Boosters' reorganization, current management is new to the entity as of fiscal year ended June 30, 2017; however, we agree with the auditor's observation and recommendation.

**2016-5 SEGREGATION OF DUTIES**

**Observation**

Over the past years, there were concerns about the lack of segregation of duties due to the size and resources of the organization. Management has taken steps to ensure that there is segregation of duties. However, the above-noted comments may have been mitigated with more adequate segregation of duties.

**Recommendation**

Management should consider voluntary labor or student employees to alleviate issues regarding segregation of duties to the extent practicable. Policies and procedures would be developed based anticipated volunteer or student help.

**Management's Responses**

Due to the Boosters' reorganization, current management is new to the entity as of fiscal year ended June 30, 2017; however, we agree with the auditor's observation and recommendation.