

ATHLETIC DEPARTMENT  
GRAMBLING STATE UNIVERSITY  
UNIVERSITY OF LOUISIANA SYSTEM  
STATE OF LOUISIANA



AGREED-UPON PROCEDURES REPORT  
ISSUED MARCH 8, 2017

**LOUISIANA LEGISLATIVE AUDITOR  
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# TABLE OF CONTENTS

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	Page
Independent Accountant’s Report on the Application of Agreed-Upon Procedures .....	2
<b>Statement</b>	
Financial Statement - Statement of Revenues and Expenses (Unaudited) ..... A .....	14
Notes to the Financial Statement (Unaudited) .....	15
<b>Appendix</b>	
Major Revenue and Expense Analysis (Unaudited) ..... A .....	16





LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

February 9, 2017

Independent Accountant's Report on the  
Application of Agreed-Upon Procedures

**MR. RICHARD J. GALLOT, JR., PRESIDENT  
GRAMBLING STATE UNIVERSITY  
UNIVERSITY OF LOUISIANA SYSTEM  
STATE OF LOUISIANA  
Grambling, Louisiana**

We have performed the procedures enumerated below, which were agreed to by you, as president of Grambling State University (University), solely to assist you in evaluating whether the accompanying Statement of Revenues and Expenses (Statement) of the Grambling State University Athletic Department is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.15 for the year ended June 30, 2016, and to assist you in your evaluation of the effectiveness of the University Athletic Department's internal control over financial reporting as of June 30, 2016. University management is responsible for the Statement (unaudited) and related notes (unaudited) and compliance with NCAA requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of management of the University. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures listed below related to specific report categories were not performed if the specific reporting category was less than 0.5% of the total revenues or expenses. The procedures that we performed and our findings are as follows:

**MINIMUM COMPLIANCE AGREED-UPON PROCEDURES**

**INTERNAL CONTROL**

1. We obtained, through discussion with management, the identity of those aspects of internal control that management considers unique to intercollegiate athletics.
2. We performed procedures to test specific elements of the control environment and accounting systems that are unique to intercollegiate athletics to determine

adherence to established policies and procedures relating to revenues and expenses. The following procedures were performed:

- (a) We randomly selected five cash receipt batch sheets of ticket sales and followed them through the University's cash control system to determine adherence to established policies and procedures.
- (b) We selected the five largest athletic department cash disbursement transactions and followed them through the University's accounting system to determine adherence to established policies and procedures.
- (c) We inquired of and observed athletic department personnel to determine their compliance with policies and procedures related to the control and safeguarding of unsold tickets.

We found the University does not maintain or account for unissued complimentary tickets. No other exceptions were noted to these procedures.

3. We were to obtain the University's procedures for gathering information on the nature and extent of affiliated and outside organizational activity for or on behalf of the University's intercollegiate athletics program and determine the University's adherence to the procedures.

The University did not have any written procedures.

## **STATEMENT OF REVENUES AND EXPENSES**

### **GENERAL PROCEDURES**

1. We obtained written representations from management as to the fair presentation of the Statement, completeness of required schedules and related financial information, adequacy of controls, compliance with NCAA rules and legislations, completeness of the list of all known affiliated and outside organizations, and other information we considered necessary for the year ended June 30, 2016.
2. We verified the mathematical accuracy of the amounts on the Statement and compared and agreed each operating revenue and expense category reported on the Statement to supporting schedules provided by the University and/or the University's general ledger.

We identified errors and omissions in reporting categories and amounts; however, except where stated otherwise, the University made the necessary adjustments to its Statement to correct those errors and omissions, which are specifically identified in the procedures below. Management represented that errors resulted mainly due to turnover in the athletic business personnel and the complex athletic department account code structure.

3. We compared and agreed a sample of five operating revenue receipts and a sample of five expense disbursements obtained from the supporting schedule to adequate supporting documentation.

We found no exceptions as a result of these procedures.

4. We compared each major revenue and expense account over 10% of total revenues or expenses for June 30, 2016, to June 30, 2015, amounts and budget estimates, to identify variances over the lesser of \$1 million or 10% from June 30, 2016.

We identified significant variances over the lesser of \$1 million or 10% from June 30, 2016, and obtained and documented the University's explanations for the variances. We reported the analysis in Appendix A to this report.

### **MINIMUM AGREED-UPON PROCEDURES FOR REVENUES**

1. We were to use a schedule prepared by the University to compare the value of tickets sold, complimentary tickets provided, and unsold tickets for the reporting period per the schedule to the related revenue reported by the University in the general ledger and Statement and to the related attendance figures. The University did not provide a complete schedule, and official attendance figures are not maintained by the University. We were also to agree the information on the schedule to the supporting game reconciliation for a random sample of one football, one basketball, and one baseball game. The schedule provided by the University reflected one total for all basketball game ticket sales and one total for all baseball games ticket sales, instead of by individual game.

We were provided ticket sales reconciliations generated by Ticketmaster for the games selected and found exceptions regarding ticket sales revenues and complimentary tickets issued. We recalculated the reconciliations for the games tested. For the Mississippi Valley State football game held on October 24, 2015, ticket sales revenues per the game reconciliation did not agree to the related revenue reported in the general ledger, where (\$556) less was reported; and 376 complimentary tickets were not accounted for as issued. For the Texas Southern University women's basketball game held on January 18, 2016, 29 complimentary tickets were not accounted for as issued. For the Texas Southern University baseball game held on March 30, 2016, 17 complimentary tickets were not accounted for as issued. University management represented that the complimentary tickets not accounted for as issued may have been discarded. No adjustment was made to the Statement for the \$556.

The University adjusted its Statement to remove \$2,500 of direct private donations received from the ticket sales revenues reporting category and to include \$44 of tickets sales recorded in the general ledger that were omitted. However, the University did not adjust its Statement to reclassify \$81 of

basketball ticket sales revenues that should have been reported as football ticket sales revenues.

2. Based on the University's methodology for allocating student fees to the intercollegiate athletics program, we compared and agreed student fees reported in the Statement to student enrollment. We were to obtain explanations from the University regarding any variances in excess of 10%. We also recalculated the totals. If the athletic department is reporting that an allocation of student fees should be countable as generated revenues, we were to recalculate the totals of its methodology for supporting that the athletic department is able to count each sport, and tie the calculation to the supporting documents. The University does not allocate the student fees to each sport.

We found no exceptions as a result of these procedures and identified no variances that exceeded 10%.

3. We compared the direct institutional support recorded by the University during the reporting period with institutional supporting budget transfers documentation and other corroborative supporting documentation. We recalculated the totals.

We found no exceptions as a result of these procedures.

4. We were to compare indirect institutional support recorded by the University during the reporting period with expense payments, cost allocation detail, and other corroborative supporting documentation; and recalculate the totals.

The University's athletic department did not receive any indirect institutional support revenues during the reporting period.

5. We selected a sample of two away games with game guarantee contracts. We were to include at least one game with a settlement report; however, the University received no settlement reports during the reporting period. We compared and agreed the contractual agreements for each selection to the University's general ledger and/or the Statement. We recalculated the totals.

We found the University reported \$90,000 of game guarantee revenues from the University of Washington men's basketball game played on December 17, 2014, in fiscal year 2016 instead of fiscal year 2015. Management represented that there was a delay in requesting the check from the University of Washington, and the University did not report the revenues until the funds were received in July 2015.

6. We obtained and reviewed supporting documentation for each contribution of monies, goods, or services received directly by an intercollegiate athletics program from any affiliated or outside organization, agency, or group of individuals (two or more) not included above (e.g., contributions by corporate sponsors) that constitute 10% or more in aggregate for the reporting year of all



contributions received for intercollegiate athletics during the reporting period, and recalculated the totals.

The Grambling University Foundation, Inc. (GUF) and the Grambling University Athletic Foundation (GUAF) contributed monies, goods, or services for or on behalf of the athletic department that exceeded 10% of the total contributions. The University adjusted its Statement to include contribution revenues totaling \$111,748 and \$138,712 received directly by GUF and GUAF, respectively.

7. We were to compare the in-kind revenue recorded by the University during the reporting period with a schedule of in-kind donations, and recalculate the totals.

The University's athletic department did not receive any in-kind revenues during the reporting period.

8. We compared the NCAA distribution amounts reported as revenues and expenses during the reporting period to the general ledger and other corroborative supporting documentation. We recalculated the totals.

We found no exceptions as a result of these procedures.

9. We compared and agreed the related revenues to the University's general ledger, corroborative supporting documents, and/or Statement based on the relevant terms and conditions of agreements related to the University's conference distributions and participation in revenues from conference tournaments during the reporting period. We recalculated the totals.

We found no exceptions as a result of these procedures.

10. We compared the amount recorded by the University during the reporting period for program sales, concessions, novelty sales, and parking to the general ledger detail. We randomly selected two operating revenue receipts from the program sales, concessions, novelty sales, and parking receipts category reported during the reporting period and agreed to adequate supporting documentation. We recalculated the totals.

We found no exceptions as a result of these procedures; however, the University adjusted its Statement to include \$500 of stadium parking fees recorded in the general ledger that were omitted.

11. Based on the relevant terms and conditions of agreements related to the University's participation in revenues from royalties, licensing, advertisements, and sponsorships during the reporting period, we compared and agreed the related revenues to the general ledger and the Statement. We recalculated the totals.

We found no exceptions as a result of these procedures.

12. We were to inspect and obtain the University's methodology for recording revenues from sports camps for all sports camp contract(s) between the University and the persons conducting university sports camps or clinics during the reporting period. We were also to obtain schedules of the total amount of revenue generated for each camp, the charge per participant, the number of participants for each camp; and to randomly select a sample of participant cash receipt to agree to the University's general ledger and/or Statement. In addition, we were to recalculate the totals.

The University did not conduct any sports camps during the reporting period.

13. We were to randomly select a sample of one operating revenue receipt from each revenue category not previously sampled and agree the transactions selected to adequate supporting documentation. We were to recalculate the totals.

The operating revenue receipts processed through the University's general ledger not previously sampled did not exceed 0.5% of total revenues; therefore this procedure was not performed per NCAA guidelines.

#### **MINIMUM AGREED-UPON PROCEDURES FOR EXPENSES**

1. We randomly selected a sample of 10% of the total student athletes from the listing of University student aid recipients, obtained individual student-account detail for each selection, and compared total aid allocated from the related aid award letter to the student's account. We performed a check of each student selected to ensure their information was reported accurately in the NCAA's Compliance Assistant software using NCAA specified criteria. We recalculated the totals for each sport and overall.

For one of the 25 student athletes tested, the NCAA's Compliance Assistant software shows \$1,000 less financial aid awarded than reflected in the student's account. University management represented that the software information was not updated as required. Also, the University adjusted its Statement to report \$38,886 in student athletic aid paid directly by GUAF and GUF that was omitted.

2. We were to obtain and inspect a random sample of one visiting institution's contractual agreement that pertains to expenses recorded by the University from guaranteed contests during the reporting period. We were to agree related expenses to the University's general ledger and/or Statement and recalculate the totals.

The guarantee expenses did not exceed 0.5% of total expenses; therefore, these procedures were not performed per NCAA guidelines.

3. We obtained from management a list of coaches and support staff/administrative personnel paid by the University and related entities during the reporting period

and examined the contracts for a random sample of one support staff/administrative personnel and all head coaches from football and men's and women's basketball. The following procedures were performed:

- (a) We compared and agreed the financial terms and conditions of each selection to the related salaries, benefits, and bonuses recorded by the University and related entities in the Statement during the reporting period.
- (b) We obtained and inspected payroll summary registers for the reporting year for each selection.
- (c) We compared and agreed related payroll summary registers for each selection to the related salaries, benefits, and bonuses paid by the University and related entities in the Statement during the reporting period.
- (d) We compared and agreed the totals recorded to the employment contracts executed for the sample selected.
- (e) We recalculated the totals.

We found no exceptions as a result of these procedures; however, the University adjusted its Statement to (1) reclassify \$886,466 to "support staff/administrative compensation, benefits and bonuses paid by the university and related entities" instead of "support staff/administrative compensation, benefits and bonuses paid by third party;" (2) include \$8,808 of coaching salaries and benefits and \$3,908 of support staff salaries and benefits paid by the University included in the general ledger that were omitted; (3) reclassify \$19,094 of staff salaries and benefits as "support staff/administrative compensation, benefits and bonuses paid by the university and related entities," instead of "coaching salaries benefits and bonuses paid by the university and related entities;" and (4) include \$77,644 of coaches salaries and benefits paid directly to an assistant football coach by GUF that were omitted.

4. We were to obtain a list prepared by the University and randomly select one athletic employee receiving a severance payment from the University during the reporting period. We were to agree the severance payment to the related termination letter or employment contract and recalculate the totals.

The University had no athletic employees who received a severance payment during the reporting period.

5. We were to compare and agree the University's recruiting expense policies to existing University and NCAA-related policies. We obtained the general ledger detail, compared to the total expenses reported, and recalculated the totals.

The University had no written policies and procedures for recruiting expenses. Also, the University adjusted its Statement to include \$2,140 of athletic recruiting expenses paid by GUAF that were omitted.

6. We compared and agreed the University's team travel policies to existing institutional and NCAA-related policies. We obtained the general ledger detail, compared to the total expenses reported, and recalculated the totals.

The University reported \$9,641 of meal allowances given to student athletes during University holiday breaks as team travel expenses instead of student athlete meals (non travel), per NCAA guidelines. The University Statement was not adjusted for the \$9,641 amount.

7. We randomly selected a sample of one expense from each expense category not previously sampled and validated existence of the transaction and accuracy of recording. We also obtained the general ledger detail, compared to the total expenses reported, and recalculated the totals.

The University adjusted its Statement for the following expense categories not previously sampled:

- to reclassify a \$266,000 insurance payment from other operating expenses to medical expenses and insurance.
  - to reclassify \$650 of other operating expenses from guarantee expenses.
  - to include \$80,014 and \$50,373 of other operating expenses paid by GUF and GUAF, respectively, that were omitted.
  - to include \$424 of supplies and \$117 of membership dues paid by GUF; and \$862 of supplies paid by GUAF that were omitted.
  - to remove a (\$38,500) budget adjustment from spirit group expenses made in error.
8. For the expense transactions selected above, we compared and agreed to adequate supporting documentation.

Except where previously noted above, we found no exceptions as a result of these procedures.

#### **MINIMUM AGREED-UPON PROCEDURES FOR NOTES AND DISCLOSURES**

1. We were to obtain from University management a list of contributions of monies, goods, or services received directly by the athletic department to identify any contribution from an affiliated or outside organization, agency, or individuals

(e.g. contributions by corporate sponsors) that constitute 10% or more of all contributions received during the reporting period. We were to ensure the source of the funds, goods, and services, as well as the value associated with these items, were properly disclosed in the notes to the Statement; and obtain and review supporting documentation for each such contribution.

The Grambling University Foundation, Inc. and the Grambling University Athletic Foundation contributed monies, goods, or services for or on behalf of the athletic department that exceeded 10% of the total contributions. These contributions were not received directly by the University's athletic department.

2. We obtained a description of the University's policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics-related assets. We ensured that the University's policies and procedures are properly disclosed in the notes to the Statement.

We found no exceptions as a result of these procedures.

#### **MINIMUM AGREED-UPON PROCEDURES FOR AFFILIATED AND OUTSIDE ORGANIZATIONS**

1. We obtained from University management a listing of all affiliated and outside organizations for the reporting period. We obtained written representations from management that the Grambling University Foundation, Inc. and the Grambling University Athletic Foundation (foundations) were the only outside organizations created for or on behalf of the athletic department.
2. We obtained from management of the University statements for the affiliated and outside organizations and performed the following:
  - (a) We confirmed revenues and expenses directly with responsible officials of the organizations.

We found no exceptions as a result of these procedures.

- (b) We reconciled the cash disbursements made by the organization for or on behalf of the University's intercollegiate athletic programs or employees to the revenues reported on the University's Statement.

We found no exceptions as a result of these procedures.

- (c) We were to reconcile the direct payments of outside organizations to the University with the revenues reported on the University's Statement, payments.

There were no direct payments by outside organizations to the University.

3. We obtained from the University management a summary schedule of revenues and expenses for or on behalf of intercollegiate athletics programs by affiliated and outside organizations not under the accounting control of the University to be included with agreed-upon procedures report as follows:

	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	OTHER SPORTS	NON- PROGRAM SPECIFIC	TOTAL
<b>Revenues</b>						
Contributions	\$203,050	\$11,667	\$400	\$8,421	\$26,922	\$250,460
Total revenues	203,050	11,667	400	8,421	26,922	250,460
<b>Expenses</b>						
Athletic student aid	31,193	7,693				38,886
Coaching salaries, benefits, and bonuses paid by the University and related entities	77,644					77,644
Recruiting	757	1,383				2,140
Sports equipment, uniforms, and supplies	138			279	869	1,286
Membership and dues					117	117
Other operating expenses	93,318	2,591	400	8,142	25,936	130,387
Total expenses	203,050	11,667	400	8,421	26,922	250,460
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES</b>						
	\$0	\$0	\$0	\$0	\$0	\$0

We obtained written representation from management as to the fair presentation of the summary schedule. We compared the summary schedule provided by the outside organizations to ensure data is included in the University's Statement.

As previously mentioned above, the University adjusted its Statement to include contribution revenues totaling \$111,748 and \$138,712 received by GUF and GUAF, respectively. In addition, the University adjusted its Statement to include \$250,460 of expenses paid by the foundations that were omitted.

4. For all outside organizations that had an independent audit, we obtained the independent auditor's report to identify any significant deficiencies related to the outside organization's internal control. We were to make inquiries of management to document any corrective action taken in response to the significant deficiencies.

The financial statements of the foundations were audited by independent certified public accounting firms for the year ended June 30, 2016. The Grambling University Foundation, Inc. audit report is dated December 31, 2016, and includes a report on internal controls with no deficiencies. The Grambling University Athletic Foundation audit report is dated December 28, 2016, and includes a repeat finding involving inadequate segregation of duties where one person handles all the office personnel duties. The foundation responded that it would be

impractical to hire more employees and redistribute duties due to lack of funds, and the Board of Directors will continue its close scrutiny.

#### **ADDITIONAL MINIMUM AGREED-UPON PROCEDURES**

1. We obtained the squad lists of the University and compared and agreed to the sports sponsored that were reported in the NCAA Membership Financial Reporting System to the squad lists of the institution. We were to inquire about any discrepancies and report the justification.

We found no discrepancies as a result of these procedures.

2. We obtained the Sports Sponsorship and Demographics Forms Report of the University for the reporting period and were to validate whether the University's countable sports reported meet the minimum requirements set forth in Bylaw 20.9.6.3 for the number of contests and participants in each contest that is counted towards meeting the minimum contest requirement. We ensured that the University has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System.

The University reported five actual contests each for men's indoor track, women's indoor track, and bowling during the reporting period when the minimum requirements are six contests for men's indoor track, six contests for women's indoor track, and eight contests for bowling. The University represented that it reported a two-day track meet for men's and women's indoor track as one actual contest and counted the number of bowling tournaments instead of the 14 actual bowling contests. These discrepancies were not resolved prior to the reports being submitted to the NCAA.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the accompanying Statement and related notes of the University's athletic department or on its compliance with NCAA Bylaw 3.2.4.15 or on the effectiveness of the University athletic department's internal control over financial reporting for the year ended June 30, 2016. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the president of the University and is not intended to be, and should not be, used by anyone other than the president. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

A handwritten signature in blue ink that reads "Daryl G. Purpera". The signature is written in a cursive style with a large, stylized initial "D".

Daryl G. Purpera, CPA, CFE  
Legislative Auditor

WMS:BAC:BH:EFS:aa

GSUNCAA 2016



UNAUDITED

Statement A

**ATHLETIC DEPARTMENT  
GRAMBLING STATE UNIVERSITY  
UNIVERSITY OF LOUISIANA SYSTEM  
STATE OF LOUISIANA**

**Statement of Revenues and Expenses  
For the Year Ended June 30, 2016**

REVENUES	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	OTHER SPORTS	NON- PROGRAM SPECIFIC	TOTAL
<b>Operating Revenues:</b>						
Ticket sales	\$998,748	\$7,958	\$7,877	\$703		\$1,015,286
Student fees					\$1,008,787	1,008,787
Direct institutional support					2,351,200	2,351,200
Guarantees	603,760	409,000	90,000	33,500		1,136,260
Contributions	203,050	11,667	400	9,021	29,422	253,560
NCAA distributions					282,818	282,818
Conference distributions					42,351	42,351
Program, novelty, parking, and concession sales					53,997	53,997
Royalties, licensing, advertisement, and sponsorships					45,567	45,567
Other operating revenue					9,443	9,443
Total operating revenues	<u>1,805,558</u>	<u>428,625</u>	<u>98,277</u>	<u>43,224</u>	<u>3,823,585</u>	<u>6,199,269</u>
<b>EXPENSES</b>						
<b>Operating Expenses:</b>						
Athletic student aid	952,743	204,132	225,178	1,159,264		2,541,317
Guarantees	15,000	2,000	1,700			18,700
Coaching salaries, benefits, and bonuses paid by the University and related entities	879,027	314,837	290,582	500,274		1,984,720
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities	19,094			8,808	886,466	914,368
Recruiting	49,578	12,877	25,899	25,218		113,572
Team travel	850,346	98,803	110,684	401,707		1,461,540
Sports equipment, uniforms, and supplies	223,955	15,091	17,700	123,467	107,210	487,423
Game expenses	33,550	34,087	28,210	33,875	21,000	150,722
Spirit groups	154,517					154,517
Direct overhead and administrative expenses				74,257	126,558	200,815
Medical expenses and insurance					266,000	266,000
Memberships and dues				948	35,117	36,065
Other operating expense	129,242	8,286	900	16,840	157,926	313,194
Total operating expenses	<u>3,307,052</u>	<u>690,113</u>	<u>700,853</u>	<u>2,344,658</u>	<u>1,600,277</u>	<u>8,642,953</u>
<b>EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENSES</b>	<u>(\$1,501,494)</u>	<u>(\$261,488)</u>	<u>(\$602,576)</u>	<u>(\$2,301,434)</u>	<u>\$2,223,308</u>	<u>(\$2,443,684)</u>



# NOTES TO THE FINANCIAL STATEMENT

## (UNAUDITED)

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### **1. CONTRIBUTIONS**

No individual or outside organizations, other than the Grambling University Foundation, Inc. and the Grambling University Athletic Foundation, contributed monies, goods, or services for and on behalf of the athletic department that exceeded 10% of the total contributions included in Statement A. The two above foundations contributed \$111,748 and \$138,712, respectively, totaling \$250,460.

### **2. CAPITAL ASSETS**

Capital assets are reported at cost at the date of acquisition or their estimated fair value at the date of donation. For movable property, the University's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized if they exceed \$100,000. Any infrastructure exceeding \$3 million must be capitalized, but the University does not have any infrastructure that meets that criterion. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 40 years for buildings and infrastructure, 20 years for depreciable land improvements, and 3 to 10 years for most movable property. All departments within the University follow standardized policies and procedures established by state laws and regulations for acquiring, approving, depreciating, and disposing of capital assets. The University has no debt associated with its athletic department's capital assets.



## MAJOR REVENUE AND EXPENSE ANALYSIS

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### Appendix A

Appendix A includes an analysis of revenue and expense accounts that exceed 10% of total revenues and expenses. A comparison is presented of current-year amounts to prior-year amounts and of current-year amounts to budget estimates.



UNAUDITED

ATHLETIC DEPARTMENT  
GRAMBLING STATE UNIVERSITY  
UNIVERSITY OF LOUISIANA SYSTEM  
STATE OF LOUISIANA

APPENDIX A

Major Revenue and Expense Analysis  
For the Year Ended June 30, 2016

Accounts	Fiscal Year 2016	Fiscal Year 2015	Increase/ (Decrease)	% Variance	
<b>10% of Operating Revenues per Statement A</b>					
<b>\$619,927</b>					
<b>Revenue Account Balances Exceeding 10% Threshold and Variance of \$1 Million or 10%</b>					
Ticket sales	\$1,015,286	\$750,645	\$264,641	35.26%	1
Direct institutional support	\$2,351,200	\$1,851,200	\$500,000	27.01%	2
<b>10% of Operating Expenses per Statement A</b>					
<b>\$864,295</b>					
<b>Expense Account Balances Exceeding 10% Threshold and Variance of \$1 Million or 10%</b>					
Athletic student aid	\$2,541,317	\$1,862,599	\$678,718	36.44%	3
Team travel	\$1,461,540	\$1,051,973	\$409,567	38.93%	4
<b>Fiscal Year 2016 - Significant Budget Variances</b>					
<b>Revenue Account Balances Exceeding 10% Threshold and Variance of \$1 Million or 10%</b>					
	Actual	Budget	Variance	% Variance	
Ticket sales	\$1,015,286	\$1,466,500	(\$451,214)	(30.77%)	5
Student fees	\$1,008,787	\$1,255,000	(\$246,213)	(19.62%)	6
Guarantees	\$1,136,260	\$984,400	\$151,860	15.43%	7
<b>Expense Account Balances Exceeding 10% Threshold and Variance of \$1 Million or 10%</b>					
Support staff/administrative, compensation, benefits, and bonuses paid by the University & related entities	\$914,368	\$777,720	\$136,648	17.57%	8
Team travel	\$1,461,540	\$739,006	\$722,534	97.77%	9

Note: The budget analysis is presented based on University data only - Budget information is not available for the foundations.

**NOTES:**

<sup>1</sup> Increase was due to increase in individual home football game revenue in the following games: Prairie View A&M increased by \$100,000; Bayou Classic increased by \$100,000; and the University had one additional home game in FY16 compared to FY15, Texas Southern, which had gross revenue of \$84,000.

## UNAUDITED

### NOTES (Cont.):

<sup>2</sup> Increase in direct institutional support was due to the University transferring \$500,000 more than it did in FY15 because of the increase in student enrollment and to assist the Athletic department in reducing the operating deficit.

<sup>3</sup> Athletic Aid increased from FY15 to FY16 due to the additional scholarship amount awarded to student athletes and increase in number of student athletes attending summer school. The scholarship amount increased from \$13,309 per student in FY15 to \$14,497 in FY16, which increased the overall scholarship budget by approximately \$475,000.

<sup>4</sup> Travel increased in FY16 due to the football team traveling to a game at the University of California in Berkley, which totaled approximately \$400,000. Also, additional costs were incurred as a result of the team playing in the SWAC Championship game in Houston.

<sup>5</sup> Budgeted amount exceeded the actual amount of ticket sale revenue because University did not reach its goal of \$525,000 in ticket sales from the Bayou Classic and averaging \$100,000 in home game ticket sales.

<sup>6</sup> Budgeted amount exceeded the actual amount in student fees because the University's enrollment did not reach the goal of 5,500 students.

<sup>7</sup> Actual revenues for guarantees exceeded the budgeted amount due to the football guarantee increased by \$250,000 from FY16 to FY15. For example, there was a \$600,000 guarantee relating the game in California in FY16 compared to the \$350,000 guarantee relating to the University of Houston game in FY15.

<sup>8</sup> The salary benefits actual amount exceeded the budgeted amount due to an unanticipated increase in related benefit cost.

<sup>9</sup> Actual team travel exceeded the budgeted amount due to the football team traveling to California and the SWAC Championship games. The amount for the California game was not budgeted until after the Athletic Budget had been submitted.