

ATHLETICS DEPARTMENT GRAMBLING STATE UNIVERSITY

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

**Agreed-Upon Procedures Report
Issued April 2, 2025**

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

LEGISLATIVE AUDITOR
MICHAEL J. "MIKE" WAGUESPACK, CPA

FIRST ASSISTANT LEGISLATIVE AUDITOR
BETH Q. DAVIS, CPA

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and online at www.la.la.gov. When contacting the office, you may refer to Agency ID No. 3394 or Report ID No. 80240120 for additional information.

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. One copy of this public document was produced at an approximate cost of \$0.48. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Jenifer Schaye, General Counsel, at 225-339-3800.

TABLE OF CONTENTS

| | Page |
|---|------|
| Independent Accountant's Report on the Application of Agreed-Upon Procedures | 2 |
| Statement | |
| Financial Statement - Statement of Revenues and Expenses (Unaudited) A | 13 |
| Notes to the Financial Statement (Unaudited) | 14 |
| Appendix | |
| Major Revenue and Expense Analysis (Unaudited)..... A | 16 |

March 27, 2025

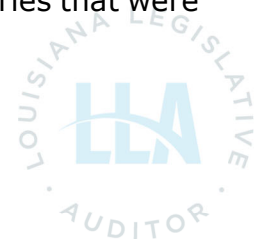
Independent Accountant's Report on the
Application of Agreed-Upon Procedures

DR. MARTIN LEMELLE, 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 University's Athletics Department is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 20.2.4.17, in evaluating the University's compliance with other specified NCAA legislation, and in evaluating the effectiveness of the University's internal control over compliance for the year ended June 30, 2024. University management is responsible for the accuracy of the Statement (unaudited) and the related notes (unaudited), compliance with NCAA requirements and legislation, and internal control over financial reporting and compliance. 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. Management of the University has acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The University specified a threshold of \$5,000 for reporting exceptions, and the agreed-upon procedures described below were not applied to any transactions that fell under this amount, nor did we report any exceptions noted below this amount. In addition, procedures were not performed on specific reporting categories that were less than 4% 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 Athletics 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 Athletics Department personnel to determine their compliance with policies and procedures related to the control and safeguarding of unsold tickets.

As a result of these procedures, we noted that the five cash receipt batch sheets of ticket sales did not have a signature of the athletics business manager, as required by policy. We found no other exceptions as a result of these procedures.

3. We obtained the University's procedures for gathering information on the nature and extent of affiliated and outside organization activity for or on behalf of the University's intercollegiate athletics program and performed procedures to determine the University's adherence to these procedures.

We found no exceptions as a result of these procedures.

STATEMENT OF REVENUES AND EXPENSES

GENERAL PROCEDURES

1. We obtained written representations from management as to the accuracy of the Statement, completeness of required schedules and related financial information, adequacy of controls, compliance with NCAA rules and legislation, completeness of the list of all known

affiliated and outside organizations, and other information as we considered necessary for the fiscal year ended June 30, 2024.

2. We verified the mathematical accuracy of the amounts on the Statement and compared and agreed the amounts to supporting schedules provided by the University and the University's general ledger.

We identified a total overstatement of \$1,105,014, which included an overstatement of other operating expenses of \$1,039,414 in other sports related to capital expenditures and an overstatement of \$65,600 in football related to capital expenditures made by the Grambling University Foundation, Inc. on behalf of the University, which should not be included in the Statement in accordance with NCAA Agreed-Upon Procedures guidelines. The capital expenditures made on behalf of the University also resulted in an overstatement of \$65,600 to contributions related to football. The University made the necessary adjustments to correct its Statement for these errors.

3. We compared and agreed a sample of five operating revenue receipts and a sample of five expense disbursements obtained from the supporting schedules 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, 2024, to June 30, 2023, amounts and budget estimates, to identify variations greater than 10%.

We reported the analysis in Appendix A to this report.

MINIMUM AGREED-UPON PROCEDURES FOR REVENUES

1. Using a schedule prepared by the university, we compared the value of the 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. Official attendance figures are not maintained by the University. We agreed the information on the schedule to the supporting game reconciliations for a random sample of one football game and one basketball game. The schedule provided by the University reflected one total for all basketball game ticket sales instead of by individual game.

We were provided ticket sales summaries generated by Ticketmaster and the university's ticketing system, known as Artic, and other documentation supporting ticket sales for the games scheduled and we examined differences between these totals and those in the general ledger. We found the revenue recorded for the selected football game to be \$61,412 less than the total shown on the summary report.

Management represented that the difference is due to season ticket sales that were sold for attendance to that game which were recorded as season ticket revenue and not ticket sales for the selected game. The University maintains separate general ledger accounts for season tickets and individual games. The season ticket revenue account and individual game ticket sales account are included in the ticket sales line on Statement A.

We were to agree the information on the schedule to the supporting game reconciliation for a random sample of one baseball game. We noted all games for baseball had ticket sales less than the threshold of \$5,000; therefore, we did not select a random sample of one baseball game.

2. We compared and agreed student fees reported in the Statement to student enrollment and recalculated the totals. We obtained documentation of the University's methodology for allocating student fees to the intercollegiate athletics program. We were to obtain explanations from the University regarding variances in excess of 5%. Additionally, if the Athletics Department reported that an allocation of student fees should be countable as generated revenue, we were to recalculate the totals of its methodology for supporting that the Athletics Department is able to count each sport and tie the calculation to supporting documents such as seat manifests, ticket sales reports, and student fee totals.

We found no exceptions as a result of these procedures and identified no variances in excess of 5%.

Management represented that the University does not report the allocation of student fees as generated revenue; therefore, we did not tie the student fee revenue to attendance supporting documentation such as seat manifests and ticket sales reports.

3. We compared direct institutional support recorded by the University during the reporting period with the 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 selected a sample of one settlement report for an away game during the reporting period and agreed the selection to the University's general ledger. We recalculated the totals.

We found the revenue recorded for the game to be \$61,412 less than the total shown on the settlement report. Management represented that the difference is due to season ticket sales that were sold for attendance

to that game which were recorded as season ticket revenue and not ticket sales for the selected game.

5. We selected a sample of one contractual agreement pertaining to revenues derived from guaranteed contests during the reporting period and compared and agreed the selection to the university's general ledger and recalculated the totals.

We found no exceptions as a result of these procedures.

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 constitutes 10% or more in the aggregate for the reporting year of all contributions received for intercollegiate athletics during the reporting period. We recalculated the totals.

We found no exceptions as a result of these procedures.

7. We compared the NCAA distribution amounts recorded in the revenue and expense categories reporting during the reporting period to the general ledger detail for NCAA distributions and other corroborative supporting documentation. We recalculated the totals.

We found no exceptions as a result of these procedures.

MINIMUM AGREED-UPON PROCEDURES FOR EXPENSES

1. We selected a sample of 10% of student athletes from the listing of University student aid recipients. Data was captured by the university through the creation of a squad/eligibility list for each sponsored sport. We performed the following procedures:
 - (a) We obtained individual student account detail for each selection. We reconciled the total athletic aid reported to the student athlete's account detail reported in NCAA's Compliance Assistance (CA) software.
 - (b) We performed a check of each student selected to ensure his/her information was reported accurately in the NCAA's CA software using the criteria found in 2024 NCAA Agreed Upon Procedures Appendix D, step 20.c.
 - (c) We recalculated the totals for each sport and overall for all sports.

We found no exceptions as a result of these procedures.

2. We obtained and inspected a list of coaches and support staff/administrative personnel employed by the University and related entities during the reporting period. We selected a sample of three coaches' contracts of football and men's and women's basketball from the listing and a sample of three staff/administrative personnel and performed the following:
 - (a) 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) Obtained and inspected payroll summary registers for the reporting year for each selection.
 - (c) Compared and agreed payroll summary registers for each selection to the related salaries, benefits, and bonuses paid by the University and related entities' expense recorded by the University in the Statement during the reporting period.
 - (d) Compared and agreed the totals recorded to any employment contracts executed for the sample selected.
 - (e) Recalculated the totals.

We found no exceptions as a result of these procedures.

3. We obtained documentation of the University's team travel policies, and compared and agreed the University's team travel policies to existing University and NCAA-related policies. In addition, we obtained the general ledger detail and compared the detail to the total expenses reported. We recalculated the totals.

We found no exceptions as a result of these procedures.

4. We obtained the general ledger detail for game expenses and compared the detail to the total expenses reported. We selected a sample of three transactions to validate the existence of the transactions and the accuracy of their recording. We recalculated the totals.

We found no exceptions as a result of these procedures.

5. We were to obtain the general ledger detail for other operating expenses and transfers to the university and compare the detail to the total expenses reported. We were to select a sample of three transactions to validate the existence of the transactions and the accuracy of their recording. We were to recalculate the totals. However, the other operating expenses and transfers to the University did not meet the 4% threshold, so no procedures were performed.

**MINIMUM AGREED-UPON PROCEDURES
FOR OTHER REPORTING ITEMS**

1. We agreed the total outstanding University debt to supporting documentation and the University's general ledger.

We found no exceptions as a result of these procedures.

2. We obtained the schedule and general ledger detail of all athletics dedicated endowments maintained by athletics, the University, and affiliated organizations. We agreed the fair market value in the schedule to the supporting documentation and the general ledger.

We found no exceptions as a result of these procedures.

3. We agreed the total fair market value of University endowments to supporting documentation, the University's general ledger, and/or audited financial statements, if available.

We found no exceptions as a result of these procedures.

4. We obtained a schedule of athletics related capital expenditures made by athletics, the University, and affiliated organizations during the reporting period, additions only. We obtained the general ledger detail and compared the detail to the total expenses reported. We selected a sample of two transactions to validate the existence of the transactions and the accuracy of their recording. We recalculated the totals.

We found no exceptions as a result of these procedures.

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

1. We obtained from University management a list of contributions of monies, goods, or services received directly by the intercollegiate athletics program from any affiliated or outside organization, agency, or group of individuals (e.g., contributions by corporate sponsors) that constitutes 10% or more of all contributions received for intercollegiate athletics during the reporting period, and ensured 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.

The Grambling University Foundation, Inc. is the only outside organization that provided individual contributions of monies, goods, or services to the Athletic Department that exceeded 10% of the total contributions (see note 1 to the Statement).

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 within the notes to the Statement.

We found no exceptions as a result of these procedures (see note 2 to the Statement).

3. We determined that intercollegiate athletics debt existed and we ensured that the repayment schedule is properly disclosed within the notes to the Statement.

We were informed by management that the University did not maintain any debt related to intercollegiate athletics during the reporting period. An affiliated organization, the Grambling University Foundation, Inc., had a note payable to finance the renovation of the University's football stadium. The balance of the note payable was repaid during the year, resulting in an outstanding principal balance of \$0 as of June 30, 2024.

We found no exceptions as a result of these procedures (see note 3 to the Statement).

MINIMUM AGREED-UPON PROCEDURES FOR AFFILIATED AND OUTSIDE ORGANIZATIONS

1. We obtained from 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. is the only outside organization created for or on behalf of the Athletics Department.

We found no exceptions as a result of these procedures.

2. We obtained from management a statement for the outside organization and confirmed revenues and expenses directly with a responsible official of the organization.

We found no exceptions as a result of these procedures.

3. We obtained from 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 the agreed-upon procedures report as follows:

Athletics Department, Grambling State University Independent Accountant's Report

Grambling University Foundation, Inc.

| | Football | Men's Basketball | Women's Basketball | Other Sports | Non-Program Specific | Total |
|--|-------------|------------------|--------------------|--------------|----------------------|-------------|
| Revenues | | | | | | |
| Contributions | \$1,224,377 | \$130,876 | \$23,630 | \$87,895 | \$172,417 | \$1,639,195 |
| Total operating revenues | 1,224,377 | 130,876 | 23,630 | 87,895 | 172,417 | 1,639,195 |
| Expenses | | | | | | |
| Athletic student aid | | 23,960 | | 24,764 | 1,055 | 49,779 |
| Recruiting | 72,011 | 11,067 | 570 | 11,432 | | 95,080 |
| Sports equipment, uniforms, and supplies | 14,150 | 18,122 | 9,029 | 26,734 | 18,080 | 86,115 |
| Game expenses | 17,867 | | | 1,840 | 78,894 | 98,601 |
| Athletic facilities, debt service, leases, rental fees | 1,055,205 | | | | | 1,055,205 |
| Memberships and dues | 15,050 | 2,729 | | 4,617 | 1,854 | 24,250 |
| Student-athlete meals (non-travel) | 11,502 | 37,178 | 4,108 | 10,196 | 39,663 | 102,647 |
| Other operating expenses | 38,592 | 37,820 | 9,923 | 8,312 | 32,871 | 127,518 |
| Total operating expenses | 1,224,377 | 130,876 | 23,630 | 87,895 | 172,417 | 1,639,195 |
| Excess (Deficiency) of Revenues Over (Under) Expenses | NONE | NONE | NONE | NONE | NONE | NONE |

We obtained written representations from management as to the accuracy of the summary schedule.

We noted \$1,055,205 in contributions and athletic facilities debt service expenses for football were omitted. Additionally, as noted above in General Procedures, item 2, we also identified a \$65,600 overstatement in contributions and capital expenditures for football. The summary schedule above and Statement A have been corrected to include these adjustments.

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

The financial statements of the Grambling University Foundation, Inc. for the fiscal year ended June 30, 2024, are being audited by an independent certified public accounting firm. The audit report has not been issued as of the date of our procedures.

ADDITIONAL MINIMUM AGREED-UPON PROCEDURES

1. In order for the NCAA to place reliance on the Division I financial reporting to calculate the NCAA revenue distributions, we performed the following procedures:
 - (a) For Grants-in-Aid, we compared and agreed the sports sponsored and reported in the NCAA Membership Financial Reporting System to the Calculation of Revenue Distribution Equivalencies Report from CA or other report that supports the equivalency calculations from the institution. We were to inquire about any discrepancies and report the justification.

We found no discrepancies as a result of these procedures.

- (b) We compared current-year Grants-in-Aid revenue distribution equivalencies to prior-year reported equivalencies per the Membership Financial Report submission. We were to inquire and document an explanation for any variance greater than +/- 4%.

We noted that the variance did not meet the +/- 4% threshold.

- (c) We obtained the university's Sports Sponsorship and Demographics Form submitted to NCAA Research for the reporting year. We validated that the countable NCAA sports reported by the University met the minimum requirements, set forth in Bylaw 20.10.6.3, related to the number of contests and the number of participants. We ensured the University has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System.

We noted the women's bowling countable contests of seven did not meet the required eight minimum contests played as required by Bylaw 20.10.6.3. We found no other exceptions as a result of these procedures.

- (d) We compared the current-year number of Sports Sponsored to the prior-year reported total per the Membership Financial Report submission. We were to inquire and document an explanation for any variance.

We found no variance as a result of these procedures.

- (e) We agreed the total number of Division I student athletes who, during the academic year, received a Pell Grant award and the total dollar amount of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report, generated out of the University's financial aid records, of all student-athlete Pell Grants.

We found no exceptions as a result of our procedures.

- (f) We compared current-year Pell Grants total to prior-year reported total per the Membership Financial Report submission. We inquired and documented an explanation for any variance greater than +/- 20 grants.

The variance between current-year and prior-year Pell Grants was an overall increase of 42 grants. The University represented that the number increased in fiscal year 2024 as a result of a larger

number of student athletes that applied and were eligible for the Pell grant.

An agreed-upon procedures engagement involves the practitioner performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the compliance of the accompanying Statement and related notes of the University's Athletics Department or on its compliance with NCAA Bylaw 20.2.4.17 or on the effectiveness of the University Athletics Department's internal control over financial reporting or compliance for the year ended June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

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 this specified party. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

KAW:AB:BH:BQD:aa

GSUNCAA2024

UNAUDITED

Statement A

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

**Statement of Revenues and Expenses
For the Year Ended June 30, 2024**

| | FOOTBALL | MEN'S BASKETBALL | WOMEN'S BASKETBALL | OTHER SPORTS | NON- PROGRAM SPECIFIC | TOTAL |
|--|-----------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|---------------------------|
| REVENUES | | | | | | |
| Operating revenues: | | | | | | |
| Ticket sales | \$1,306,834 | \$5,748 | \$5,243 | \$1,485 | | \$1,319,310 |
| Student fees | | | | | \$1,064,950 | 1,064,950 |
| Direct institutional support | | | | | 6,609,170 | 6,609,170 |
| Guarantees | 943,410 | 475,949 | 110,000 | 46,000 | | 1,575,359 |
| Contributions | 1,224,377 | 130,876 | 23,630 | 87,895 | 178,917 | 1,645,695 |
| NCAA distributions | | 48,275 | | | 750,000 | 798,275 |
| Conference distributions (non media and non-football bowl) | | | | | 240,903 | 240,903 |
| Program, novelty, parking, and concession sales | | | | | 122,506 | 122,506 |
| Royalties, licensing, advertisement, and sponsorships | | | | | 57,233 | 57,233 |
| Other operating revenue | | | | | 94,477 | 94,477 |
| Total operating revenues | <u>3,474,621</u> | <u>660,848</u> | <u>138,873</u> | <u>135,380</u> | <u>9,118,156</u> | <u>13,527,878</u> |
| EXPENSES | | | | | | |
| Operating expenses: | | | | | | |
| Athletic student aid | 1,317,172 | 280,767 | 343,950 | 1,573,985 | | 3,515,874 |
| Guarantees | 40,000 | | 3,500 | 3,000 | | 46,500 |
| Coaching salaries, benefits, and bonuses paid by the University and related entities | 1,729,747 | 651,814 | 316,056 | 768,203 | | 3,465,820 |
| Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities | | | | 20,699 | 1,461,549 | 1,482,248 |
| Severance payments | 133,333 | | | | | 133,333 |
| Recruiting | 79,131 | 16,945 | 12,726 | 67,151 | | 175,953 |
| Team travel | 475,340 | 259,540 | 153,194 | 489,032 | | 1,377,106 |
| Sports equipment, uniforms, and supplies | 163,538 | 28,758 | 21,396 | 150,727 | 105,629 | 470,048 |
| Game expenses | 100,161 | 100,813 | 50,023 | 83,600 | 298,714 | 633,311 |
| Spirit groups | 179,652 | | | | | 179,652 |
| Athletic facilities debt service, leases, and rental fees | 1,055,205 | | | | | 1,055,205 |
| Medical expenses and insurance | | | | | 333,728 | 333,728 |
| Memberships and dues | 33,050 | 27,828 | 18,500 | 43,885 | 31,859 | 155,122 |
| Student-athlete meals (non-travel) | 58,431 | 42,307 | 5,902 | 27,200 | 59,230 | 193,070 |
| Other operating expenses | 192,147 | 47,668 | 14,284 | 34,639 | 199,957 | 488,695 |
| Total operating expenses | <u>5,556,907</u> | <u>1,456,440</u> | <u>939,531</u> | <u>3,262,121</u> | <u>2,490,666</u> | <u>13,705,665</u> |
| EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENSES | <u><u>(\$2,082,286)</u></u> | <u><u>(\$795,592)</u></u> | <u><u>(\$800,658)</u></u> | <u><u>(\$3,126,741)</u></u> | <u><u>\$6,627,490</u></u> | <u><u>(\$177,787)</u></u> |

NOTES TO THE FINANCIAL STATEMENT

(Unaudited)

1. CONTRIBUTIONS

Individual contributions received directly by the Athletics Department from the Grambling University Foundation, Inc., totaling \$1,042,380, exceeded 10% of the total contributions included in Statement A.

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, 3 years for software with an acquisition cost of \$1,000,000 or more, and 3 to 10 years for internally generated software with development costs of \$1,000,000 or more. All departments within the University follow standardized policies and procedures prescribed by state laws and regulations for acquiring, approving, depreciating, and disposing of capital assets.

3. DEBT NOTE

The following is a detailed summary of a note payable for the Athletics Department for the year ended June 30, 2024:

| Project | Date of Note Payable | Original Amount | Principal Outstanding at 6/30/2023 | Payment | Principal Outstanding at 6/30/2024 | Maturity | Interest Rate | Interest Outstanding at 6/30/2024 |
|------------------|----------------------|-----------------|------------------------------------|-------------|------------------------------------|----------|---------------|-----------------------------------|
| Football Stadium | 9/2/2017 | \$2,100,250 | \$1,036,395 | \$1,036,395 | \$0 | 2023 | 4.95% | \$0 |

On September 2, 2017, the Grambling University Foundation, Inc. (GUF) obtained a construction permanent note payable with Origin Bank to finance renovation of the University's football stadium. The original amount of the note was \$2,100,250, bearing interest at 4.95%, and maturing March 1, 2023, payable as interest-only

payments until March 1, 2019, then in annual installments of \$272,279 until maturity, with balloon payment at maturity of balance, secured by certificates of deposit.

The GUF made an interest payment of \$12,825 on September 27, 2023, and the principal balance of \$1,036,395, as well as an interest amount of \$5,985, was paid in full on October 31, 2023.

MAJOR REVENUE AND EXPENSE ANALYSIS

(Unaudited)

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.

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

**Major Revenue and Expense Analysis
For the Year Ended June 30, 2024**

| Accounts Exceeding 10% Threshold and Variation Greater Than 10% | Fiscal Year 2024 | Fiscal Year 2023 | Increase/ (Decrease) | Percent Variance | |
|---|--------------------------------------|--------------------------------------|---------------------------------|-----------------------------|---|
| Operating Revenues per Statement A | | | | | |
| Guarantees | \$1,575,359 | \$1,041,350 | \$534,009 | 51% | 1 |
| Contributions | \$1,645,695 | \$716,114 | \$929,581 | 130% | 2 |
| Operating Expenses per Statement A | | | | | |
| Coaching salaries, benefits, and bonuses paid by the University and related entities | \$3,465,820 | \$3,091,726 | \$374,094 | 12% | 3 |
| Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities | \$1,482,248 | \$1,248,867 | \$233,381 | 19% | 4 |
| Team travel | \$1,377,106 | \$1,819,271 | (\$442,165) | (24%) | 5 |
| Budget | | | | | |
| | Fiscal Year 2024 - Actual | Fiscal Year 2024 - Budget | Increase/ (Decrease) | Percent Variance | |
| Direct institutional support | \$6,609,170 | \$3,328,498 | \$3,280,672 | 99% | 6 |
| Athletic student aid | \$3,515,874 | \$2,843,471 | \$672,403 | 24% | 7 |
| Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities | \$1,482,248 | \$1,667,462 | (\$185,214) | (11%) | 8 |
| Team travel | \$1,377,106 | \$1,245,091 | \$132,015 | 11% | 9 |

NOTES:

1. The increase in guaranteed revenue is primarily due to the guarantee game against LSU, which provided significantly more revenue compared to smaller universities.
2. Contributions increased for FY24 due to the payment of the note payable balance made by the Grambling University Foundation, Inc., which included a balloon payment at maturity.
3. The 12% increase in coaching salaries was a result of the termination of Coach Hue Jackson in December 2023 and the hiring of Coach Mickey Joseph in January 2024. Both coaches were paid through June 2024.
4. In 2023 the athletic department hired additional staff to include the Senior Associate Athletic Director and made severance payments to various staff and coaches that terminated their employment in FY24.
5. Team travel decreased for FY24 compared to FY23 due to football not having any chartered flights in FY24; there were more regional and turnaround games for women's basketball; and more regional games were played for men's baseball.
6. Direct support actual was higher than the budgeted amount due to the actual ticket sales not reaching the projected amount.
7. Scholarships exceeded the budgeted amount due to the increase in the amount of scholarship dollars awarded to student athletes to cover the increase in housing fees.
8. Support Salaries actual amount was lower than the budget amount due to the vacant Athletic Business Manager position and Assistant Sports Information Director position.
9. Team travel was higher than the budgeted amount due to the increase in transportation and meals as compared to the budgeted amount.