

ATHLETIC DEPARTMENT SOUTHEASTERN LOUISIANA UNIVERSITY

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

FINANCIAL AUDIT SERVICES

**Agreed-Upon Procedures Report
Issued January 25, 2023**

**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
ERNEST F. SUMMERVILLE, JR., 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. 3576 or Report ID No. 80220126 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 \$0.50. 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	14
Notes to the Financial Statement (Unaudited)	15
Appendix	
Major Revenue and Expense Analysis (Unaudited)..... A	17

January 13, 2023

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

**DR. JOHN CRAIN, PRESIDENT
SOUTHEASTERN LOUISIANA UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**
Hammond, Louisiana

We have performed the procedures enumerated below, which were agreed to by you, as President of the Southeastern Louisiana University (University), solely to assist you in evaluating whether the accompanying Statement of Revenues and Expenses (Statement) of the University's athletic department is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.17 for the year ended June 30, 2022. University management is responsible for the accuracy of the Statement (unaudited) and the related notes (unaudited) and the 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. 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 one cash receipt batch sheet of ticket sales and followed it through the University's cash control system to determine adherence to established policies and procedures.
 - (b) We selected the ten 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 no 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, 2022.

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/or the University's general ledger.

We found no exceptions as a result of these procedures.

3. We compared and agreed a sample of ten operating revenue receipts and a sample of ten 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 greater than 10% of total revenues or expenses for June 30, 2022, to June 30, 2021, 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 and to the related attendance figures. We agreed the information on the schedule to the supporting game reconciliations for a random sample of one football, one men's basketball, one women's basketball, and one baseball game. We recalculated the reconciliations for the games tested.

We found no exceptions as a result of these procedures.

2. We obtained and documented an understanding of 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 and obtained explanations from the University regarding any variances in excess of 5%. We also recalculated the totals and the allocation of students' fees included in general revenue by the Athletic Department for each sport, and tied the calculation to student fee totals.

We found no exceptions as a result of these procedures and identified no variance that exceeded 5%.

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 and we recalculated the totals.

We found no exceptions as a result of these procedures.

4. We selected a sample of one football, one men's basketball, one women's basketball, and one baseball contractual agreement pertaining to revenues derived from guaranteed contests during the reporting period. We compared and agreed each selection to the University's general ledger and recalculated the totals.

We found no exceptions as a result of these procedures.

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

We found no exceptions as a result of these procedures.

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

We found no exceptions as a result of these procedures.

7. We obtained and inspected agreements related to the University's conference distributions and participation in revenues from tournaments during the reporting period for relevant terms and conditions. We compared and agreed the related revenues to the University's general ledger and recalculated the totals.

We found no exceptions as a result of these procedures.

8. We obtained and inspected agreements related to the University's participation in revenues from royalties, licensing, advertisements, and sponsorships during the reporting period to gain an understanding of the relevant terms and conditions. We compared and agreed related revenues to the general ledger and 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. The data was captured by the University through the creation of a squad list for each sponsored sport.
 - (a) We obtained individual student account detail for each selection, and compared total aid in the University's student system to the student's

detail in the NCAA Compliance Assistance (CA) software, which ties directly to the NCAA Membership Financial Reporting System.

- (b) We performed a check of each student selected to ensure his/her information was reported accurately in either the NCAA's CA software or entered directly into the NCAA Membership Financial Reporting System using the criteria found in 2022 NCAA Agreed-Upon Procedures.
- (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 paid by the University and related entities during the reporting period. We selected a sample of five coaches' contracts of football, men's and women's basketball and baseball from the listing and a sample of three staff/administrative personnel and performed the following:

- (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 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) We compared and agreed the totals recorded to any employment contracts executed for the sample selected.
- (e) We recalculated the totals.

We found no exceptions as a result of these procedures.

- 3. We obtained and documented an understanding 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 general ledger detail for the purchase of equipment, uniforms, and supplies and compared the detail to the total expenses reported. We

selected a sample of five 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 obtained the general ledger detail for fund raising, marketing, and promotion and compared the detail to the total expenses reported. We were to select a sample of up to five transactions to validate the existence of the transactions and the accuracy of their recording. We recalculated the totals.

There was one transaction that met the threshold. We found no exceptions as a result of these procedures.

6. We obtained the general ledger detail for direct overhead and administrative expenses and compared the detail to the total expenses reported. We selected a sample of five transactions to validate the existence of the transactions and the accuracy of their recording and recalculated the totals.

We found no exceptions as a result of these procedures.

7. We obtained the general ledger detail for other operating expenses and compared the detail to the total expenses reported. We were to select a sample of up to five transactions to validate the existence of the transactions and the accuracy of their recording. We recalculated the totals.

There were three transactions that met the threshold. We found no exceptions as a result of these procedures.

MINIMUM AGREED-UPON PROCEDURES FOR OTHER REPORTING ITEMS

1. We obtained the repayment schedule for all outstanding intercollegiate athletics debt during the reporting period. The Lion Athletics Association has a note payable of \$851,193 related to the baseball improvements (scoreboard and new turf), new turf for the softball field, and new turf for the football field. We recalculated the annual maturities of the notes payable as presented in the Lion Athletics Association audit report.

We found no exceptions as a result of these procedures.

2. We agreed the total outstanding University debt to supporting documentation and the University's audited financial statements and the University's general ledger.

We found no exceptions as a result of these procedures.

3. 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.

4. We agreed the total fair market value of University endowments to supporting documentation, the University's general ledger, and the audited financial statements.

We found no exceptions as a result of these procedures.

5. We obtained a schedule of athletics related capital expenditures made by athletics, the University, and affiliated organizations during the reporting period. We obtained the general ledger detail and compared the detail to the total expenses reported. We selected a sample of five transactions to validate the existence of the transactions and the accuracy of their recording and 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 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 sources 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 Lion Athletics Association and the Southeastern Louisiana University Foundation are the only outside organizations that contributed monies, goods, or services directly to the athletic department that constitutes 10% or more, in the aggregate, of all contributions received for intercollegiate athletics during the reporting period.

We noted the Lion Athletics Association and the Southeastern Louisiana University Foundation are the only outside organizations 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 were to obtain from University management the repayment schedules for all outstanding intercollegiate athletics debt maintained by the University during the reporting period. 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 Lion Athletics Association has a note payable of \$851,193 related to the baseball improvements (scoreboard and new turf), new turf for the softball field, and new turf for the football field. We recalculated the annual maturities of the notes payable as presented in the Lion Athletics Association audit report (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 Lion Athletics Association, the Southeastern Louisiana University Foundation, and the Southeastern Louisiana University Alumni Association, Inc., are the only outside organizations created for or on behalf of the athletic department.

We found no exceptions as a result of these procedures.

2. We obtained from management of the University statements for all affiliated and outside organizations and agreed the amounts reported in the statements to the University's general ledger and we 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 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 the agreed-upon procedures report as follows:

	Lion Athletics Association	(A Portion of) Southeastern Louisiana University Foundation	(A Portion of) Southeastern Alumni Association, Inc.	Total
Revenues				
Contributions	\$501,543	\$146,258		\$647,801
In-kind	114,943			114,943
Program, novelty, parking, and concession sales	232,557			232,557
Royalties, licensing, advertisement, and sponsorships	1,062,471			1,062,471
Sports camp revenues	10,760			10,760
Athletics restricted endowment and investments income	1,880	(374,444)		(372,564)
Other operating revenues	16,222			16,222
Total revenues	<u>1,940,376</u>	<u>(228,186)</u>	<u>NONE</u>	<u>1,712,190</u>
Expenses				
Guarantees	18,585			18,585
Coaching salaries, benefits, and bonuses paid by the University and related entities	319,887			319,887
Recruiting	2,560			2,560
Team travel	5,303			5,303
Sports equipment, uniforms, and supplies	1,500			1,500
Game expenses	8,810			8,810
Fundraising, marketing, and promotion	497,034		\$480	497,514
Sports camp expenses	11,259			11,259
Athletic facilities debt service, leases and rental fees	115,948			115,948
Direct overhead and administrative expenses	186,458			186,458
Medical expenses and insurance	2,395			2,395
Student-athlete meals (non-travel)	4,092			4,092
Other operating expenses	343,182	75,690		418,872
Total expenses	<u>1,517,013</u>	<u>75,690</u>	<u>480</u>	<u>1,593,183</u>
EXCESS (Deficiency) OF REVENUE OVER (Under) EXPENSES	<u>\$423,363</u>	<u>(\$303,876)</u>	<u>(\$480)</u>	<u>\$119,007</u>

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

We found no exceptions as a result of these procedures.

- For all outside organizations that had an independent audit, we obtained 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 Lion Athletics Association statements were audited by an independent certified public accountant for the year ended June 30, 2022. The audit report dated December 7, 2022, did not include a report on internal control.

The Southeastern Louisiana University Foundation statements were audited by an independent certified public accountant for the year ended June 30, 2022. The audit report dated November 16, 2022, did not include a report on internal control.

The Southeastern Louisiana University Alumni Association, Inc., statements were audited by an independent certified public accountant for the year ended June 30, 2022. The audit report dated September 19, 2022, did not include a report on internal control.

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 (CRDE) from CA from the institution.

We found no exceptions 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 inquired and documented an explanation for any variance greater than +/- 4%.

There were variances for football (6.1%), golf (16.7%), and men's track and field (-4.9%), which were greater than +/- 4%. For football, the University stated that additional scholarships were provided due to the NCAA COVID-19 waivers for senior student athletes. These waivers allowed COVID-19 seniors to be provided with athletic aid and not count against team limitation. For golf, there was an additional scholarship provided to a student athlete which increased the revenue equivalency. For men's track and field, there were less athletic sport scholarship dollars available for the sport which resulted in the decrease in revenue equivalency.

There were variances for women's basketball (12.7%), soccer (-4.7%), women's track and field (-17.6%), and beach volleyball (48.9%) which were greater than +/- 4%. For women's basketball, the University stated that the number of scholarships increased from 13 to 15 which resulted in an increase in revenue equivalency. For soccer and women's track and field, there were less athletic sport scholarship dollars available for these sports which resulted in the decrease in revenue equivalency. For beach volleyball, there were additional athletic scholarships provided in order to increase the roster size as the sport continues to grow.

- c. For Sports Sponsorships, we obtained the University's Sports Sponsorship and Demographics Form submitted to the NCAA for the reporting year. We validated that the countable NCAA sports reported by the University met the minimum requirements, set forth in Bylaw 20.9.6.3, related to the number of contests and the number of participants in each contest. Once countable sports were validated, we ensured the University had properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System.

For men's outdoor track and field, there was a difference in the number of countable contests in the Sports Sponsorship and Demographics form. The University had seven regular season countable contests and two post-season countable contests on its website. The Sports Sponsorship and Demographics form had five regular season countable contests and one post-season countable contest.

- d. We compared current year number of Sports Sponsored to prior year reported total per the Membership Financial Report submission. We inquired and documented an explanation for any variance.

We did not identify any variances from the prior year.

- e. For Pell Grants, we agreed the total number of Division I student athletes who, during the academic year, received a Pell Grant award (e.g., Pell Grant recipients on Full Athletic Aid, Pell Grant recipients on Partial Athletic Aid and Pell Grant recipients with no Athletic Aid) 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 these 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.

We found no exceptions as a result of these procedures.

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 Athletic Department or on its compliance with NCAA Bylaw 3.2.4.17 or on the effectiveness of the University Athletic Department's internal control over financial reporting for the year ended June 30, 2022. 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

LMF:EM:RR:EFS:ch

SLUNCAA22

UNAUDITED

Statement A

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

**Statement of Revenues and Expenses
For the Year Ended June 30, 2022**

	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	BASEBALL	OTHER SPORTS	NON- PROGRAM SPECIFIC	TOTAL
REVENUES							
Operating revenues:							
Ticket sales	\$431,001	\$18,023	\$12,080	\$126,996	\$25,839	\$141,242	\$755,181
Student fees	749,488	241,765	300,586	366,809	612,123		2,270,771
Direct institutional support	1,423,727	469,125	577,078	616,039	2,260,759	578,905	5,925,633
Less - transfer to institution						(151,184)	(151,184)
Indirect institutional support						68,785	68,785
Guarantees	1,232,000	429,600	74,000	20,000	16,000		1,771,600
Contributions	221,468	43,328	25,984	75,280	145,331	182,640	694,031
In-kind	31,141	8,704	14,204	19,702	9,097	32,095	114,943
NCAA distributions	58,500			23,625	7,675	1,070,100	1,159,900
Conference distributions (non media and non football bowl)	109	3,207				676,874	680,190
Program, novelty, parking, and concession sales	2,120	58	120	527	354	235,579	238,758
Royalties, licensing, advertisement, and sponsorships	43,976	2,545	6,982	2,167	12,726	1,228,448	1,296,844
Sports camp revenues						10,760	10,760
Athletics restricted endowment and investments income	(190,440)	(42,318)	(36,115)	(33,174)	(66,285)	(4,232)	(372,564)
Other operating revenues	9,310	27		7,890	6,832	388,459	412,518
Total operating revenues	<u>4,012,400</u>	<u>1,174,064</u>	<u>974,919</u>	<u>1,225,861</u>	<u>3,030,451</u>	<u>4,458,471</u>	<u>14,876,166</u>
EXPENSES							
Operating expenses:							
Athletic student aid	1,699,714	382,366	383,896	292,109	1,787,302	35,266	4,580,653
Guarantees	103,759	25,909	6,015	19,405	2,353	80,339	237,780
Coaching salaries, benefits, and bonuses paid by the University and related entities	1,192,565	381,471	319,772	352,794	777,781	2,637	3,027,020
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities	37,301	5,307	360	12,195	35,929	2,232,141	2,323,233
Recruiting	25,933	34,397	28,329	19,738	28,276		136,673
Team travel	298,763	194,685	117,605	146,113	458,902	366	1,216,434
Sports equipment, uniforms, and supplies	151,095	46,756	33,561	115,183	167,851	31,163	545,609
Game expenses	69,720	33,225	26,700	38,370	44,190	5,144	217,349
Fundraising, marketing, and promotion	129,082	14,355	12,535	35,099	16,991	323,211	531,273
Sports camp expenses						11,259	11,259
Spirit groups						42,988	42,988
Athletic facilities debt service, leases, and rental fees	38,281			4,130	27,623	75,009	145,043
Direct overhead and administrative expenses	68,577	17,897	11,980	160,670	39,878	247,431	546,433
Indirect institutional support						68,785	68,785
Medical expenses and insurance	109	6,567			34,228	308,197	349,101
Memberships and dues	15,640	2,195	1,845		3,606	44,334	67,620
Student-athlete meals (non-travel)	60,770	8,768	9,062		23,062	977	102,639
Other operating expenses	121,091	20,166	23,259	30,055	33,586	397,546	625,703
Total operating expenses	<u>4,012,400</u>	<u>1,174,064</u>	<u>974,919</u>	<u>1,225,861</u>	<u>3,481,558</u>	<u>3,906,793</u>	<u>14,775,595</u>
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENSES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$451,107)</u>	<u>\$551,678</u>	<u>\$100,571</u>

NOTES TO THE FINANCIAL STATEMENT

(UNAUDITED)

1. CONTRIBUTIONS

Individual contributions received directly by the Athletic Department from the Lion Athletics Association and Southeastern Louisiana University Foundation, totaling \$175,000 and \$98,913, respectively, 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 three to ten years for most movable property. 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. The University has no debt associated with its Athletic Department's capital assets. An affiliated organization, the Lion Athletics Association has a note payable of \$851,193 related to the baseball improvements (scoreboard and turf), new turf for the softball field, and new turf for the football field.

3. DEBT NOTE

The University did not maintain any debt related intercollegiate athletics during the reporting period. An affiliated organization, the Lion Athletics Association has a note payable of \$851,193 related to the baseball improvements (scoreboard and turf), new turf for the softball field, and new turf for the football field. The schedule present in the Lion Athletics Association audit report is as follows:

<u>Years Ending</u>	<u>Amount</u>
2023	\$106,702
2024	140,259
2025	92,201
2026	423,095
2027 and thereafter	<u>88,936</u>
	<u><u>\$851,193</u></u>

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.

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

**Major Revenue and Expense Analysis
For the Year Ended June 30, 2022**

Accounts Exceeding 10% Threshold and Variation Greater Than 10%	Fiscal Year 2022	Fiscal Year 2021	Increase/ (Decrease)	Percent Variance	
Operating Revenues per Statement A					
Guarantees	\$1,771,600	\$428,594	\$1,343,006	313%	1
Operating Expenses per Statement A					
Coaching salaries, benefits, and bonuses paid by the University and related entities	\$3,027,020	\$2,694,554	\$332,466	12%	2
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities	\$2,323,233	\$2,076,636	\$246,597	12%	3
Budget	Fiscal Year 2022 - Actual	Fiscal Year 2022 - Budget	Increase/ (Decrease)	Percent Variance	
Guarantees	\$1,771,600	\$1,410,000	\$361,600	26%	4
Athletic student aid	\$3,566,768	\$2,864,233	\$702,535	25%	5

NOTES:

- Game Guarantee revenue for fiscal year 2022 increased due to football having two games that generated a guarantee in fiscal year 2022, whereas no such games occurred in fiscal year 2021 due to COVID.
- Coaches qualified for merit increases given to all employees in fiscal year 2022. Additionally, there was pay for contract incentives and additional duties that resulted in additional compensation.
- Support staff qualified for merit increases given to all employees in fiscal year 2022. Additionally, some new employees were hired at an amount higher than the previous incumbent and one new position was created in fiscal year 2022.
- Actual game guarantee revenues exceeded budget due to federal Higher Education Emergency Relief Fund funding being received in fiscal year 2022 for \$350,000 for a football game not played in fiscal year 2021.
- Athletic Student Aid was budgeted in fiscal year 2022 based upon the revenue decline due to enrollment; however, as the fiscal year progressed athletics was able to generate revenues at a level necessary to fund scholarships at approximately fiscal year 2021 levels.