

# **ATHLETICS DEPARTMENT MCNEESE STATE UNIVERSITY**

UNIVERSITY OF LOUISIANA SYSTEM  
STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

**Agreed-Upon Procedures Report  
Issued January 22, 2026**

**LOUISIANA LEGISLATIVE AUDITOR  
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January 14, 2026

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

**DR. KEDRICK NICHOLAS, INTERIM PRESIDENT**  
**MCNEESE STATE UNIVERSITY**  
**UNIVERSITY OF LOUISIANA SYSTEM**  
**STATE OF LOUISIANA**  
Lake Charles, Louisiana

We have performed the procedures enumerated below, which were agreed to by you, as Interim President of the McNeese 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 20.2.4.18, 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, 2025. 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 \$2,000 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 two 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 two 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.

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 legislations, 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, 2025.

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 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, 2025, to June 30, 2024, 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 and recalculated totals. We agreed the information on the schedule to the supporting game reconciliations for a random sample of one football, one 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 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 that one transaction totaling \$225,000 related to direct state or other government support for non-program specific was misclassified as direct institutional support. Statement A was corrected.

3. We selected a sample of two contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period and we compared and agreed each selection to the University's general ledger and/or the Statement. We recalculated the totals.

We found no exceptions as a result of these procedures.

4. 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 and recalculated the totals.

We found no exceptions as a result of these procedures.

5. We obtained a summary of customers for total revenue and were to select a sample of five agreements related to the University's participation in revenues from royalties, licensing, advertisement, and sponsorships during the reporting period for relevant terms and conditions. The University participated in one agreement related to royalties, licensing, advertisement, and sponsorships during the reporting period. All other agreements related to royalties, licensing, advertisement, and sponsorships during the reporting period are held by the McNeese State University Foundation. We compared and agreed related revenues to the general ledger and/or the Statement and recalculated the totals.

We found that certain transactions totaling \$11,500 for other sports (\$1,500) and non-program specific (\$10,000) were unrecorded. The corresponding error for the \$11,500 revenue misstatement was recorded in the fundraising, marketing, and promotion expense category. Statement A was corrected.

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

1. We selected a sample of 10% of student athletes from the listing of University student aid recipients and performed the following:
  - (a) We obtained individual student account detail for each selection, and reconciled total aid in the University's student system to the student's detail in the NCAA's Compliance Assistant (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 the 2025 NCAA Agreed-Upon Procedures Appendix D, step 20.c.
  - (c) We recalculated the totals for each sport and overall for all sports.

We found one instance where the athletic aid reported in the CA software was overstated by \$3,000 and the revenue distribution equivalency was



overstated by 0.14 for softball. This error did not impact the Statement. This item has been corrected.

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 all head coaches' contracts for football, men's basketball, and women's basketball from the listing and a sample of two 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 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 other operating expenses and transfers to the University and we 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.

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

1. We obtained the repayment schedules and general ledger detail for all outstanding intercollegiate athletics debt during the reporting period. We recalculated the annual maturities (consisting of principal and interest) provided in the schedules obtained. We agreed the total annual maturities and total outstanding athletics debt to supporting documentation and the University's general ledger, as applicable.

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 general ledger.

We found no exceptions as a result of these procedures.

3. We obtained the schedules 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 schedules to the supporting documentation and the general ledger.

We obtained the schedules of all athletics dedicated endowments that were generated from the McNeese State University Foundation's general ledger. The endowments are owned and held by the McNeese State University Foundation, a private not-for-profit outside organization. These funds are part of the foundation's total endowment/investments and subject to an outside CPA's audit. We obtained the McNeese State University Foundation audit report and reviewed it. We determined there were no findings related to endowments/investments.

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

We noted that University endowments were understated by \$20,001. This item has been corrected.

5. 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(s) of the funds, goods, and services, as well as the value associated with these items, were properly disclosed in the notes to the Statement.

We noted the McNeese State University Foundation and a private citizen are the only outside organization or individual that provided individual contributions of monies, goods, or services to the athletics 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 obtained from University management the repayment schedules for all outstanding intercollegiate athletics debt maintained by the University during the reporting period and ensured the repayment schedule is properly disclosed within the notes to the Statement.

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 McNeese State University Foundation and Cowboy Club Account are the only outside organizations created for or on behalf of the athletics 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.

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:

|  | FOOTBALL    | MEN'S<br>BASKETBALL | WOMEN'S<br>BASKETBALL | OTHER<br>SPORTS | NON-<br>PROGRAM<br>SPECIFIC | TOTAL       |
|--|-------------|---------------------|-----------------------|-----------------|-----------------------------|-------------|
| <b>Revenues:</b>   |             |                     |                       |                 |                             |             |
| Contributions  | \$332,264   | \$379,752           | \$55,219              | \$384,301       | \$223,077                   | \$1,374,613 |
| Total revenues   | 332,264     | 379,752             | 55,219                | 384,301         | 223,077                     | 1,374,613   |
| <b>Expenses:</b>   |             |                     |                       |                 |                             |             |
| Athletic student aid   | 39,342      | 18,464              |                       | 1,900           | 18,675                      | 78,381      |
| Coaching salaries, benefits, and bonuses                         | 10,000      |                     |                       | 6,669           |                             | 16,669      |
| Support staff/administrative compensation, benefits, and bonuses |             | 2,733               |                       |                 | 2,530                       | 5,263       |
| Recruiting   | 14,171      | 19,085              | 1,589                 | 43,099          | 3,556                       | 81,500      |
| Team travel  | 17,926      | 111,188             | 1,958                 | 20,020          | 4,587                       | 155,679     |
| Sports equipment, uniforms, and supplies                         | 35,170      | 20,990              | 195                   | 107,653         | 1,592                       | 165,600     |
| Game expenses  | 4,059       | 16,756              | 10                    | 10,667          | 753                         | 32,245      |
| Fundraising, marketing, and promotion                            | 12,156      | 26,730              | 907                   | 40,563          | 98,633                      | 178,989     |
| Direct overhead and administrative expenses                      | 8,057       | 199                 |                       | 13,069          | 7,874                       | 29,199      |
| Facilities maintenance and operations                            | 1,748       | 6,121               |                       | 9,552           | 6,316                       | 23,737      |
| Medical expenses and insurance                                   | 3,625       | 1,820               | 30                    | 11,350          | 35,637                      | 52,462      |
| Membership and dues  | 950         |                     |                       | 17,050          | 2,541                       | 20,541      |
| Student-athlete meals (non travel)                               | 148,516     | 113,164             | 9,259                 | 52,146          | 7,319                       | 330,404     |
| Other operating expense  | 36,544      | 42,502              | 41,271                | 50,563          | 32,958                      | 203,838     |
| NCAA post-season non-football expenses                           |             |                     |                       |                 | 106                         | 106         |
| Total expenses   | \$332,264   | \$379,752           | \$55,219              | \$384,301       | \$223,077                   | \$1,374,613 |
| <b>EXCESS OF REVENUES<br/>OVER EXPENSES</b>                      | <b>NONE</b> | <b>NONE</b>         | <b>NONE</b>           | <b>NONE</b>     | <b>NONE</b>                 | <b>NONE</b> |

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

We found no exceptions as a result of these procedures.

5. 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 McNeese State University Foundation statements were audited by an independent certified public accountant for the year ended June 30, 2025, and June 30, 2024. The audit report dated November 10, 2025, included no significant deficiencies on the outside organization's 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 University's squad list that supports the equivalency calculations from the institution. We were to inquire about any discrepancies and report the justification.

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 were to inquire and document an explanation for any variance greater than 4%.

We found no exceptions as a result of these procedures and did not identify any variances greater than 4%.

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

We found no exceptions as a result of these procedures.

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

We did not identify any variances from prior year.

- (e) 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 the current-year Pell Grants total to the prior-year reported total per the Membership Financial Report submission. We were to inquire and document an explanation for any variance greater than 20 grants.

The variance between current-year and prior-year Pell Grants did not exceed 20 grants.

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 20.2.4.18 or on the effectiveness of the University Athletics Department's internal control over financial reporting or compliance for the year ended June 30, 2025. 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 Interim 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

EE:CJH:RR:BQD:aa

MSUNCAA2025

**UNAUDITED**

**Statement A**

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

**Statement of Revenues and Expenses  
For the Year Ended June 30, 2025**

|  | FOOTBALL          | MEN'S<br>BASKETBALL | WOMEN'S<br>BASKETBALL | OTHER<br>SPORTS   | NON-<br>PROGRAM<br>SPECIFIC | TOTAL              |
|--|-------------------|---------------------|-----------------------|-------------------|-----------------------------|--------------------|
| <b>REVENUES</b>  |                   |                     |                       |                   |                             |                    |
| Operating revenues:  |                   |                     |                       |                   |                             |                    |
| Ticket sales   | \$581,615         | \$352,006           | \$352,006             | \$152,120         |                             | \$1,437,747        |
| Direct state or other government support   |                   |                     |                       |                   | \$344,077                   | 344,077            |
| Student fees   | 189,095           | 135,212             | 53,052                | 214,153           |                             | 591,512            |
| Direct institutional support   | 1,102,913         | 867,597             | 584,713               | 2,398,755         | 2,258,298                   | 7,212,276          |
| Indirect institutional support - athletic facilities debt service, lease, and rental fees                    |                   |                     |                       |                   | 412,943                     | 412,943            |
| Guarantees   | 500,000           | 145,000             | 87,500                | 26,000            |                             | 758,500            |
| Contributions  | 1,829,134         | 830,620             | 71,861                | 796,935           | 342,176                     | 3,870,726          |
| In-kind  | 24,632            | 5,870               | 4,436                 | 23,068            | 23,692                      | 81,698             |
| Media rights   |                   |                     |                       | 7,000             |                             | 7,000              |
| Total NCAA distributions (\$597,040)   |                   |                     |                       |                   |                             |                    |
| NCAA distributions   | 119,662           | 65,496              | 62,915                | 260,280           |                             | 508,353            |
| Post-season non-football NCAA expense reimbursements   |                   | 88,687              |                       |                   |                             | 88,687             |
| Conference distributions (non media and non-post-season)   | 169,399           | 39,909              | 49,085                | 61,106            |                             | 319,499            |
| Program, novelty, parking, and concession sales  | 228,945           |                     |                       |                   |                             | 228,945            |
| Royalties, licensing, advertisement, and sponsorships  | 420,080           | 221,387             | 187,031               | 778,682           | 207,905                     | 1,815,085          |
| Athletics restricted endowment and investments income  |                   |                     |                       |                   | 60,565                      | 60,565             |
| Other operating revenue  |                   |                     |                       |                   | 26,878                      | 26,878             |
| Total operating revenues   | <u>5,165,475</u>  | <u>2,751,784</u>    | <u>1,452,599</u>      | <u>4,718,099</u>  | <u>3,676,534</u>            | <u>17,764,491</u>  |
| <b>EXPENSES</b>  |                   |                     |                       |                   |                             |                    |
| Operating expenses:  |                   |                     |                       |                   |                             |                    |
| Athletic student aid   | 1,794,443         | 337,006             | 384,068               | 1,940,825         | 213,001                     | 4,669,343          |
| Guarantees   | 100,000           | 14,300              | 9,994                 | 46,114            |                             | 170,408            |
| Coaching salaries, benefits, and bonuses paid by the University and related entities                         | 1,204,613         | 1,113,612           | 270,143               | 899,758           |                             | 3,488,126          |
| Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities | 157,170           | 141,934             | 12,711                | 49,205            | 2,011,033                   | 2,372,053          |
| Severance payments   | 338,647           | 122,578             | 21,114                | 26,731            | 41,692                      | 550,762            |
| Recruiting   | 106,084           | 61,954              | 31,083                | 127,401           | 35,940                      | 362,462            |
| Team travel  | 556,056           | 498,128             | 159,725               | 754,123           | 33,804                      | 2,001,836          |
| Sports equipment, uniforms, and supplies   | 228,690           | 52,975              | 27,241                | 390,566           | 15,811                      | 715,283            |
| Game expenses  | 62,959            | 102,316             | 72,874                | 149,476           | 168,762                     | 556,387            |
| Fundraising, marketing, and promotion  | 78,291            | 52,261              | 13,181                | 100,527           | 263,559                     | 507,819            |
| Athletic facilities debt service, leases, and rental fees  |                   |                     |                       |                   | 473,439                     | 473,439            |
| Direct overhead and administrative expenses  | 8,057             | 199                 |                       | 13,069            | 10,670                      | 31,995             |
| Facilities maintenance and operations  | 123,308           | 6,121               |                       | 40,538            | 56,632                      | 226,599            |
| Medical expenses and insurance   | 4,107             | 2,060               | 30                    | 11,787            | 434,187                     | 452,171            |
| Membership and dues  | 19,268            | 5,500               |                       | 20,710            | 8,986                       | 54,464             |
| Student-athlete meals (non-travel)   | 273,438           | 125,233             | 19,292                | 82,194            | 7,319                       | 507,476            |
| Other operating expenses   | 205,446           | 216,763             | 87,663                | 117,927           | 441,481                     | 1,069,280          |
| NCAA post-season non-football expenses   |                   | 285,750             |                       | 11,472            | 106                         | 297,328            |
| NCAA post-season non-football expenses - coaching compensation/bonuses                                       |                   | 30,583              |                       | 1,223             |                             | 31,806             |
| Total operating expenses   | <u>5,260,577</u>  | <u>3,169,273</u>    | <u>1,109,119</u>      | <u>4,783,646</u>  | <u>4,216,422</u>            | <u>18,539,037</u>  |
| <b>EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENSES</b>   | <u>(\$95,102)</u> | <u>(\$417,489)</u>  | <u>\$343,480</u>      | <u>(\$65,547)</u> | <u>(\$539,888)</u>          | <u>(\$774,546)</u> |





# **NOTES TO THE FINANCIAL STATEMENT**

## **(Unaudited)**

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### **1. CONTRIBUTIONS**

Individual contributions received directly by the Athletics Department from the McNeese State University Foundation, totaling \$405,116, and a private citizen, totaling \$1,000,000, 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, 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. BONDS PAYABLE**

The University has the following debt associated with its athletics department's capital assets:

On August 6, 2009, the University entered into a trust indenture with The Bank of New York Mellon Trust Company to obtain financing of the renovation and expansion of the University's athletic field house. Financing of the project is through the issuance of \$6,000,000 University Revenue Bonds, Series 2009. The bonds have a yearly fixed rate of interest at 3.93% and are due in varying installments through 2030.

The following is a detailed summary of bonds payable for the athletics department for the year ended June 30, 2025:

| Issue  | Date of Issue  | Original Issue | Principal Outstanding June 30, 2024 | Issued (Redeemed) | Principal Outstanding June 30, 2024 | Maturity (Years) | Interest Rates | Interest Outstanding June 30, 2024 |
|--|----------------|----------------|-------------------------------------|-------------------|-------------------------------------|------------------|----------------|------------------------------------|
| University Field House Project – Series 2009 | August 6, 2009 | \$6,000,000    | \$2,305,000                         | (\$350,000)       | \$1,955,000                         | 2030             | 3.93%          | \$198,170                          |

| <u>Fiscal Year Ending</u> | <u>Principal</u>   | <u>Interest</u>  | <u>Total</u>       |
|---------------------------|--------------------|------------------|--------------------|
| 2026                      | \$360,000          | \$69,758         | \$429,758          |
| 2027                      | 375,000            | 55,315           | 430,315            |
| 2028                      | 390,000            | 40,283           | 430,283            |
| 2029                      | 410,000            | 24,563           | 434,563            |
| 2030                      | 420,000            | 8,251            | 428,251            |
| Total                     | <u>\$1,955,000</u> | <u>\$198,170</u> | <u>\$2,153,170</u> |

# **MAJOR REVENUE AND EXPENSE ANALYSIS**

## **(Unaudited)**

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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.



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

**Major Revenue and Expense Analysis  
For the Year Ended June 30, 2025**

| <b>Accounts Exceeding 10% Threshold<br/>and Variation Greater Than 10%</b>                                   | <b>Fiscal Year<br/>2025</b>          | <b>Fiscal Year<br/>2024</b>          | <b>Increase/<br/>(Decrease)</b> | <b>Percent<br/>Variance</b> |   |
|--|--------------------------------------|--------------------------------------|---------------------------------|-----------------------------|---|
| <b>Operating Revenues per Statement A</b>  |                                      |                                      |                                 |                             |   |
| Direct institutional support   | \$7,212,276                          | \$6,379,766                          | \$832,510                       | 13%                         | 1 |
| Contributions  | \$3,870,726                          | \$2,452,968                          | \$1,417,758                     | 58%                         | 2 |
| Royalties, licensing, advertisement, and sponsorships  | \$1,815,085                          | \$1,565,304                          | \$249,781                       | 16%                         | 3 |
| <b>Operating Expenses per Statement A</b>  |                                      |                                      |                                 |                             |   |
| Coaching salaries, benefits, and bonuses paid by the University and related entities                         | \$3,488,126                          | \$3,115,948                          | \$372,178                       | 12%                         | 4 |
| Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities | \$2,372,053                          | \$1,995,950                          | \$376,103                       | 19%                         | 5 |
| <b>Budget</b>  |                                      |                                      |                                 |                             |   |
|  | <b>Fiscal Year<br/>2025 - Actual</b> | <b>Fiscal Year<br/>2025 - Budget</b> | <b>Increase/<br/>(Decrease)</b> | <b>Percent<br/>Variance</b> |   |
| Direct institutional support   | \$7,212,276                          | \$5,907,210                          | \$1,305,066                     | 22%                         | 6 |
| Contributions  | \$3,870,726                          | \$725,301                            | \$3,145,425                     | 434%                        | 7 |
| Royalties, licensing, advertisement, and sponsorships  | \$1,815,085                          | \$2,200,000                          | (\$384,915)                     | (17%)                       | 8 |
| Team travel  | \$2,001,836                          | \$1,382,500                          | \$619,336                       | 45%                         | 9 |

**NOTES:**

1. The year-end Community Support Funds for fiscal year 2025 were higher than fiscal year 2024 by \$845,000.
2. The increase was due to the University receiving \$1,000,000 from a private citizen along with \$412,000 of contributions to cover a percentage of salary and termination costs.
3. There was a decrease in corporate sponsorships for wall signs of \$882,000, offset by \$1,000,000 for the men's basketball head coach buyout, an increase in the trade outs of \$51,000, and an increase in courtesy cars by \$71,000.
4. The revised men's basketball head coach contract resulted in an approximately \$292,000 increase in salaries.
5. The University hired 17 additional positions in FY25 for support staff.
6. Community Support Funds exceeded budgeted collection estimates.
7. The University received more donations and foundation contributions than were expected.
8. The University reallocated budgeted funding to non-athletic purposes to fill in budget shortfalls.
9. Actual costs of team travel exceeded the budget due to conference realignment, additional recruiting travel for football, and two international trips for men's basketball.