

ATHLETIC DEPARTMENT UNIVERSITY OF NEW ORLEANS

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

FINANCIAL AUDIT SERVICES

**Agreed-Upon Procedures Report
Issued February 28, 2024**

**LOUISIANA LEGISLATIVE AUDITOR
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February 21, 2024

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

DR. KATHY JOHNSON, PRESIDENT
UNIVERSITY OF NEW ORLEANS
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
New Orleans, Louisiana

We have performed the procedures enumerated below, which were agreed to by you, as President of the University of New Orleans (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 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, 2023. 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 \$2,500 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 were to observe 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.

We were unable to observe the athletic department personnel to determine their compliance with policies and procedures related to the control and safeguarding of unsold tickets because the University no longer pre-prints tickets. Tickets are now printed as they are purchased.

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, 2023.

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, 2023, to June 30, 2022, 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. 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. We were to obtain explanations from the University regarding any variances in excess of 5%. We recalculated the totals. Additionally, if the athletic department is reporting that an allocation of student fees should be countable as generated revenue, we were to recalculate the totals of the University's methodology for supporting that the athletic department is able to count each sport. We were to 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.

We noted no variances between student fees reported in the Statement and student fees calculated from student enrollment in excess of 5%.

The University does not report the allocation of student fees as generated revenue.

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 no exceptions as a result of these procedures.

3. We selected a sample of five settlement reports for away games during the reporting period and agreed each selection to the University's general ledger and/or the Statement. We recalculated the totals. We selected a sample of five contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period and 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) 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.

5. 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. We recalculated the totals.

We found no exceptions as a result of these procedures.

6. We randomly selected a sample of five other operating revenue transactions and agreed them to adequate supporting documentation. We recalculated the totals.

We noted other operating revenue was overstated by a total of \$1,013,959 because the University reported \$891,015 and \$122,944 that should have been reported in the direct institutional support and indirect institutional support classifications, respectively, on the Statement. Statement A was corrected for this error.

**MINIMUM AGREED-UPON PROCEDURES
FOR EXPENSES**

1. We selected a sample of 10% of student athletes from the listing of university student aid recipients. We performed the following:
 - (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 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 2023 NCAA Agreed-Upon Procedures.
- (c) We recalculated the totals for each sport and overall for all sports.

We noted that information for one student was not reported accurately in the NCAA's CA software.

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 men's and women's basketball and women's volleyball, 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 the general ledger detail for other operating expenses and transfers to the University 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 noted other operating expenses were overstated by \$133,843 because the University should have reported the amount in the team travel classification on the Statement. Statement A was corrected for this error.

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

1. We agreed the total outstanding University debt to supporting documentation and the University's audited financial statements, if available, or the University's general ledger.

We noted total institution debt was understated by \$863,000 because the University reported information from the wrong fiscal year.

2. 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 noted the total fair market value of University endowments was overstated by \$1,786,698 because the University reported information from the wrong fiscal year.

**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 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.

We noted the UNO Foundation 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).

**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 University of New Orleans Foundation (UNO Foundation) is the only outside organization created for or on behalf of the athletic department.
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 amounts provided by the UNO Foundation.

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:

	<u>UNO Foundation</u>
Revenues	
Contributions	\$592,235
Royalties, licensing, advertisement, and sponsorships	231,331
Sports camp revenues	22,404
Other operating revenue	<u>15,950</u>
Total revenues	861,920
Expenses	
Coaching salaries, benefits, and bonuses paid by the University and related parties	45,980
Recruiting	9,348
Team travel	106,362
Sports equipment, uniforms, and supplies	64,327
Game expenses	14,057
Fundraising, marketing, and promotion	149,472
Sports camp expenses	66,384
Medical expenses and insurance	29
Memberships and dues	10,877
Other operating expenses	<u>378,352</u>
Total expenses	<u>845,188</u>
EXCESS OF REVENUES OVER EXPENSES	<u><u>\$16,732</u></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.

4. 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 UNO Foundation statements were audited by an independent certified public accountant for the year ended December 31, 2022. The audit report dated June 13, 2023, 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 Calculation of Revenue Distribution Equivalencies Report. 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 about any variances greater than +/- 4%.

We noted no variances greater than 4%.

- (c) 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 20.10.6.3, related to the number of contests and the number of participants. We validated the countable sports and ensured the University has 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 the prior-year reported total per the Membership Financial Report submission. We were to inquire about any variances.

We noted no variances as a result of these procedures.

- (e) For Pell Grants, we were to agree 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 were unable to perform the procedure because the University did not report the information in the NCAA Membership Financial Reporting System.

- (f) We were to compare 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.

We were unable to perform the procedure because the University did not report the information in the Membership Financial Report submission.

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 20.2.4.17 or on the effectiveness of the University Athletic Department's internal control over financial reporting or compliance for the year ended June 30, 2023. 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

JA:CRV:RR:BQD:aa

UNO NCAA 2023

UNAUDITED

Statement A

**ATHLETIC DEPARTMENT
UNIVERSITY OF NEW ORLEANS
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Statement of Revenues and Expenses
For the Year Ended June 30, 2023**

	MEN'S BASKETBALL	WOMEN'S BASKETBALL	Baseball	OTHER SPORTS	NON- PROGRAM SPECIFIC	TOTAL
REVENUES						
Operating revenues:						
Ticket sales	\$58,143	\$255	\$57,577	\$1,201	\$1,010	\$118,186
Student fees					1,169,880	1,169,880
Direct institutional support					5,096,299	5,096,299
Indirect institutional support					122,944	122,944
Guarantees	425,000	76,000	43,500	500		545,000
Contributions	47,143	4,652	66,374	26,679	509,835	654,683
NCAA distributions					438,956	438,956
Program, novelty, parking, and concession sales	5,181		7,970	1,075	71,175	85,401
Royalties, licensing, advertisement, and sponsorships	7,934	562			310,776	319,272
Sports camp revenues	9,615	760		12,029		22,404
Other operating revenue	1,324		13,327	21,095	(3,940)	31,806
Total operating revenues	<u>554,340</u>	<u>82,229</u>	<u>188,748</u>	<u>62,579</u>	<u>7,716,935</u>	<u>8,604,831</u>
EXPENSES						
Operating expenses:						
Athletic student aid	608,877	373,088	252,696	1,076,663		2,311,324
Guarantees	20,250					20,250
Coaching salaries, benefits, and bonuses paid by the University and related entities	16,500	3,300		3,680	1,541,717	1,565,197
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities	561,099	453,342	395,706	837,106		2,247,253
Recruiting	30,827	18,599	19,021	21,590		90,037
Team travel	204,051	170,637	156,659	414,099	218,846	1,164,292
Sports equipment, uniforms, and supplies	210	144	48,843	2,173	12,957	64,327
Game expenses		34	1,616	36,509	237,284	275,443
Fundraising, marketing, and promotion	2,319	142	4,821	(46)	142,236	149,472
Sports camp expenses	58,849			6,328	1,207	66,384
Athletic facilities debt service, leases, and rental fees		250	1,000	19,550	15,802	36,602
Direct overhead and administrative expenses					11,549	11,549
Medical expenses and insurance				29	79,283	79,312
Memberships and dues	(838)	12,910	6,650	9,985	83,554	112,261
Student-athlete meals (non-travel)				14,087	1,148	15,235
Other operating expenses	72,769	25,220	11,730	56,340	1,320,714	1,486,773
Total operating expenses	<u>1,574,913</u>	<u>1,057,666</u>	<u>898,742</u>	<u>2,498,093</u>	<u>3,666,297</u>	<u>9,695,711</u>
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENSES	<u>(\$1,020,573)</u>	<u>(\$975,437)</u>	<u>(\$709,994)</u>	<u>(\$2,435,514)</u>	<u>\$4,050,638</u>	<u>(\$1,090,880)</u>

NOTES TO THE FINANCIAL STATEMENT

(Unaudited)

1. CONTRIBUTIONS

Individual contributions received directly by the Athletic Department from the UNO Foundation, totaling \$150,000, 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, and 3 to 10 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.

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
UNIVERSITY OF NEW ORLEANS
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Major Revenue and Expense Analysis
For the Year Ended June 30, 2023**

Accounts Exceeding 10% Threshold and Variation Greater Than 10%	Fiscal Year 2023	Fiscal Year 2022	Increase/ (Decrease)	Percent Variance	
Operating Revenues per Statement A					
Direct institutional support	\$5,096,299	\$6,318,587	(\$1,222,288)	(19%)	1
Operating Expenses per Statement A					
Coaching salaries, benefits, and bonuses paid by the University and related entities	\$1,565,197	\$1,952,025	(\$386,828)	(20%)	2
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities	\$2,247,253	\$1,309,052	\$938,201	72%	3
Team Travel	\$1,164,292	\$908,924	\$255,368	28%	4
Other operating expenses	\$1,486,773	\$1,065,146	\$421,627	40%	5
Budget*					
Direct institutional support	\$5,096,299	\$3,800,000	\$1,296,299	34%	6
Coaching salaries, benefits, and bonuses paid by the University and related entities	\$1,565,197	\$1,996,117	(\$430,920)	(22%)	7
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities	\$2,247,253	\$1,298,413	\$948,840	73%	8
Team travel	\$1,164,292	\$684,000	\$480,292	70%	9
Other operating expenses	\$1,486,773	\$1,137,040	\$349,733	31%	10

*The budget analysis is based on University data only. Budget information is not available for the University of New Orleans Foundation.

NOTES:

- Operating revenue from direct institutional support decreased from fiscal year 2022 to fiscal year 2023 due to a budget decrease caused by a decrease in student enrollment.
- Costs decreased in fiscal year 2023 due to unfilled coaching positions.
- Costs increased due to additional support staff positions and pay increases in fiscal year 2023.
- Expenses for nonconference travel for men's and women's basketball and other sports increased.
- The athletic department captured actual expenses here for categories that were reported elsewhere in fiscal year 2022.
- The budget for the athletic department was set before final enrollment numbers were available. A decrease in student enrollment caused athletic department revenue to be lower than projected. The University provided more institutional support to cover the revenue shortage.
- Coaching salaries and benefits were lower than budgeted due to unfilled coaching positions.
- Support staff salaries and benefits were higher than budgeted due to additional support staff positions and pay increases.
- Expenses for nonconference travel for men's and women's basketball and other sports was more than budgeted.
- The athletic department captured actual expenses here for categories that were budgeted elsewhere.