

ATHLETICS DEPARTMENT SOUTHEASTERN LOUISIANA UNIVERSITY

UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

**Agreed-Upon Procedures Report
Issued February 12, 2025**

**LOUISIANA LEGISLATIVE AUDITOR
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BATON ROUGE, LOUISIANA 70804-9397**

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January 15, 2025

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

DR. WILLIAM WAINWRIGHT, 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 Athletics Department is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 20.2.4.17, in evaluating the University's compliance with other specified NCAA legislation, and in evaluating the effectiveness of the University's internal control over compliance for the year ended June 30, 2024. University management is responsible for the accuracy of the Statement (unaudited) and the related notes (unaudited), compliance with NCAA requirements and legislation, and internal control over financial reporting and compliance. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of management of the University. Management of the University has acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The University specified a threshold of \$5,000 for reporting exceptions and the agreed-upon procedures described below were not applied to any transactions that fell under this amount, nor did we report any exceptions noted below this amount. In addition, procedures were not performed on specific reporting categories that were less than 4% of the total revenues or expenses.

The procedures that we performed and our findings are as follows:



MINIMUM COMPLIANCE AGREED-UPON PROCEDURES

INTERNAL CONTROL

1. We obtained, through discussion with management, the identity of those aspects of internal control that management considers unique to intercollegiate athletics.
2. We performed procedures to test specific elements of the control environment and accounting systems that are unique to intercollegiate athletics to determine adherence to established policies and procedures relating to revenues and expenses. The following procedures were performed:
 - (a) We randomly selected 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 10 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 legislation, completeness of the list of all known affiliated and outside organizations, and other information as we considered necessary for the fiscal year ended June 30, 2024.

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

In review of the Lions Athletics Association summary schedule of revenues and expenses reported in the Minimum Agreed-Upon Procedures for Affiliated and Outside Organization section below, we found the University improperly recognized \$305,578 of contribution revenue as other operating revenue. Additionally, we identified negative expenses in the summary schedule as a result of improperly classified expense eliminations. The net effect of these changes is zero due to overstatements totaling \$218,057 for team travel; sports equipment, uniforms, and supplies; fund raising, marketing, and promotion; and other operating expenses, offset by understatements of \$218,057 for spirit groups and direct overhead and administrative expenses. Summary Schedule and Statement A were corrected. We found no other exceptions as a result of these procedures.

3. We compared and agreed a sample of 10 operating revenue receipts and a sample of 10 expense disbursements obtained from the supporting schedules to adequate supporting documentation.

We found no exceptions as a result of these procedures.

4. We compared each major revenue and expense account over 10% of total revenues or expenses for June 30, 2024, to June 30, 2023, amounts and budget estimates, to identify variations greater than 10%.

We reported the analysis in Appendix A to this report.

MINIMUM AGREED-UPON PROCEDURES FOR REVENUES

1. Using a schedule prepared by the University, we compared the value of the tickets sold, complimentary tickets provided, and unsold tickets for the reporting period per the schedule to the related revenue reported by the University in the general ledger and Statement and to the related attendance figures and recalculated the totals. 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 compared and agreed student fees reported in the Statement to student enrollment. We obtained documentation of the University's methodology for allocating student fees to the intercollegiate athletics

program. We obtained explanations from the University regarding any variances in excess of 5%. We recalculated the totals. Additionally, if the athletics department reported that an allocation of student fees should be countable as generated revenue, we were to recalculate the totals of its methodology for supporting that the athletics department is able to count each sport. 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 and identified no variance that exceeded 5%.

Management represented that they do not allocate student fees based on generated revenue; therefore, we did not tie the student fee revenue to attendance supporting documentation such as seat manifests, ticket sales reports, and student fees totals.

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, and one women's basketball 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.

We were also to select a sample of one baseball contractual agreement pertaining to revenues derived from guaranteed contests during the reporting period and compare and agree the revenues to the University's general ledger and recalculate the totals. We noted all games for baseball had ticket sales less than the threshold of \$5,000; therefore, we did not select a sample of one baseball contractual agreement.

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) not included above (e.g., contributions by corporate sponsors) that constitutes 10% or more in the aggregate for the reporting year of all contributions received for intercollegiate athletics during the reporting period. We also recalculated the totals.

We found no exceptions a result of these procedures.

6. We compared the NCAA distribution amounts recorded in the revenue and expense categories reported 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 a result of these procedures.

7. We obtained and inspected agreements related to the University's participation in revenues from royalties, licensing, advertisements, and sponsorships during the reporting period for relevant terms and conditions. We compared and agreed related revenues to the general ledger and recalculated the totals.

We found no exceptions a result of these procedures.

MINIMUM AGREED-UPON PROCEDURES FOR EXPENSES

1. We selected a sample of 40 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 reconciled the total athletic aid reported to the student athlete's account detail reported in 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 2024 NCAA Agreed Upon Procedures Appendix D, step 20.c.
 - (c) We recalculated the totals for each sport and overall for all sports.

We found no exceptions as a result of these procedures.

2. We obtained and inspected a list of coaches and support staff/administrative personnel employed by the University and related entities during the reporting period. We selected a sample of 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 perform 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 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 selected a sample of one transaction to validate the existence of the transaction and the accuracy of its recording. We recalculated the totals.

We found no exceptions as a result of these procedures.

We were to select a sample of five fund raising, marketing, and promotion transactions to validate their existence and accuracy of recording. We noted only one transaction that was over the threshold of \$5,000; therefore, we only selected a sample of one transaction.

- 6. 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 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 notes payable totaling \$663,232 related to baseball improvements (scoreboard and turf), new turf for the softball field, and new turf for the football field. We recalculated the annual maturities (consisting of principal and interest) 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 schedules to the supporting documentation and audited financial statements.

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 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, additions only. 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. We recalculated the totals.

We noted a variance of \$260,780 when comparing the general ledger detail to the total expenses recorded by the University in Other Reporting Items section of the NCAA Financial Report. The understatement was due to the University not including the Southeastern Louisiana University Foundation athletics-related capital

expenditures in the report. The University corrected this error. We found no other 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.

We noted the Lion Athletics Association was the only outside organization 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 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. If such debt exists, we were to recalculate the annual maturities, agree annual maturities to supporting documentation and to the University's general ledger, and ensure the repayment schedule is properly disclosed within the notes to the Statement.

We were informed by management that the University did not maintain any debt related to intercollegiate athletics during the reporting period. An affiliated organization, the Lion Athletics Association, has notes payable totaling \$663,232 related to baseball improvements (scoreboard and 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 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 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:

	(A Portion of)		(A Portion of)	
	Lion Athletics	Southeastern	LA Univ	Alumni and
	Association	Foundation	Related	Total
Revenues				
Contributions	\$755,896	\$490,242		\$1,246,138
In-Kind	173,517			173,517
Program, Novelty, Parking, and Concession Sales	321,155			321,155
Royalties, Licensing, Advertisement, and sponsorships	1,302,726			1,302,726
Sports Camp revenues	20,410			20,410
Athletics Restricted Endowments and Investments Income	1,623	497,950		499,573
Total Revenues	2,575,327	988,192	NONE	3,563,519
Expenses				
Coaching Salaries, Benefits, and bonuses paid by the University and related entities	496,605			496,605
Support staff/Admin Compensation, benefits, and bonuses paid by the University and Related entities	168,749			168,749
Severance Payments	224,552			224,552
Recruiting	545			545
Sports Equipment, uniforms, and supplies	16,220			16,220
Game Expenses	4,935			4,935
Fund raising, marketing, and promotion	846,844			846,844
Sports Camps expenses	859			859
Spirit Groups	17,256			17,256
Athletic Facilities debt service, leases, and rental fees	173,177			173,177
Direct overhead and administrative expenses	128,932			128,932
Memberships and Dues	525			525
Student Athlete Meals (Non-Travel)	5,786			5,786
Other Operating Expenses	174,577	347,827		522,404
Total Expenses	2,259,562	347,827	NONE	2,607,389
EXCESS (Deficiency) OF REVENUE OVER (Under) EXPENSES	\$315,765	\$640,365	NONE	\$956,130

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 Lion Athletics Association statements were audited by an independent certified public accountant for the year ended June 30,

2024. The audit report dated December 9, 2024, included one significant deficiency related to negative balance in unrestricted net assets and a negative balance restricted for baseball and baseball facility. University management obtained and accepted corrective action planned by the Lion Athletics Association.

The Southeastern Louisiana University Foundation statements were audited by an independent certified public accountant for the year ended June 30, 2024. The audit report dated November 11, 2024, 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, 2024. The audit report dated September 20, 2024, 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 from CA or other report that supports the equivalency calculations 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 men's basketball (6.3%), football (5.5%), baseball (8.2%), men's track and field (20.3%), and golf (30.2%), which were greater than +/- 4%.

For men's basketball, there was a student athlete who left the program midyear in fiscal year 23. For football, baseball, men's track and field, and golf, additional funds were allocated to provide athletic aid to student athletes in those sports which resulted in an increase in revenue equivalency.

There were variances for women's basketball (-5.2%), tennis (6.1%), women's track and field (17.3%), and beach volleyball (-23.8%), which were greater than +/- 4%.

For women's basketball and beach volleyball, the University stated there were less scholarship dollars provided to student athletes, which resulted in the decrease in revenue equivalency. For tennis and women's track and field, additional funds were allocated to provide athletic aid to those student athletes which resulted in the increase in revenue equivalency.

- (c) We obtained the University's Sports Sponsorship and Demographics Form submitted to NCAA Research for the reporting year. We validated that the countable NCAA sports reported by the University met the minimum requirements, set forth in Bylaw 20.10.6.3, related to the number of contests and the number of participants. We also 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 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 the prior year reported total per the Membership Financial Report submission. We inquired and documented an explanation for any variance greater than 20 grants.

For football, there was a difference of 21 Pell Grants. The University stated that there were more student athletes who qualified and/or applied for federal grants during the year.

An agreed-upon procedures engagement involves the practitioner performing specific procedures that the engaging party has agreed to and acknowledged to be

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

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

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

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

LMF:JBM:BH:BQD:aa

SLUNCAA2024

UNAUDITED

Statement A

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

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

	FOOTBALL	MEN'S BASKETBALL	BASEBALL	WOMEN'S BASKETBALL	OTHER SPORTS	NON- PROGRAM SPECIFIC	TOTAL
REVENUES							
Operating revenues:							
Ticket sales	\$265,550	\$26,155	\$178,011	\$89,783	\$32,215	\$48,104	\$639,818
Student fees	1,018,721	309,261	563,579	243,482			2,135,043
Direct institutional support	1,424,713	476,697	763,340	522,838	2,239,358	578,308	6,005,254
Less - transfers to institution						(144,407)	(144,407)
Indirect institutional support						14,250	14,250
Guarantees	950,000	401,500	6,000	65,000	18,104		1,440,604
Contributions	287,859	35,874	161,928	45,846	152,220	643,135	1,326,862
In-kind	51,846		43,790	13,750	32,553	31,578	173,517
NCAA distributions					36,320	716,659	752,979
Conference distributions (non media and non-football bowl)	2,881	1,798			389	258,674	263,742
Program, novelty, parking, and concession sales	300		30	185	26,150	297,325	323,990
Royalties, licensing, advertisement, and sponsorships	84,612	4,934	5,489	14,051	247,925	1,471,293	1,828,304
Sports camp revenues					3,675	16,735	20,410
Athletics restricted endowment and investments income	253,373	56,501	38,537	47,986	61,345	41,831	499,573
Other operating revenue	9,329	765	3,069		7,756	170,483	191,402
Total operating revenues	4,349,184	1,313,485	1,763,773	1,042,921	2,858,010	4,143,968	15,471,341
EXPENSES							
Operating expenses:							
Athletic student aid	1,709,875	407,675	382,596	356,972	2,110,051	11,821	4,978,990
Guarantees		3,250	85,645	9,000	31,202		129,097
Coaching salaries, benefits, and bonuses paid by the University and related entities	1,272,238	459,934	445,817	374,294	853,313	29,208	3,434,804
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities	35,390	6,292	23,279	6,276	24,025	2,643,570	2,738,832
Severance payments			224,552				224,552
Recruiting	26,137	34,311	14,806	29,177	33,308		137,739
Team travel	475,337	209,441	143,529	203,871	602,086	7,764	1,642,028
Sports equipment, uniforms, and supplies	171,766	38,735	108,411	28,774	217,123	68,777	633,586
Game expenses	67,599	35,352	35,198	26,548	70,276	33	235,006
Fundraising, marketing, and promotion	253,919	6,195	54,727	25,396	48,054	469,938	858,229
Sports camp expenses		640		219			859
Spirit groups						113,822	113,822
Athletic facilities debt service, leases, and rental fees	16,267		36,124		4,096	149,572	206,059
Direct overhead and administrative expenses	88,497	45,415	146,562	22,330	94,372	254,928	652,104
Indirect institutional support						14,250	14,250
Medical expenses and insurance	3,607	5,235	1,309		62,447	248,382	320,980
Memberships and dues	1,550	1,160		2,710	4,670	6,941	17,031
Student-athlete meals (non-travel)	80,265	14,984	6,144	10,128	24,233	74,646	210,400
Other operating expenses	146,737	44,866	55,074	71,183	91,289	455,612	864,761
Total operating expenses	4,349,184	1,313,485	1,763,773	1,166,878	4,270,545	4,549,264	17,413,129
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENSES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$123,957)</u>	<u>(\$1,412,535)</u>	<u>(\$405,296)</u>	<u>(\$1,941,788)</u>

NOTES TO THE FINANCIAL STATEMENT

(Unaudited)

1. CONTRIBUTIONS

Individual contributions received directly by the Athletics Department from the Lion Athletics Association, totaling \$645,160, 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.

3. Debt Note

The University did not maintain any debt related to intercollegiate athletics during the reporting period. An affiliated organization, the Lion Athletics Association, has notes payable totaling \$663,232 related to baseball improvements (scoreboard and turf), new turf for the softball field, and new turf for the football field. The schedule presented in the Lion Athletics Association audit report is as follows:

Years Ending	Amount
2025	\$522,465
2026	42,011
2027	37,855
2028	60,901
	<u>\$663,232</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.

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

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

Accounts Exceeding 10% Threshold and Variation Greater Than 10%	Fiscal Year 2024	Fiscal Year 2023	Increase/ (Decrease)	Percent Variance	
Operating Revenues per Statement A					
Student Fees	\$2,135,043	\$2,785,926	(\$650,883)	(23%)	1
Royalties, Licensing, Advertisement, and Sponsorships	\$1,828,304	\$1,314,660	\$513,644	39%	2
Operating Expenses per Statement A					
Athletic Student Aid	\$4,978,990	\$4,465,434	\$513,556	12%	3
Support staff/Admin Compensation, benefits, and bonuses paid by the University and Related Entities	\$2,738,832	\$2,474,597	\$264,235	11%	4

Budget	Fiscal Year 2024 - Actual	Fiscal Year 2024 - Budget	Increase/ (Decrease)	Percent Variance
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No variations met the 10% variance threshold in the NCAA guidelines, and no explanations are required.

NOTES:

1. Actual student tuition and fees revenue decreased due to \$549,949 in federal Higher Education Emergency Relief funding received in fiscal year 2023 that was no longer available in fiscal year 2024.
2. The increase in Royalties/Licensing/Sponsorships is due to an increase in one-time funding generated from the new Coke contract (\$215,000), as well as increased LAA sponsorships (\$258,101).
3. Athletic student aid increased due to athletes receiving another year of eligibility, increased cost of housing and meal plans, along with an increase in track scholarships.
4. Support staff/admin salaries and benefits increased due to salary adjustments for new hires in fiscal year 2024.