

ATHLETIC DEPARTMENT SOUTHERN UNIVERSITY AND A&M COLLEGE

**SOUTHERN UNIVERSITY SYSTEM
STATE OF LOUISIANA**

FINANCIAL AUDIT SERVICES

**Agreed-Upon Procedures Report
Issued April 24, 2024**

**LOUISIANA LEGISLATIVE AUDITOR
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April 12, 2024

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

**MR. DENNIS SHIELDS, PRESIDENT
SOUTHERN UNIVERSITY AND A&M COLLEGE
SOUTHERN UNIVERSITY SYSTEM
STATE OF LOUISIANA**
Baton Rouge, Louisiana

We have performed the procedures enumerated below, which were agreed to by you, as President of the Southern University and A&M College (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 \$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 largest athletic department cash disbursement transaction and followed it through the University's accounting system to determine adherence to established policies and procedures.
 - (c) We inquired of and observed athletic department personnel to determine their compliance with policies and procedures related to the control and safeguarding of unsold tickets.

We found no exceptions as a result of these procedures.

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

We found no exceptions as a result of these procedures.

STATEMENT OF REVENUES AND EXPENSES

GENERAL PROCEDURES

1. We obtained written representations from management as to the accuracy of the Statement, completeness of required schedules and related financial information, adequacy of controls, compliance with NCAA rules and 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, 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 one operating revenue receipt and a sample of one expense disbursement 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. 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 related attendance figures. We agreed the information on the schedule to the supporting game reconciliations for a random sample of one football and one men's basketball game. We recalculated the reconciliation for the games tested.

We found no exceptions as a result of these procedures. We performed the comparison procedures to attendance figures except for the preseason basketball games because scanners were not yet in use and for the January 9, 2023, basketball game because one of the two scanners were inoperable.

2. We obtained documentation 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 obtained explanations from the University regarding any variances in excess of 5%. We recalculated the totals.

We found no exceptions as a result of these procedures.

3. We compared direct institutional support recorded by the University during the reporting period with the institutional supporting budget transfers documentation, and other corroborative supporting documentation. We recalculated the totals.

We found no exceptions as a result of these procedures.

4. We compared indirect institutional support recorded by the University during the reporting period with expense payments, cost allocation detail, and other corroborative supporting documentation. We recalculated the totals.

These procedures included the associated expenses reported in Statement A as Indirect Institutional Support. We found no exceptions as a result of these procedures.

5. We were to select a sample of one settlement report for an away game during the reporting period and agree to the University's general ledger and/or the Statement and recalculate the totals.

There were no settlement reports during the reporting period; therefore, this procedure was not performed.

6. We selected a sample of one contractual agreement pertaining to revenues derived from guaranteed contests during the reporting period and compared and agreed to the University's general ledger and/or the Statement. We recalculated the totals.

We found no exceptions as 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 the related revenues to the general ledger, and/or the Statement. We recalculated the totals.

We found no exceptions as a result of these procedures.

MINIMUM AGREED-UPON PROCEDURES FOR EXPENSES

1. We selected a sample of 10% of student athletes, with a maximum sample size of 40, from the listing of student aid recipients. Data was captured by the University through the creation of a squad/eligibility list for each sponsored sport. 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's Compliance Assistance (CA) software. 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 Appendix D, step 20.c. We recalculated the totals for each sport and overall for all sports.

Eight of 24 student athletes tested had the incorrect athletic grant amounts in the NCAA Membership Financial Reporting System. Five students' grant amounts were overstated by a total of \$14,233, and three students' grant amounts were understated by \$6,505 for a net error of \$7,728. The NCAA Membership Financial Reporting System was corrected for one overstatement of \$4,675 and two understatements of \$6,488. Net uncorrected in the NCAA Membership Financial Reporting System is \$9,541.

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 of football and men's 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 and recalculated the totals.

We found no exceptions as a result of these procedures.

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

We found no exceptions as a result of these procedures.

5. We obtained a listing of debt service schedules, lease payments and rental fees for athletic facilities and compared the two facility payments made to additional supporting documentation (e.g., debt financing agreements, leases, rental agreements). We compared amounts recorded to the general ledger detail. We recalculated the totals.

These procedures included the associated revenues reported in Statement A as Indirect Institutional Support – Athletic Facilities Debt Service, Lease, and Rental Fees. We found no exceptions as a result of these procedures.

6. We obtained the general ledger detail for other operating expenses 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 and 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 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 schedule obtained. We agreed the total annual maturities and total outstanding athletic debt to supporting documentation and the University's general ledger, as applicable.

The repayment schedule shows fiscal year ended 2043, but the final fiscal year should be 2039. The note was corrected (see note 3 to the Statement).

2. 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 found no exceptions as a result of these procedures.

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

We found no exceptions as a result of these procedures.

**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 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.

University management did not disclose the contributions of the Southern University System Foundation, \$401,959, and Southern University Alumni Federation, \$45,872, for a total of \$447,831. Statement note 1 was added. There were no individual contributions received directly by the University during the reporting period that constituted 10% or more of all contributions received for intercollegiate athletics (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. We recalculated the annual maturities, agreed annual maturities to supporting documentation and to the University's general ledger, and ensured the repayment schedule is properly disclosed within the notes to the Statement.

The annual allocated percentage of the lease payment that the athletic department owed for fiscal year 2023 was reported as 94.1% of the total due by the Southern University System but should have been 92.63%. Also, as noted above, the repayment schedule shows fiscal year ended 2043, but the final fiscal year should be 2039. The note was corrected (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 Southern University System Foundation (Foundation) and the Southern University Alumni Federation

(Federation) are the only outside organizations created for or on behalf of the athletic department.

The original listing of affiliated and outside organizations did not include a separate column for the Federation and representations from management did not include the Federation. The listing and representations were corrected.

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 or, alternatively, we confirmed revenues and expenses directly with a responsible official of the organization.

As noted above, corrected statements including the Foundation and the Federation were provided.

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:

	Southern University System Foundation	Southern University Alumni Federation	Total
Revenues			
Contributions	\$401,959	\$45,872	\$447,831
Sponsorships	915,758		915,758
Total operating revenues	1,317,717	45,872	1,363,589
Expenses			
Coaching salaries, benefits, and bonuses	32,850		32,850
Sport equipment, uniforms, and supplies	282,563	23,899	306,462
Game expenses	88,982		88,982
Direct overhead and administrative expenses	426,807	16,940	443,747
Other operating expenses	262,353	750	263,103
Total operating expenses	1,093,555	41,589	1,135,144
Excess of Revenues Over Expenses	\$224,162	\$4,283	\$228,445

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

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 Foundation's statements were audited by an independent certified public accountant for the year ended December 31, 2022. The audit report dated August 25, 2023, did not include a report on internal control.

Based on information obtained, the Federation's financial statements for the year ended June 30, 2023, have not yet been audited.

ADDITIONAL MINIMUM AGREED-UPON PROCEDURES

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

We found no 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 and obtained explanations for variances greater than +/- 4%.

There were variances of greater than +/- 4% for baseball (-4.5%), women's bowling (29.9%), women's indoor/outdoor track and cross country (-15.9%), soccer (-5.3), softball (-23.8%), tennis (-18.8%), and volleyball (4.6%).

University management noted that the increases mentioned above were caused by additional student athletes being awarded scholarships in fiscal year 2023 as follows: one for women's bowling and one for women's volleyball. For women's volleyball, one student quit the team after the Fall 2022 term, which reduced the variance.

University management noted that the decreases mentioned above were caused by a reduced number of student athletes being awarded scholarships in fiscal year 2023 as follows: three for women's indoor/outdoor track and cross country, four for soccer, one for softball, and one for tennis. For baseball, although the number of awards increased by two, the dollar amounts of the scholarships were reduced.

Other factors also impacted the decreases noted above as follows: for women's indoor/outdoor track and cross country, a higher percentage of aid was awarded to cover fees in fiscal year 2022; for softball, the dollar amounts of the scholarships were reduced in fiscal year 2023; and for tennis, one student quit the team after the Fall 2022 term.

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

We found no variances 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 and were to obtain explanations for any variances.

We found no variances as a result of these procedures.

- 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.

On the original NCAA report, we found 38 students were excluded who received Pell Grants totaling \$184,904, one student with Pell Grants totaling \$4,045 was included twice, and seven students' Pell Grant awards were understated for the summer semester causing an understatement of \$11,895 in the NCAA Membership Financial Reporting System. On the revised NCAA report, one student's Pell Grants were understated by \$3,447, one student's Pell Grants were overstated by \$3,447, and one student with Pell Grants of \$6,145 was not included in the report. The NCAA Membership Financial Reporting System was corrected for all errors noted above. In addition, one student was included in error causing an overstatement in Pell Grants of \$3,744 in the NCAA Membership Financial Reporting System which was not corrected.

- 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.

We found no exceptions as a result of these procedures and identified no variances that 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 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

SR:AD:RR:BQD:ch

SUBRNCAA2023

UNAUDITED

Statement A

**ATHLETIC DEPARTMENT
SOUTHERN UNIVERSITY AND A&M COLLEGE
SOUTHERN UNIVERSITY SYSTEM
STATE OF LOUISIANA**

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

	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	OTHER SPORTS	NON- PROGRAM SPECIFIC	TOTAL
REVENUES						
Operating revenues:						
Ticket sales	\$1,598,034	\$44,710	\$400	\$20,580		\$1,663,724
Direct state or other government support					\$262,769	262,769
Student fees					3,444,828	3,444,828
Direct institutional support					3,699,841	3,699,841
Indirect institutional support					2,674,870	2,674,870
Indirect institutional support - athletic facilities debt service, lease, and rental fees	1,392,879					1,392,879
Guarantees	700,000	377,000	138,000	16,500		1,231,500
Contributions	42,266	4,224	6,490	38,018	356,833	447,831
NCAA distributions					401,099	401,099
Conference distributions (non media and non-football bowl)			50,000		462,047	512,047
Program, novelty, parking, and concession sales	463,850					463,850
Royalties, licensing, advertisement, and sponsorships	10,000			10,000	1,023,387	1,043,387
Other operating revenue				3,320	88,921	92,241
Total operating revenues	<u>4,207,029</u>	<u>425,934</u>	<u>194,890</u>	<u>88,418</u>	<u>12,414,595</u>	<u>17,330,866</u>
EXPENSES						
Operating expenses:						
Athletic student aid	1,184,148	254,562	319,921	1,597,651		3,356,282
Guarantees	120,000	19,000	6,000	800		145,800
Coaching salaries, benefits, and bonuses paid by the University and related entities	1,358,938	397,839	298,987	921,159		2,976,923
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities					2,067,243	2,067,243
Severance payments	3,388				34,724	38,112
Recruiting	24,418	17,122	10,392	16,428		68,360
Team travel	637,604	353,552	314,397	682,396		1,987,949
Sports equipment, uniforms, and supplies	278,376	54,728	8,831	154,618	51,233	547,786
Game expenses	733,169	64,544	64,244	138,385	44,911	1,045,253
Spirit groups	63,384				52,589	115,973
Athletic facilities debt service, leases, and rental fees	1,573,119					1,573,119
Direct overhead and administrative expenses	7,402	25,619	75,826	22,839	489,649	621,335
Indirect institutional support					2,674,870	2,674,870
Medical expenses and insurance					382,506	382,506
Memberships and dues					2,885	2,885
Student-athlete meals (non-travel)	63,165			15,874		79,039
Other operating expenses	11,682		4,000	35,417	1,154,071	1,205,170
Total operating expenses	<u>6,058,793</u>	<u>1,186,966</u>	<u>1,102,598</u>	<u>3,585,567</u>	<u>6,954,681</u>	<u>18,888,605</u>
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENSES	<u>(\$1,851,764)</u>	<u>(\$761,032)</u>	<u>(\$907,708)</u>	<u>(\$3,497,149)</u>	<u>\$5,459,914</u>	<u>(\$1,557,739)</u>

NOTES TO THE FINANCIAL STATEMENT

(Unaudited)

1. CONTRIBUTIONS

The Southern University System Foundation and the Southern University Alumni Federation were the only individual or outside organizations that contributed monies, goods, or services directly to the Athletic Department that in the aggregate exceeded 10% of the total contributions included in Statement A. No individual contributions were received directly by the Athletic Department that 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. 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. Library collections regardless of age, with a total acquisition value of \$5,000,000 or more are capitalized and depreciated.

The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease. The University reports lessee and lessor leases of \$100,000 or more based upon the total lease contract value.

3. LEASES

Financed Purchase Lease with Foundation

The Southern University System (System) records items under the lease agreement with the Foundation as assets and liabilities in its financial statements. Assets under the Foundation lease agreement are included as capital assets in the notes to the

System's financial statement. The lease liability is associated with the Foundation lease agreement described in the notes to the System's financial statement. The lease liability reported by the System does not equal the lease receivable reported by the Foundation due to the Foundation's fiscal year ending on December 31. The following is a schedule of future minimum lease payments under these leases, together with the present value of minimum lease payments, at June 30, 2023, for the Southern University and A&M College campus within the System (Note: The University Athletic Department is responsible for an annual allocated percentage of these future minimum lease payments):

<u>Fiscal Year Ended June 30,</u>	<u>Amount</u>
2024	\$1,591,492
2025	1,587,739
2026	1,582,110
2027	1,583,752
2028	1,583,048
2029-2033	7,914,690
2034-2038	7,899,550
2039	<u>1,574,206</u>
Total minimum payments	25,316,587
Less - amount representing interest	<u>(6,810,592)</u>
Present value of net minimum lease payments	<u><u>\$18,505,995</u></u>

The gross amount, including capitalized interest, of assets held under the leases as of June 30, 2023, for the Southern University and A&M College campus, totals \$27,354,227 and includes buildings, land and improvements, and equipment of \$24,152,164, \$2,218,112, \$983,951 respectively.

The annual allocated percentage of the lease payment that the University's Athletic Department owed for the fiscal year 2023 is \$1,573,119, which represents 92.63% of the total due by the System to the Foundation.

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
SOUTHERN UNIVERSITY AND A&M COLLEGE
SOUTHERN UNIVERSITY 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					
Indirect institutional support	\$2,674,870	\$4,495,930	(\$1,821,060)	(41%)	1
Operating Expenses per Statement A					
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities	\$2,067,243	\$1,608,668	\$458,575	29%	2
Team travel	\$1,987,949	\$1,234,339	\$753,610	61%	3
Indirect institutional support	\$2,674,870	\$4,495,930	(\$1,821,060)	(41%)	1
Budget					
Team travel	<u>\$1,987,949</u>	<u>\$1,200,000</u>	<u>\$787,949</u>	<u>66%</u>	<u>3</u>

NOTES:

1. The decrease in Indirect Institutional Support occurred due to a decrease in departmental expenditures (such as maintenance, operation of buildings (custodial) and grounds, utilities, traffic and parking, and University police).
2. The increase in Support Staff/Administrative Compensation, Benefits, and Bonuses Paid by the University and Related Entities occurred due to two new positions with a minimum salary of \$190,000, plus benefits, that were created in fiscal year 2023 and higher amounts of incentive payments were made.
3. The increase in Team Travel occurred due to an increase in transportation cost (charter buses and airline tickets) and the cost of meals. Also, all sports are required to travel to Florida schools (extensive mileage between schools), which was not required in prior years. These increases exceeded projections used in the preparation of the budget.