

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**

**FINANCIAL AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT**

**For the Year Ended December 31, 2022**

***Sean M. Bruno***  
***Certified Public Accountants, LLC***  

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*Sean M. Bruno*  
*Certified Public Accountants, LLC*

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Member  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT**

To the Board Members of the  
Southern University System Foundation  
Baton Rouge, Louisiana

**Opinion**

We have audited the accompanying combined financial statements of **Southern University System Foundation** (a nonprofit organization), and affiliates which comprise the combined statement of financial position as of December 31, 2022 and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Southern University System Foundation and affiliates as of December 31, 2022, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Southern University System Foundation and to meet out other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit program.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Southern University System Foundation's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore it is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

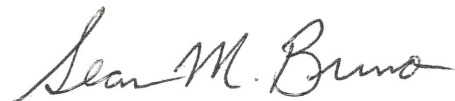
In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of financial position, schedule of revenues, gains, and support, schedule of functional expenses, schedule of capital assets, schedule of bonds payable, and schedule of bonds payable amortization are presented for the purposes of additional analysis and are not required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including, comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



**SEAN M BRUNO**

**CERTIFIED PUBLIC ACCOUNTANTS**

New Orleans, LA

May 30, 2025

## **BASIC FINANCIAL STATEMENTS**

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2022**

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**ASSETS**

**Current Assets:**

Cash and cash equivalents (NOTES 1,2 and 19)	\$ 1,982,140
Bayou Classic receivable (NOTE 5)	667,298
Other receivables (NOTE 5)	31,437
Unconditional promises to give, net of allowance of \$457,735, (NOTES 1, 2, and 4)	5,354,839
Capitalized lease receivable, current portion (NOTES 8 and 19)	1,717,825
Prepaid expenses (NOTE 3)	<u>214,909</u>

Total current assets	<u>9,968,448</u>
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**Non-Current Assets:**

Restricted assets:	
Cash and cash equivalents (NOTES 1, 2 and 19)	5,439,575
Investments (NOTES 1, 2, 7 and 24)	19,121,687
Plant, property and equipment, net of accumulated depreciation of \$4,243,105 (NOTES 1 and 9)	7,872,222
Capitalized lease receivable, non-current portion (NOTE 8 and 19)	17,958,839
Prepaid bond insurance, non-current portion, net of accumulated amortization of \$527,125 (NOTES 3 and 13)	527,125
Amortization of intangibles	<u>4,464</u>

Total non-current assets	<u>50,923,912</u>
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<b>Total assets</b>	<b><u>\$ 60,892,360</u></b>
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The accompanying notes are an integral part of these financial statements.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION, CONTINUED**  
**AS OF DECEMBER 31, 2022**

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**LIABILITIES AND NET ASSETS**

**Current Liabilities:**

Accounts payable	\$ 357,893
Accrued liabilities	129,159
Payroll liabilities	11,080
Accrued interest payable	428,913
Deferred revenue	61,385
Due to affiliates (NOTE 12)	11,998,874
Notes payable, current portion (NOTE 14)	369,809
Bonds payable and premium, current portion (NOTE 13)	<u>860,000</u>

Total current liabilities	<u>14,217,113</u>
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**Non-Current Liabilities:**

Notes payable, non-current portion (NOTE 14)	5,744,135
Rental deposit fund (NOTE 15)	3,692
Bonds payable and premium, net of accumulated amortization of \$1,379,303 (NOTE 13)	<u>19,602,730</u>

Total non-current liabilities	<u>25,350,557</u>
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<b>Total liabilities</b>	<u><b>39,567,670</b></u>
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**Net Assets (NOTES 1, 18 and 24)**

Net Assets Without Donor Restrictions	7,621,946
Net Assets With Donor Restrictions	<u>13,702,744</u>

Total net assets	<u>21,324,690</u>
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<b>Total liabilities and net assets</b>	<u><b>\$ 60,892,360</b></u>
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The accompanying notes are an integral part of these financial statements.



**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**CONSOLIDATED STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues, Gains and Other Support:</b>			
Contributions and other support	\$ 5,621,267	\$ 6,794,503	\$ 12,415,770
Grants	-	1,315,350	1,315,350
In-kind	3,163	-	3,163
Rental income	21,942	965,001	986,943
Bayou Classic revenue	-	656,362	656,362
Athletic sponsorships and support	425,410	257,996	683,406
Total revenues and support	<u>6,071,782</u>	<u>9,989,212</u>	<u>16,060,994</u>
Administration fees	384,212	-	384,212
Donor fees and registration	315,043	348,442	663,485
Interest and dividends, net of fees	391	261,764	262,155
Net realized gains (loss)	-	(673,342)	(673,342)
Net unrealized gains (loss)	-	(683,613)	(683,613)
Total other revenues and gains	<u>699,646</u>	<u>(746,749)</u>	<u>(47,103)</u>
Net assets released from restrictions	<u>6,814,048</u>	<u>(6,814,048)</u>	<u>-</u>
Total revenues, gains, and support	<u>13,585,476</u>	<u>2,428,415</u>	<u>16,013,891</u>
<b>Expenses:</b>			
Program services	6,845,808	-	6,845,808
Management and general	4,754,363	-	4,754,363
Fundraising	460,141	-	460,141
Total expenses	<u>12,060,312</u>	<u>-</u>	<u>12,060,312</u>
Change in net assts	1,525,164	2,428,415	3,953,579
Beginning net assets	<u>6,096,782</u>	<u>11,274,329</u>	<u>17,371,111</u>
Ending net assets	<u>\$ 7,621,946</u>	<u>\$ 13,702,744</u>	<u>\$ 21,324,690</u>

The accompanying notes are an integral part of these financial statements.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Program Services	Supporting Services		Total
		Management & General	Fundraising	
Administrative cost - fees	\$ 375,229	\$ -	\$ -	\$ 375,229
Advertising and promotion	154,402	40,035	-	194,437
Bank fees and loan costs	49,716	36,840	-	86,556
Bayou classic expense	-	-	460,141	460,141
Bond interest expense	812,168	-	-	812,168
Capital enhancement project	1,231,139	-	-	1,231,139
Computer, equipment lease, and other rentals	52,999	21,935	-	74,934
Conferences & meetings	157,483	108,636	-	266,119
Contract labor	-	2,446	-	2,446
Cultivation/recognition	135,887	25,827	-	161,714
Depreciation	292,149	-	-	292,149
Equipment and resource materials	112,541	97,770	-	210,311
Faculty/staff development	98,688	3,150	-	101,838
Foundation security	10,828	4,046	-	14,874
Insurance	30,054	46,437	-	76,491
Information technology maintenance	228,011	60,364	-	288,375
Interest expenses	-	246,364	-	246,364
Maintenance	82,309	98,679	-	180,988
Materials and supplies	145,861	325,585	-	471,446
Membership dues & subscription	56,665	1,323	-	57,988
Other expenses	3,004	-	-	3,004
Postage and mailing	3,970	138	-	4,108
Printing and publication	158,064	38,096	-	196,160
Professional fees and contracts	574,302	561,716	-	1,136,018
Property taxes	-	1,263	-	1,263
Public/community support	561,173	85,469	-	646,642
Retirement contribution	47,559	-	-	47,559
Salaries & related expenses	383,440	28,042	-	411,482
Scholarship and educational assistance	122,793	1,540,392	-	1,663,185
Telecommunications	15,304	365	-	15,669
Travel and transportation	223,116	56,591	-	279,707
University events and programs	695,844	1,294,366	-	1,990,210
Utilities cost	31,110	28,488	-	59,598
	<u>\$ 6,845,808</u>	<u>\$ 4,754,363</u>	<u>\$ 460,141</u>	<u>\$ 12,060,312</u>

The accompanying notes are an integral part of these financial statements.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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Cash Flows from Operating Activities:

Change in net assets	\$ 3,953,613
Adjustments to reconcile change in net asset to net cash used in operating activities:	
Depreciation	292,149
(Increase) decrease in pledges receivable	(3,278,059)
(Increase) decrease in prepaid expenses	38,953
(Increase) decrease in other receivables	(482,771)
(Increase) decrease in capital lease receivable	820,000
Increase (decrease) in accounts payable	32,325
Increase (decrease) in amounts held in custody for others	(2,212,468)
Net cash (used in) provided by operating activities	<u>(836,258)</u>

Cash flows from Investing Activities:

Sale of investments	2,451,542
Purchase of property and equipment	<u>(126,804)</u>
Net cash (used in) provided by investment activities	<u>2,324,738</u>

Cash flows from Financing Activities:

Proceeds from debt borrowings	712,146
Repayment of debt borrowings	<u>(886,157)</u>
Net cash (used in) provided by financing activities	<u>(174,011)</u>

Net Increase (decrease) in cash and cash equivalents	1,314,469
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Cash and Cash Equivalents, beginning of year, including restricted cash)	<u>6,107,246</u>
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Cash and Cash Equivalents, end of year	<u><u>\$ 7,421,715</u></u>
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The accompanying notes are an integral part of these financial statements.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTE TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2022**

**Note 1 – Nature of Activities and Significant Accounting Policies**

Organization and Purpose

The Foundation is a non-profit corporation organized to promote the educational and cultural welfare of the Southern University and Agricultural and Mechanical College System, and to develop, expand, and improve the System's facilities.

The consolidated financial statements of the Foundation include:

- The Foundation as described above; and
- Millennium Housing, LLC (Millennium) is a non-profit corporation organized under the laws of the State of Louisiana and owned by the Foundation. Millennium was formed to develop facilities and other auxiliary capital projects for the Southern University System.

Throughout the notes to the consolidated financial statements, the Foundation and Millennium will be collectively referred to as the Foundation. The financial statements of the Foundation and Millennium have been consolidated as they are under common management.

The Foundation has entered into an agreement with the Southern University at Baton Rouge campus to jointly promote the ancillary activities of the Bayou Classic with a representative organization from Grambling State University. The promoters share joint revenues and expenses equally. The promoters engaged the services of a third-party event manager to handle game management as well as sponsor solicitation. The event manager collects events proceeds and incurs expenses on behalf of the promoters and remits the net proceeds to the Foundation.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTE TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended December 31, 2022**

**Note 1 – Nature of Activities and Significant Accounting Policies, Continued**

Net Assets

The Foundation's resources are reported for accounting purposes in separate classes of net assets based on the existence or absence of donor-imposed restrictions.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statement of Not-for-Profit Entities. Under the ASU 2016-14, the Foundation is required to report only two classes of net assets: "net assets without donor restrictions" and "net assets with donor restrictions."

*Net Assets without Donor Restrictions* – are available for use at the discretion of the Board of Trustees (the Board) and /or management for general operating purposes.

*Net Assets with Donor Restrictions* – are stipulated by donors for specific operating purposes or for the acquisition of property and equipment or are time restricted. These include donor restrictions requiring the net assets be held in perpetuity or for a specified term with investment returns available for operations.

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class.

Cash and Cash Equivalents

For accounting and reporting purposes, cash and cash equivalents include cash on hand, demand deposits, and all highly liquid investments with original maturities of three months or less. However, cash and cash equivalents that are required by donors to be maintained permanently are classified with endowment investments.

Restricted Assets

Cash and cash equivalents, and investments that are held on behalf of the Southern University System are classified as restricted assets in the statement of financial position along with assets held by the Bond Trustee on behalf of Millennium Housing, LLC for the construction projects.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTE TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended December 31, 2022**

**Note 1 – Nature of Activities and Significant Accounting Policies, Continued**

Fixed Assets

Fixed assets of the Foundation are recorded as assets and are stated at historical cost if purchased or at fair value at the date of the gift, if donated. The Foundation utilizes the straight-line method of depreciation over the estimated useful life of the asset. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized. The Foundation follows the practice of capitalizing all fixed asset purchases that exceed \$1,000.

The useful lives of the Foundation's assets are estimated as follows:

<u>Description</u>	<u>Estimated Lives</u>
Furniture, Fixtures, and Office Equipment	5-10 years
Scoreboard Equipment	10 years
Software	5 years
Leasehold Improvements	39 years

Endowment

Endowment investments are in short-term money market securities, equity investments, and fixed income investments. Endowment investments are carried at cost, which approximates market value. Interest earned from investments, including realized and unrealized gains and losses, is reported in the net assets without donor restrictions class except where the instructions of the donor specify otherwise. The investment policies and other disclosures are discussed in note 24.

Pledges

Unconditional promises to give are recognized as revenue in the period in which a written or oral agreement to contribute cash or other assets is received. An allowance for doubtful accounts is established based on the prior collection history of pledged contributions and management's analysis of specific promises made. Conditional promises to give are not recognized until they become unconditional; that is, when the donor-imposed conditions are substantially met.

Prepaid Expenses

Prepaid expenses are primarily insurance, software, and rent.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTE TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended December 31, 2022**

**Note 1 – Nature of Activities and Significant Accounting Policies, Continued**

Investments and Investment Income

Investments in equity securities and mutual funds are measured at fair value in the statement of financial position. Investment income or loss (including realized gains and losses on investments, interest, and dividends) is recorded as an increase in the amounts held in custody for others liability accounts as the investments are held on behalf of the University.

Revenue Recognition

Contributions are recorded when received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions that increase those net asset classes. When a donor restriction expires, with donor restricted net assets are reclassified and reported in the statement of activities as net assets without donor restrictions. Contributions restricted for acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service. The Foundation does not currently imply time restrictions on the contributions of long-lived assets about how long the donated asset must be used.

Compensated Absences

The Foundation accounts for compensated absences (e.g., unused vacation, sick leave) as directed by the Financial Accounting Standards Board Accounting Standards Codification No. 710-10-50-1 (FASB ASC 710-10-50-1), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the right to benefits. As of December 31, 2022, no estimates were made for compensated absences.

Noncurrent Liabilities

Noncurrent liabilities include principal amounts of revenue bonds payable and notes payable with contractual maturities greater than one year.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTE TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended December 31, 2022**

**Note 1 – Nature of Activities and Significant Accounting Policies, Continued**

Functional Allocation of Expenses

The cost of providing the Foundation's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Cost common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Foundation and Millennium Housing, LLC. All material intercompany transactions have been eliminated.

Tax Status

The Foundation operates as a public charity under Section 501(c) (3) of the Internal Revenue Code and, accordingly, is exempt from federal and state income taxes and the excise tax which applies to certain foundations. However, the Foundation is subject to income tax on any unrelated business taxable income. Since the Foundation had no unrelated business income for the year ended December 31, 2022, no provision for income taxes is included in the accompanying financial statements.

**Note 2 – Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2022, are:



**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTE TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended December 31, 2022**

**Note 2 – Liquidity and Availability, Continued**

**Financial assets:**

Cash and cash equivalents	\$ 7,421,715
Pledges receivable, net	5,354,839
Other receivable	698,735
Investments	<u>19,121,687</u>
Total financial assets	32,596,976

**Less financial assets held to meet donor-imposed restrictions:**

Restricted cash	5,439,575
Restricted investments	<u>19,121,687</u>

Total financial assets held to meet donor-imposed restrictions	<u>24,561,262</u>
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**Amount available for general expenditures within one year: \$ 8,035,714**

**Note 3 – Prepaid Expenses**

Prepaid insurance	\$ 527,125
Prepaid software, rent, and other items	<u>214,909</u>
Total	<u>\$ 742,034</u>

**Note 4 – Unconditional Promises to Give**

Unconditional pledges receivables are due as follows at December 31, 2022:

Expected to be collected in:

Less than one year	\$ 1,895,353
One to five years	<u>3,917,221</u>
Gross pledges receivable	5,812,574

Less: allowance for doubtful accounts	<u>(457,735)</u>
Pledges receivable, net	<u>\$ 5,354,839</u>

**Note 5 – Other Receivables**

As of December 31, 2022, other receivables totaled \$698,735. Management believes all receivables to be collectible; therefore, no allowance for doubtful collection is recorded.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTE TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended December 31, 2022**

**Note 6 – Fair Value of Financial Instruments**

FASB Accounting Standards Codification Topic 820, “Fair Value Measurements” (Topic 820), requires disclosures that stratify balance sheet amounts measured at fair value based on the inputs used to derive fair value measurements. The foundation reports fair value measures of its assets and liabilities using a three- level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximized the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability’s measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

- Level 1. Quoted prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.
- Level 2. Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
  - quoted prices for similar assets or liabilities in active markets.
  - quoted prices for identical or similar assets in markets that are not active.
  - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
  - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- Level 3. Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value if observable inputs are not available.

When available, the organization measures fair value using level 1 input because they generally provide the most reliable evidence of fair value. All fair value measurements are considered Level 1 measurements as of December 31, 2022.

The primary uses of fair value measures in the organization’s financial statements are

- Initial measurement of noncash gifts, including gifts of investment assets and unconditional promises to give.
- Recurring measurement of investments.
- Recurring measurement of endowments.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTE TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended December 31, 2022**

**Note 7 – Investments**

Investments are stated at market value (fair value) in accordance with FASB ASC Topic 958-320, Accounting for Certain Investments Held by Not-For-Profit Organizations. Net appreciation (depreciation) in the fair value of investments, which consists of realized gains and losses and the unrealized appreciation (depreciation) on those investments, is shown in the statement of activities.

Investments consist of the following on December 31, 2022:

<u>Description</u>	<u>Fair Value</u>	<u>Level 1</u>
Money market funds	\$ 1,389,877	\$ 1,389,877
Exchange-traded products	10,920,791	10,920,791
Equities	3,782,713	3,782,713
Fixed income	<u>3,028,306</u>	<u>3,028,306</u>
Total	<u>\$19,121,687</u>	<u>\$19,121,687</u>

The above total represents the amount of investments that are maintained and managed on behalf of the Southern University System. These amounts are classified as non-current restricted assets in the Statement of Financial Position.

As discussed in note 6 to these financial statements, the foundation is required to report its fair value measurements in one of three levels, which are based on ability to observe in the marketplace the inputs to Foundation's valuation techniques. Level 1, the most observable level of inputs, is for investments measured at quoted prices in active markets for identical investments as of December 31, 2022, including investments measured at NAV if the NAV is determined as the fair value per share (unit) is published, and is the basis for current transactions. All fair value measurements of investments are considered level 1 measurements as of December 31, 2022.

The organization uses the following ways to determine the fair value of its investments:

*Money market funds:* Determined by the published NAV per unit at the end of the last trading day of the year, which is the basis for transactions at that date.

*Equity securities traded on national securities exchanges:* Determined by the closing price on the last business day of the fiscal year.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTE TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended December 31, 2022**

**Note 8 – Capitalized Lease Receivable**

The Foundation entered into a cooperative agreement with the Southern University System's Board to lease the projects included in the bond issuance. The Southern University System's Board will lease certain facilities from the Foundation under the facility lease and pay rent, subject to the appropriation, in an amount which will be sufficient to pay the principal and interest on the Series 2006 Bonds. The amounts due from the Southern University System's Board are as follows:

Year Ending December 31,	
2023	\$ 1,717,825
2024	1,714,825
2025	1,709,825
2026	1,712,825
2027	1,713,325
2028 and thereafter	<u>18,844,500</u>
Total minimum payments	27,413,125
Less amount representing interest	<u>(7,736,461)</u>
	\$ <u>19,676,664</u>

**Note 9 – Property, Plant, and Equipment**

Property, plant and equipment as of December 31, 2022, are summarized as follows:

Land and improvements	\$ 1,221,678
Building	7,014,424
Office equipment	113,916
Software	136,832
Construction in progress	50,500
Furniture and fixtures	166,358
Other fixed assets	<u>3,411,619</u>
Subtotal	12,115,327
Less: Accumulated Depreciation	<u>(4,243,105)</u>
Total	\$ <u>7,872,222</u>

Depreciation expense totaled \$292,149 for the year ended December 31, 2022.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTE TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended December 31, 2022**

**Note 10 – Southern University Business Incubator**

In 2014, the Foundation received a federal grant for \$1,000,000 to purchase land and build a revenue generating facility that offers eight (8) office spaces to be rented out to the public. The grant provides reimbursement of eighty percent (80%) of the expenses, and the Foundation is responsible for the remaining twenty percent (20%) of expenses. The Business Incubator started in operation in fall of 2018.

**Note 11 – Administrative Fee**

The Foundation earns a monthly fee which is based upon the total cash deposits managed by the Foundation on behalf of the System. Any deposits made that are applicable to scholarships are charged an administrative fee of 2%; all additional fees are charged at 4%. The Foundation received \$384,212 in administrative fees for the year.

**Note 12 – Due to Affiliate, and Amounts Held in Custody for Others**

The Southern University System has contracted with the Foundation to invest in the University's Endowed Chair for Eminent Scholars and Endowed Professorship Endowment Funds. The Endowed Chairs for Eminent Scholars Endowment Funds are established for \$1,000,000 with \$600,000 of private contributions and \$400,000 of state matching portion allocated by the Board of Regents for Higher Education. The Endowed Professorship Program Endowment Funds are established for \$100,000 with \$60,000 of private contributions and \$40,000 of state matching portion allocated by the Board of Regents for Higher Education. The amount due to the Southern University System as of December 31, 2022, for the Endowed chair and professorship program totaled \$11,998,874. The Foundation also has certain receivables due from the Southern University System. These receivables include costs that were initially paid by the Foundation for which a reimbursement is due from the System.

The due from affiliate, and amounts held in custody for the Southern University System as of December 31, 2022 totaled \$11,998,874.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTE TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended December 31, 2022**

**Note 13 – Bonds Payable**

On December 13, 2006, the Louisiana Public Facilities Authority issued \$59,990,000 of Louisiana Public Facilities Authority Revenue Bonds (Series 2006) to the Foundation. The proceeds of the bonds are being used to (i) finance the design, development, acquisition, construction, installation, renovation, and equipping of (a) Student Housing Facilities to be located on the campus of Southern University and Agricultural and Mechanical College in Baton Rouge, Louisiana (SUBR), (b) certain auxiliary student projects, including a student intramural sports complex, a portion of a football and track complex, a baseball field house and north end seating in Mumford Stadium and refinancing a loan for the football field restoration at SUBR, all equipment, furnishings, fixtures, and facilities incidental or necessary in connection therewith at SUBR, and (d) acquiring a building to be used by Southern University at Shreveport, Louisiana (SUSLA) (collectively, the "Project"), (ii) refinance portions of a bridge loan incurred to pay certain of such costs prior to delivery of the Series 2006 Bonds, (iii) pay costs of issuance including premium on the Bond Insurance Policy, (iv) fund a reserve fund, and (v) pay capitalized interest during construction of the Project.

The Foundation is required to submit certain prescribed documentation within 180 days after the last day of each Fiscal Year to the Bond Insurer and the Trust Officer. These documents include financial reports certified by independent certified public accountants, a copy of the budget, a no default certificate, a copy of the developer's certificate, and a copy of the disclosure certificate. As of December 31, 2022, the Foundation is in compliance with the terms of the bond indenture.

In 2018 Millennium Housing, LLC (the sole member of which is the Southern University System Foundation) and the Louisiana Public Facilities Authority entered into an agreement to issue \$22,485,000 aggregate principal amount of Refunding Revenue Bond Series 2018. The purpose of the bonds is for the refunding of all the Refunded Bonds, fund a debt service reserve fund and paying the cost of the issuance of the Bonds. The transactions occurred to allow a new bond issue to be made for the replacement of The Refunded Bond balance not defeased in 2017, the balance of which was \$21,325,000 remaining from the 2006 series bond issue secured to build student apartments on the Baton Rouge Campus of Southern University.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTE TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended December 31, 2022**

**Note 13 – Bonds Payable, Continued**

The outstanding Series 2006 bonds are required to be paid as follows for the next five periods and thereafter:

Year Ending December 31,

2023	\$ 860,000
2024	900,000
2025	940,000
2026	990,000
2027	1,040,000
2028 and thereafter	<u>14,995,000</u>
Total	\$ <u>19,725,000</u>

The outstanding Series 2006 bonds payable premiums are required to be paid as follows for the next five periods and thereafter:

Year Ending December 31,

2023	\$ 66,157
2024	66,157
2025	66,157
2026	66,157
2027	66,157
2028 and thereafter	<u>406,945</u>
Total	\$ <u>737,730</u>

Interest expense related to the bonds for the year ended December 31, 2022, totaled \$812,168.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTE TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended December 31, 2022**

**Note 14 – Loans Payable**

*Multiple Advance Loan - Valdry Center*

The Foundation has a multiple advance loan obligation with Whitney Bank bearing a variable interest rate. The principal amount of the business loan agreement is \$4,400,000 with interest payments commencing on June 1, 2019, and annually on the same day each year thereafter. Once the total amount of principal has been advanced under this note, the Foundation will not be entitled to further loan advances. Effective June 2, 2020 (the "Conversion Date"), the Foundation will not be entitled to any further advances on the Non-Revolver Line of Credit, interest shall accrue on the outstanding balance in effect as of the conversion date at the variable rate of One Month LIBOR plus a margin of 1.10%. The Note shall then be payable in seven (7) annual payments of interest plus principal beginning June 1, 2021, and annually on the same day thereafter, with the entire unpaid balance of principal and interest being payable on June 1, 2028. The specific purpose of this business loan is to finance the construction of the Valdry Center located at the Baton Rouge campus. The loan is collateralized by the real estate where the Center is located and other machinery, equipment and furniture located within the center. Loan maturities for each of the five years following December 31, 2022 are as follows:

*Multiple Advance Loan - Valdry Center, Continued*

**Year Ending December 31,**

2023	\$ 111,600
2024	116,400
2025	121,200
2026	127,200
2027	133,200
2028	<u>3,582,800</u>
Total	\$ <u>4,192,400</u>



**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTE TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended December 31, 2022**

**Note 14 – Loans Payable, Continued**

*Hancock Whitney Bank Scoreboard Loan #1*

The Foundation also has an obligation to Whitney Bank bearing interest at 4.45%. The principal amount of the business loan agreement is \$1,388,000. The loan is payable in annual installments of \$153,143.57 including interest and is collateralized by a stadium scoreboard with an outdoor video screen, as well as rental revenues from electronic advertisements on the Southern University campus.

Loan maturities for each of the five-year following December 31, 2022 are as follows.

Year Ending December 31,	
2023	\$ 108,310
2024	145,618
2025	154,231
2026	163,263
2027	172,467
2028 and thereafter	<u>1,027,755</u>
Total	\$ <u>1,771,644</u>

*Economic Injury Disaster Loan*

On August 11, 2020, the Foundation received a \$149,900 Economic Injury Disaster Loan (the “EIDL Loan”) from the Small Business Administration. The proceeds from the EIDL Loan are for working capital purposes. The EIDL Loan has a term of 30 years, interest of 2.75% per annum, and monthly payments of principal and interest beginning one year from the date of the EIDL Loan at \$641 per month. Each payment will be applied first to interest accrued to the date of receipt of each payment, and the balance, if any, will be applied to the principal. As a condition of the EIDL Loan, the Foundation granted the SBA security interest in and to all collateral.

**Note 15 – Rental Deposits**

The Foundation leased the innovation center to various outside tenants. On December 31, 2022, the balance of the rental deposits totaled \$3,692.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTE TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended December 31, 2022**

**Note 16 – Ground Lease**

Pursuant to the Cooperative Endeavor and Lease Agreement between the Foundation and the Board of Supervisors of Southern University and Agricultural and Mechanical College, the Foundation (the “Lessee”) will lease the land on which the student housing facilities and certain auxiliary student facilities are being constructed and/or renovated for the Board of Supervisors of Southern University and Agricultural and Mechanical College (the “Lessor”). The annual rent will total \$100, and the term is equal to the term of the Series 2006 bonds, terminating on the date of payment in full or defeasance of the Series 2006 bonds.

**Note 17 – Accrued Expenses**

As of December 31, 2022, accrued interest payable totaled \$428,913.

**Note 18 – Net Asset with Donor Restrictions**

At December 31, 2022, net assets with donor restrictions are available for the following purposes or periods:

**Purpose, restrictions available for spending:**

Accrued Interest Payable	\$ 428,913
Bonds Payable and Premium	<u>926,157</u>
	1,355,070

**Time restrictions:**

Contributions and others, which are unavailable for spending until due, some of which are also subject to purpose restrictions	<u>12,347,674</u>
<b>Total</b>	<u><u>\$13,702,744</u></u>

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTE TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended December 31, 2022**

**Note 19 – Concentrations of Risk**

The Southern University System Foundation has a Capitalized Lease Receivable due from the Southern University System in the amount \$19,676,664. Payments are made to the Foundation totaling the amount of annual principal and interest due to service the Foundation's bond repayments. A loss in students or funding to the Southern University System could potentially result in the Foundation defaulting on their bond obligations. There is currently no cause for concern regarding the Southern University System's ability to repay the Capitalized Lease.

The Foundation's cash balances are held in banking, savings and trust, as well as investment institutions. The Federal Deposit Insurance Corporation ("FDIC") provides deposit insurance coverage on non-interest bearing and interest-bearing accounts for deposits up to \$250,000. The FDIC insurance coverage limit applies per depositor and per insured depository institution for each ownership category.

The Foundation's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments in the Foundation's financial portion and the level of risk inherent in most investments, it is reasonably possible that changes in the value of these investments could occur in the near term and such changes could materially affect the amounts ported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes in any one class.

**Note 20 – Contingencies**

Amounts received may be restricted by donor specification. Failure by the Foundation to comply with donor specifications may result in the donor requesting that the contribution be returned. As of December 31, 2022, the Foundation has met all donor specifications on all restricted contributions, and accordingly, no provision has been made for any liabilities that might arise from noncompliance.

**Note 21 – Affiliation Agreement**

The purpose of the Foundation is to receive, hold, invest, and administer property and to make expenditures to support programs and activities designed to advance, promote, or otherwise benefit the Southern University System. Because of the close association of the Foundation with the System, an affiliation agreement was entered into by both parties on January 25, 2002.

During the year ended December 31, 2022, the Southern University System Foundation made distributions to or on behalf of the University for both restricted and unrestricted purposes in the amount of \$3,147,630.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTE TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended December 31, 2022**

**Note 22 – Board of Directors**

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member during the year ended December 31, 2022.

**Note 23 – Related Party Transactions**

Certain board members of the Foundation are also board members of the Southern University System Board. The Southern University System provides certain payroll management functions for certain support employees. The value of these services has not been determined by the University. The Southern University System has also entered into a cooperative endeavor agreement with the Foundation to manage certain endowments on their behalf. The Foundation is allowed to charge the University an administration fee for these services. In addition to the aforementioned agreement, the Foundation entered into a cooperative endeavor agreement with the University to construct certain housing facilities as well as other projects through a bond issuance. The University has agreed to pay certain rents to the Foundation for these services. The total amount of rent and interest paid during the year ended December 31, 2022, totaled \$1,269,413. The schedule of rent payment coincides with the debt service payments.

Southern University also provides the Foundation without cost, services for the administration of the Foundation in the form of seven support personnel. The Foundation fully compensates the management personnel. In addition, Southern University provides, without cost, certain other operating services associated with the Foundation. These services are valued at their estimated cost to Southern University. The amounts for these services have been reflected as contributed services revenue and corresponding general administrative services expenses in the financial statements. The value of these services was not been recorded by management.

Under GASB 61, “The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and 34”, the Foundation is considered to be a discretely presented component unit of the Southern University System. As such, the financial statements of the Foundation are required to be presented in the financial reporting of the System.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTE TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended December 31, 2022**

**Note 24 – Endowments**

Investment Policies

The Foundation has adopted investment policies for the endowment assets that attempt to provide a predictable stream of funding for the program supported by the endowment while seeking to maintain the purchasing power of the endowment assets.

Net Asset Classification

*ASC 958-205, Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management Institutional Funds Act and Enhanced Disclosures for all Endowment funds* provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA). ASC-958-205 also improves disclosures about an organization's endowment funds (both donor restricted endowment funds and board designated endowment funds) whether or not the organization is subject to UPMIFA.

The Foundation's endowments consist of individual funds established for Endowed Chairs, Endowed Professorships, and Endowed Scholarships. The Foundation's endowments include both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

As on December 31, 2022, the Foundation's endowments were classified as follows:

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Donor Restricted	\$ -0-	\$16,200,405	\$ 16,200,405
Board-designated	<u>2,921,282</u>	<u>-0-</u>	<u>2,921,282</u>
Total	\$ <u>2,921,282</u>	\$ <u>16,200,405</u>	\$ <u>19,121,687</u>

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**NOTE TO FINANCIAL STATEMENTS (Continued)**  
**For the Year Ended December 31, 2022**

**Note 24 – Endowments, Continued**

The changes in endowment net assets for the year ended December 31, 2022, are as follows:

	<b>Without donor restrictions</b>	<b>With donor restrictions</b>	<b>Total</b>
Endowment net assets, beginning balance	\$ 5,372,824	\$ 16,200,405	\$ 21,573,229
Contributions	-	-	-
Distributions	(2,451,542)	-	(2,451,542)
Investment return, net	<u>-</u>	<u>-</u>	<u>-</u>
Endowment net assets, ending balance	\$ <u>2,921,282</u>	\$ <u>16,200,405</u>	\$ <u>19,121,687</u>

**Note 25 – The Valdry Center**

The Valdry Center for Philanthropy at Southern University (VCP”) is an academically based research center focused on philanthropic studies and nonprofit management. With no such academic unit at a Historically Black College or University, VCP brings new dimensions to the potential of philanthropic studies and nonprofit management in higher education. The Center is named for its principal benefactors Leon Valdry, Warren Valdry, and Virginia Valdry, and acknowledges the sizable gifts they have made to their alma mater for more than 50 years. Construction on the 10,967 square foot \$4.5 million building began in April of 2018 and was completed as of June 30, 2019.

**Note 26 – Subsequent Events**

Management evaluated subsequent events and transactions for potential recognition of disclosure in the financial statements through May 30, 2025, the date which the financial statements were available to be issued and determined the following subsequent events require disclosure.

## **SUPPLEMENTARY INFORMATION**

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**SCHEDULE OF FINANCIAL POSITION**  
For the Year Ended December 31, 2022

**Schedule I**

	<b>Foundation</b>	<b>Millennium</b>	<b>Consolidated</b>
<b>Assets:</b>			
Cash and cash equivalents	\$ 5,584,405	\$ 1,837,310	\$ 7,421,715
Investments	19,121,687	-	19,121,687
Pledges receivable, net	5,354,839	-	5,354,839
Other receivables	698,735	-	698,735
Prepaid expenses	214,909	527,125	742,034
Capitalized lease receivable	-	19,676,664	19,676,664
Property, plant, and equipment, net	7,872,222	-	7,872,222
Amortization of intangibles	4,464	-	4,464
<b>Total Assets</b>	<b>38,851,261</b>	<b>22,041,099</b>	<b>60,892,360</b>
<b>Liabilities:</b>			
Accounts payable	498,132	-	498,132
Accrued interest payable	-	428,913	428,913
Deferred revenue	61,385	-	61,385
Amounts held in custody for others	11,998,874	-	11,998,874
Current portion of long term debt	219,909	860,000	1,079,909
Long term debt, net	5,894,035	19,602,730	25,496,765
Rental deposit fund	3,692	-	3,692
<b>Total Liabilities</b>	<b>18,676,027</b>	<b>20,891,643</b>	<b>39,567,670</b>
<b>Net Assets:</b>			
Beginning net assets	16,294,430	1,076,647	17,371,077
Change in net assets	3,880,805	72,808	3,953,613
<b>Total Ending Net Assets</b>	<b>20,175,235</b>	<b>1,149,455</b>	<b>21,324,690</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 38,851,262</b>	<b>\$ 22,041,098</b>	<b>\$ 60,892,360</b>

See Independent Auditors' Report.



**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**SCHEDULE OF REVENUES, GAINS AND SUPPORT**  
For the Year Ended December 31, 2022

**Schedule II**

	<u>Foundation</u>	<u>Millennium</u>	<u>Consolidated</u>
<b>Revenue and Support</b>			
Contributions and other support	\$ 12,415,770	\$ -	\$ 12,415,770
Grants	1,315,350	-	1,315,350
In-kind	3,163	-	3,163
Rental income	88,118	898,825	986,943
Bayou classic revenue	656,362	-	656,362
Athletic sponsorships and support	<u>683,406</u>	<u>-</u>	<u>683,406</u>
<b>Total Revenue and Support</b>	<u>- 15,162,169</u>	<u>898,825</u>	<u>16,060,994</u>
<b>Other Revenues and Gains</b>			
Administration fees	384,212	-	384,212
Donor fees and registration	663,485	-	663,485
Interest and dividends, net of fees	243,059	19,096	262,155
Net realized (loss) gain	(673,342)	-	(673,342)
Net unrealized (loss) gain	<u>(683,613)</u>	<u>-</u>	<u>(683,613)</u>
<b>Total Other Revenue and Gains</b>	<u>(66,199)</u>	<u>19,096</u>	<u>(47,103)</u>
<b>Total Revenue</b>	<u>\$ 15,095,970</u>	<u>\$ 917,921</u>	<u>\$ 16,013,891</u>

See Independent Auditors' Report

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2022

	<u>Schedule III</u>			
	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management &amp; General</u>	<u>Fundraising</u>	
<b><u>THE FOUNDATION</u></b>				
Administrative cost - fees	\$ 375,229	\$ -	\$ -	\$ 375,229
Advertising and promotion	154,402	40,035	-	194,437
Bank fees and loan costs	49,716	36,840	-	86,556
Bayou classic expense	-	-	460,141	460,141
Capital enhancement project	1,231,139	-	-	1,231,139
Computer, equipment lease, and other rentals	52,999	21,935	-	74,934
Conferences & meetings	157,483	108,636	-	266,119
Contract labor	-	2,446	-	2,446
Cultivation/recognition	135,887	25,827	-	161,714
Depreciation	292,149	-	-	292,149
Equipment and resource materials	112,541	97,770	-	210,311
Faculty/staff development	98,688	3,150	-	101,838
Foundation security	10,828	4,046	-	14,874
Insurance	30,054	13,492	-	43,546
Information technology maintenance	228,011	60,364	-	288,375
Interest expenses	-	246,364	-	246,364
Maintenance	82,309	98,679	-	180,988
Materials and supplies	145,861	325,585	-	471,446
Membership dues & subscription	56,665	1,323	-	57,988
Other expenses	3,004	-	-	3,004
Postage and mailing	3,970	138	-	4,108
Printing and publication	158,064	38,096	-	196,160
Professional fees and contracts	574,302	561,716	-	1,136,018
Property taxes	-	1,263	-	1,263
Public/community support	561,173	85,469	-	646,642
Retirement contribution	47,559	-	-	47,559
Salaries & related expenses	383,440	28,042	-	411,482
Scholarship and educational assistance	122,793	1,540,392	-	1,663,185
Telecommunications	15,304	365	-	15,669
Travel and transportation	223,116	56,591	-	279,707
University events and programs	695,844	1,294,366	-	1,990,210
Utilities cost	31,110	28,488	-	59,598
Sub-total	<u>6,033,640</u>	<u>4,721,418</u>	<u>460,141</u>	<u>11,215,199</u>
<b><u>MILLENNIUM</u></b>				
Bond interest expense	812,168	-	-	812,168
Insurance	-	32,945	-	32,945
Sub-total	<u>812,168</u>	<u>32,945</u>	<u>-</u>	<u>845,113</u>
Total Consolidated Expenses	<u>\$ 6,845,808</u>	<u>\$ 4,754,363</u>	<u>\$ 460,141</u>	<u>\$ 12,060,312</u>

See Independent Auditors' Report.

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**  
**SCHEDULE OF CAPITAL ASSETS (CONSOLIDATED)**  
For the Year Ended December 31, 2022

**Schedule IV**

	<b>Balance</b>			<b>Balance</b>
<b>Capital Assets not being Depreciated:</b>	<b><u>12/31/2021</u></b>	<b><u>Additions</u></b>	<b><u>Retirements</u></b>	<b><u>12/31/2022</u></b>
Land	\$ 1,215,839	\$ 5,839	\$ -	\$ 1,221,678
Construction in progress	<u>-</u>	<u>50,500</u>	<u>-</u>	<u>50,500</u>
Total Capital Assets not being Depreciated:	<u>1,215,839</u>	<u>56,339</u>	<u>-</u>	<u>1,272,178</u>
<b>Other Capital Assets:</b>				
Buildings	6,943,959	70,465	-	7,014,424
Less: accumulated depreciation	<u>(560,781)</u>	<u>(183,143)</u>	<u>-</u>	<u>(743,924)</u>
Total Buildings	<u>6,383,178</u>	<u>(112,678)</u>	<u>-</u>	<u>6,270,500</u>
Software	136,832	-	-	136,832
Less: accumulated depreciation	<u>(127,430)</u>	<u>(2,269)</u>	<u>-</u>	<u>(129,699)</u>
Total Software	<u>9,402</u>	<u>(2,269)</u>	<u>-</u>	<u>7,133</u>
Equipment, furniture and fixture	280,274	-	-	280,274
Less: accumulated depreciation	<u>(213,327)</u>	<u>(21,269)</u>	<u>-</u>	<u>(234,596)</u>
Total Equipment	<u>66,947</u>	<u>(21,269)</u>	<u>-</u>	<u>45,678</u>
Other	3,411,619	-	-	3,411,619
Less: accumulated depreciation	<u>(3,049,418)</u>	<u>(85,468)</u>	<u>-</u>	<u>(3,134,886)</u>
Total Other	<u>362,201</u>	<u>(85,468)</u>	<u>-</u>	<u>276,733</u>
Total Other Capital Assets	<u>10,772,684</u>	<u>70,465</u>	<u>-</u>	<u>10,843,149</u>
Total Accumulated Depreciation	<u>(3,950,956)</u>	<u>(292,149)</u>	<u>-</u>	<u>(4,243,105)</u>
<b>Capital Asset Summary:</b>				
Capital assets not being depreciated	1,215,839	56,339	-	1,272,178
Other capital assets	<u>10,772,684</u>	<u>70,465</u>	<u>-</u>	<u>10,843,149</u>
Total Capital Assets	11,988,523	126,804	-	12,115,327
Less: accumulated depreciation	<u>(3,950,956)</u>	<u>(292,149)</u>	<u>-</u>	<u>(4,243,105)</u>
<b>Capital Assets, net</b>	<u><u>\$ 8,037,567</u></u>	<u><u>\$ (165,345)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,872,222</u></u>

See Independent Auditors' Report

**SOUTHERN UNIVERSITY SYSTEM FOUNDATION**

**SCHEDULE OF BONDS PAYABLE**  
**For the Year Ended December 31, 2022**

**Schedule V**

Issue	Date of Issue	Original Issue	Principal Outstanding 12/31/2021	(Redeemed) Issued	Principal Outstanding 12/31/2022
Louisiana Public Facilities Authority	12/13/2006	\$ 59,990,000	\$ 20,545,000	(\$820,000)	\$ 19,725,000
Unamortized Premium - Series 2006 12/13/2006	12/13/2006	<u>2,117,037</u>	<u>852,226</u>	<u>(114,496)</u>	<u>737,730</u>
Total		<u>\$ 62,107,037</u>	<u>\$ 21,397,226</u>	<u>(\$934,496)</u>	<u>\$ 20,462,730</u>

See Independent Auditors' Report.

**SOUTHERN UNIVERSITY SYSTEM  
FOUNDATION**

**SCHEDULE OF BONDS PAYABLE  
AMORTIZATION  
For the Year Ended December 31, 2022**

**Schedule VI**

<b>Fiscal Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2023	\$ 860,000	\$ 857,825	\$ 1,717,825
2024	900,000	814,825	1,714,825
2025	940,000	769,825	1,709,825
2026	990,000	722,825	1,712,825
2027	1,040,000	673,325	1,713,325
2028	1,090,000	621,325	1,711,325
2029	1,145,000	566,825	1,711,825
2030	1,205,000	509,575	1,714,575
2031	1,265,000	449,325	1,714,325
2032	1,310,000	405,050	1,715,050
2033	1,360,000	359,200	1,719,200
2034	1,410,000	304,800	1,714,800
2035	1,460,000	248,400	1,708,400
2036	1,520,000	190,000	1,710,000
2037	1,585,000	129,200	1,714,200
2038	<u>1,645,000</u>	<u>65,800</u>	<u>1,710,800</u>
	<u>\$ 19,725,000</u>	<u>\$ 7,688,125</u>	<u>\$ 27,413,125</u>

See Independent Auditors' Report.

**BAYOU CLASSIC 2022**

**STATEMENT OF ACTIVITIES - ANCILLARY**  
**For the Year Ended December 31, 2022**  
**(Unaudited)**

**Schedule VII**

**Revenue**

Sponsorship/Programs	\$ 2,049,000
Ticket Sales	65,853
Other - Hotel	<u>11,729</u>
Total Revenue	2,126,582

**Expenses**

Programs Cost	
Bayou Classic	770,008
Battle of the Bands	172,112
Parade	<u>51,922</u>
Total Programs Cost	994,042

Operating Cost	
Management Fees	185,000
Corporate and Sponsorship	20,262
Marketing	<u>70,731</u>
Total Operating Cost	<u>275,993</u>

Total Expenses	<u>1,270,035</u>
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Net Income (Loss)	<u>\$ 856,547</u>
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See Independent Auditors' Report

***Sean M. Bruno***  
***Certified Public Accountants, LLC***

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Member  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

**Report on Compliance with the Affiliation Agreement  
with Southern University System**

Board of Directors  
Southern University System Foundation  
Baton Rouge, Louisiana

We have examined Southern University System Foundation's compliance with the affiliation agreement with the Southern University System for the year ended December 31, 2022. Management is responsible for the Foundation's compliance with the specified requirements. Our responsibility is to express an opinion on the Foundation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the *American Institute of Certified Public Accountants*. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Foundation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Foundation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination period.

Our examination does not provide a legal determination of the Foundation's compliance with specified requirements.

In our opinion, the Foundation complied, in all material respects, with the aforementioned requirements for the year ended December 31, 2022.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation's internal control or on compliance. This communication is intended solely for the information and use of management of the Southern University System Foundation, others within the organization, and Southern University System. Accordingly, this communication is not suitable for and not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



**SEAN M BRUNO**

**CERTIFIED PUBLIC ACCOUNTANTS**

New Orleans, LA

May 30, 2025