

ATHLETIC DEPARTMENT
UNIVERSITY OF LOUISIANA AT MONROE
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA



AGREED-UPON PROCEDURES REPORT
FEBRUARY 1, 2021

**LOUISIANA LEGISLATIVE AUDITOR
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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

January 14, 2021

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

**DR. RONALD BERRY, PRESIDENT
UNIVERSITY OF LOUISIANA AT MONROE
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Monroe, Louisiana**

We have performed the procedures enumerated below, which were agreed to by you, as President of the University of Louisiana at Monroe (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 3.2.4.17 for the year ended June 30, 2020. University management is responsible for the accuracy of the Statement (unaudited) and the related notes (unaudited) and the compliance with NCAA requirements. 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. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures were not performed on specific reporting categories that were less than 4% of the total revenues or expenses.

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

MINIMUM COMPLIANCE AGREED-UPON PROCEDURES

INTERNAL CONTROL

1. We obtained, through discussion with management, the identity of those aspects of internal control that management considers unique to intercollegiate athletics.
2. We performed procedures to test specific elements of the control environment and accounting systems that are unique to intercollegiate athletics to determine

adherence to established policies and procedures relating to revenues and expenses. The following procedures were performed:

- (a) We randomly selected one cash receipt batch sheet of ticket sales and followed it through the University's cash control system to determine adherence to established policies and procedures.
- (b) We selected the 10 largest athletic department cash disbursement transactions and followed them through the University's accounting system to determine adherence to established policies and procedures.
- (c) We inquired of and 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 legislation, completeness of the list of all known affiliated and outside organizations, and other information as we considered necessary for the year ended June 30, 2020.
2. We verified the mathematical accuracy of the amounts on the Statement and compared and agreed the amounts to supporting schedules provided by the University and/or the University's general ledger.

We found no exceptions as a result of these procedures.

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

We found no exceptions as a result of these procedures.

4. We compared each major revenue and expense account greater than 10% of total revenues or expenses for June 30, 2020, to June 30, 2019, 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. We were to compare the value of tickets to related attendance figures; however, official attendance figures are not maintained by the University. We agreed the information on the schedule to the supporting game reconciliation for one football game, one women's basketball game, and one softball game. We also recalculated the reconciliations for the games tested.

We found that the University's electronic ticketing system did not track the number of pre-printed general admission tickets to verify the number of unsold tickets reported on the reconciliations for the football and softball games. Also, 26 complimentary tickets were missing for the Georgia State football game held on November 9, 2019.

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

We found no exceptions as a result of these procedures.

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

We found no exceptions as a result of these procedures.

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

We found no exceptions as a result of these procedures.

5. We were to obtain and review supporting documentation for each contribution of monies, goods, or services received directly by an intercollegiate athletics program from any affiliated or outside organization, agency, or group of individuals (two or more) that constitutes 10% or more of all contributions

received for intercollegiate athletics during the reporting period, and recalculate the totals.

There were no contributions received directly by the University during the reporting period that constituted 10% or more of all contributions received for intercollegiate athletics.

6. We compared and agreed the revenues related to the University's conference distributions and participation in revenues from conference tournaments during the reporting period to the University's general ledger and Statement. The University had no agreements related to these revenues during the reporting period. 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 the total student athletes from the listing of University student aid recipients, obtained individual student-account detail for each selection, and compared total aid in the University's student system to the student's detail in NCAA's Compliance Assistance (CA) software. We performed a check of each student selected to ensure their information was reported accurately in the NCAA's CA software using NCAA specified criteria. We recalculated the totals for each sport and overall.

We found that the University uses a combination of actual and average amounts to report student aid detail in the NCAA's CA software, as per NCAA Bylaws.

We found that one student athlete who received aid was not reported in the NCAA's CA software.

2. We obtained from management a list of coaches and support staff/administrative personnel paid by the University and related entities during the reporting period and examined the contracts for a sample of one football and one men's and women's basketball coach and one support staff/administrative personnel. The following procedures were performed:
 - (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 the employment contracts executed for the sample selected.
- (e) We recalculated the totals.

We found no exceptions as a result of these procedures.

3. We compared and agreed the University's team travel policies to existing University and NCAA-related policies. We also obtained the general ledger detail and compared it to the total team travel expenses reported and recalculated the totals.

We found no exceptions as a result of these procedures.

4. We obtained the general ledger detail for sports equipment, uniform, and supplies and compared the detail to the total expenses reported. We selected a sample of one transaction and validated its existence and the accuracy of its recording. We recalculated the total.

We found no exceptions as a result of these procedures.

5. 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 and validated its existence and the accuracy of its recording. We recalculated the totals.

We found no exceptions as a result of these procedures.

6. We obtained a listing of debt service schedules for athletic facilities and compared a sample of three facility payments that included the two highest payments to debt financing agreements and to the general ledger detail. We also recalculated the totals.

We found no exceptions as a result of these procedures.

MINIMUM AGREED-UPON PROCEDURES FOR OTHER REPORTING ITEMS

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

We found no exceptions as a result of these procedures.

2. We agreed the total outstanding University debt to the University of Louisiana at Monroe Facilities, Inc. audited financial statements.

We found no exceptions as a result of these procedures.

3. We obtained from University management schedules of all athletics dedicated endowments maintained by an affiliated organization. We agreed the fair market value in the schedules to the supporting documentation and the University of Louisiana at Monroe Athletic Foundation's (ULM Athletic Foundation) audited financial statements.

We found no exceptions as a result of these procedures.

4. We agreed the total fair market value of University endowments to supporting documentation and the University of Louisiana at Monroe Foundation's audited financial statements.

We found no exceptions as a result of these procedures.

5. We obtained a schedule of athletics-related capital expenditures made by athletics, the University, and affiliated organizations during the reporting period. We obtained and compared the general ledger detail to the total expenses reported. We selected a sample of one transaction and validated the existence of the transaction and the accuracy of its recording. We also recalculated the totals.

We found no exceptions as a result of these procedures.

MINIMUM AGREED-UPON PROCEDURES FOR NOTES AND DISCLOSURES

1. We were to obtain 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 (two or more) that constitutes 10% or more of all contributions received for intercollegiate athletics during the reporting period, and ensured the sources of the funds, goods, and services, as well as the value associated with these items, were properly disclosed in the notes to the Statement.

There were no 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 determined that intercollegiate athletics debt exists and we ensured that the repayment schedule is properly disclosed within the notes to the Statement.

We found no exceptions as a result of these procedures (see note 3 to the Statement).

MINIMUM AGREED-UPON PROCEDURES FOR AFFILIATED AND OUTSIDE ORGANIZATIONS

1. We obtained from management a listing of all affiliated and outside organizations for the reporting period. We also obtained written representations from management that the ULM Athletic Foundation is the only outside organization created for or on behalf of the athletic department.
2. We obtained from management of the University statements for all affiliated and outside organizations and confirmed revenues and expenses directly with a responsible official of the organization.

We found no exceptions as a result of these procedures.

3. We obtained from University management a summary schedule of revenues and expenses for or on behalf of intercollegiate athletics programs by affiliated and outside organizations not under the accounting control of the University to be included with the agreed-upon procedures report as follows:

	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	OTHER SPORTS	NON- PROGRAM SPECIFIC	TOTAL
Revenues						
Contributions	\$195,062	\$19,111	\$32,885	\$773,675	\$55,304	\$1,076,037
In-kind	36,510	6,600	40	72,490	54,084	169,724
Total revenues	231,572	25,711	32,925	846,165	109,388	1,245,761
Expenses						
Coaching salaries, benefits, and bonuses paid by the University and related entities	70,213	13,869	8,996	109,134		202,212
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities	7,535			120	12,634	20,289
Recruiting	5,311	1,422	3,134	5,721		15,588
Team travel	6,530	3,676	4,459	1,735		16,400
Sports equipment, uniform, and supplies		230	2	50,884		51,116
Game expenses	5,026	1,071		3,918	1,845	11,860
Fundraising, marketing, and promotion	55,000	1,097		99,722	66,084	221,903
Athletic facilities debt service, leases, and rental fees	54,929					54,929
Direct overhead and administrative expenses	607	1,603	846	145,749	9,387	158,192
Medical Expenses and Insurance				11	5,588	5,599
Memberships and dues		440		225	205	870
Student-athlete meals (Non-Travel)	4,320	112		4,692	4,533	13,657
Other operating expenses	22,101	2,191	15,488	38,604	9,112	87,496
Total expenses	231,572	25,711	32,925	460,515	109,388	860,111
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	NONE	NONE	NONE	\$385,650	NONE	\$385,650

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

We found no exceptions as a result of these procedures.

- 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 ULM Athletic Foundation's statements were audited by an independent certified public accountant for the year ended June 30, 2020. The audit report dated September 10, 2020, included no significant deficiencies on the outside organization's internal control.

ADDITIONAL MINIMUM AGREED-UPON PROCEDURES

1. We compared and agreed the sports sponsored and reported in the NCAA Membership Financial Reporting System to the University's Calculation of Revenue Distribution Equivalencies Report (CRDE) from NCAA's CA software. We were to inquire about any discrepancies and report the justification.

We found no discrepancies as a result of these procedures.

2. We compared current year Grants-in-Aid revenue distribution equivalencies to prior year reported equivalencies per the Membership Financial Report submission. We inquired and documented explanations for variances greater than +/- 4%.

We noted a total variance decrease of 7.3%. Management represented that the variance was mainly due to the inclusion of student-athletes designated as medical or exhausted eligibility in the prior year, a decrease in the number of track scholarships, and an increase in the number of women's basketball and tennis student athletes transferring out during the current reporting period.

3. We obtained the University's Sports Sponsorship and Demographics Forms Report for the reporting period and validated that the institution's countable sports reported meet the minimum requirements set forth in NCAA Bylaw 20.9.6.3 for the number of contests and participants in each contest that is counted toward meeting the minimum contest requirement. 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 exceptions as a result of these procedures. As a result of COVID-19 and its impact on institutional sport seasons, NCAA Division I Council Coordination Committee has approved a blanket waiver of the minimum sports sponsorship requirements for the 2019-20 academic year for spring sports.

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

We found no variances as a result of these procedures.

5. We agreed the total number of student athletes who, during the academic year received a Pell Grant award and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report, generated from the University's financial aid records, of all student athlete Pell Grants.

We found no discrepancies as a result of these procedures.

6. We compared the current-year Pell grant 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 noted no variance that met the +/- 20 grants threshold.

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 3.2.4.17 or on the effectiveness of the University Athletic Department's internal control over financial reporting for the year ended June 30, 2020. 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.

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 the President. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

KVL:BAC:BH:EFS:aa

ULMNCAA2020

UNAUDITED

Statement A

**ATHLETIC DEPARTMENT
UNIVERSITY OF LOUISIANA AT MONROE
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Statement of Revenues and Expenses
For the Year Ended June 30, 2020**

	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	OTHER SPORTS	NON- PROGRAM SPECIFIC	TOTAL
REVENUES						
Operating revenues:						
Ticket sales	\$502,428	\$132,974	\$4,363	\$43,201		\$682,966
Student fees					\$293,734	293,734
Direct institutional support	2,719		189,907	177,215	6,439,658	6,809,499
Indirect institutional support - athletic facilities debt service, lease, and rental fees					940,898	940,898
Guarantees	2,550,000	270,000	43,000			2,863,000
Contributions	195,062	19,111	32,885	773,675	170,506	1,191,239
In-kind	36,510	6,600	40	73,484	54,084	170,718
NCAA distributions					260,825	260,825
Conference distributions (non media and non bowl)					1,309,762	1,309,762
Program, novelty, parking, and concession sales	35,750					35,750
Royalties, licensing, advertisement, and sponsorships					516,355	516,355
Athletics restricted endowment and investments income					6,000	6,000
Other operating revenue	175	76,086	76,087	9,591	52,343	214,282
Total operating revenues	<u>3,322,644</u>	<u>504,771</u>	<u>346,282</u>	<u>1,077,166</u>	<u>10,044,165</u>	<u>15,295,028</u>
EXPENSES						
Operating expenses:						
Athletic student aid	1,919,513	305,854	305,379	2,246,066	29,689	4,806,501
Guarantees	450,000	125,000	12,000	8,900		595,900
Coaching salaries, benefits, and bonuses paid by the University and related entities	1,907,734	558,628	456,882	1,330,626		4,253,870
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities	214,703	61,074	66,433	34,025	1,920,702	2,296,937
Recruiting	65,809	36,263	44,365	66,587		213,024
Team travel	752,149	110,750	136,306	362,990		1,362,195
Sports equipment, uniforms, and supplies	273,933	29,990	69,112	318,514	69,208	760,757
Game expenses	307,013	221,906	134,493	158,679	38,342	860,433
Fundraising, marketing, and promotion	64,815	4,921	4,638	112,900	98,353	285,627
Athletic facilities debt service, leases, and rental fees	54,929				940,898	995,827
Direct overhead and administrative expenses	26,429	78,419	87,151	174,910	169,546	536,455
Medical expenses and insurance	129,141	60,535	41,302	305,943	5,588	542,509
Memberships and dues	4,295	13,455	18,749	30,568	123,921	190,988
Student-athlete meals (non-travel)	115,526	17,478	8,495	26,078	19,550	187,127
Other operating expenses	26,727	2,191	15,525	60,152	118,504	223,099
Total operating expenses	<u>6,312,716</u>	<u>1,626,464</u>	<u>1,400,830</u>	<u>5,236,938</u>	<u>3,534,301</u>	<u>18,111,249</u>
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENSES	<u>(\$2,990,072)</u>	<u>(\$1,121,693)</u>	<u>(\$1,054,548)</u>	<u>(\$4,159,772)</u>	<u>\$6,509,864</u>	<u>(\$2,816,221)</u>

NOTES TO THE FINANCIAL STATEMENT
(UNAUDITED)

1. CONTRIBUTIONS

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 of greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized if they exceed \$100,000. Any infrastructure exceeding \$3 million must be capitalized, but the University does not have any infrastructure that meets the criterion. Routine repairs and maintenance are charged to operating expense in the year in which the expense is incurred.

Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 40 years for buildings and infrastructure, 20 years for depreciable land improvements, and 3 to 10 years for most movable property. All departments within the University follow standardized policies and procedures prescribed by state laws and regulations for acquiring, approving, depreciating, and disposing of capital assets.

3. LONG TERM LIABILITY

The following is a detailed summary of bonds payable for the athletic department for the year ended June 30, 2020:

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Principal Outstanding at 6/30/2019</u>	<u>Issued/ (Retired)</u>	<u>Principal Outstanding at 6/30/2020</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Interest Outstanding at 6/30/2020</u>
2014	6/30/2014	\$1,845,000	\$1,000,000	(\$190,000)	\$810,000	2024	2.92%	\$51,938
2017	6/14/2017	4,000,000	3,285,000	(370,000)	2,915,000	2027	2.75%	329,039
2018	8/1/2018	2,000,000	1,795,000	(200,000)	1,595,000	2027	3.56%	235,138
Total		<u>\$7,845,000</u>	<u>\$6,080,000</u>	<u>(\$760,000)</u>	<u>\$5,320,000</u>			<u>\$616,115</u>

Series 2014

In June 2014, the Louisiana Local Government Environmental Facilities and Community Development Authority (Authority) issued \$1,845,000 in Revenue and Refunding Bonds (Series

2014 Athletic Facilities Project). The proceeds of the bonds were loaned to University of Louisiana at Monroe Facilities, Inc. (Facilities), a blended component unit of the University, to refund a Promissory Note, finance football field improvements, and pay bond issuance costs. The Series 2014 Athletic Facilities Project bond proceeds were loaned to the Facilities pursuant to a Loan and Assignment Agreement by and between the Facilities and the Authority dated June 30, 2014.

The principal and interest payments on the loan are required to be the amount equal to the principal and interest amounts of the underlying bonds. As such, the loan bears interest at a rate of 2.92% per annum and matures on June 11, 2024. Principal and interest is payable on the loan each September 11, December 11, March 11, and June 11 commencing September 11, 2014, in accordance to the amortization schedule included in the bond closing documents. To secure the Facilities' obligations under the Loan and Assignment Agreement, the Facilities transferred, assigned, and pledged unto the Authority, all right, title, and interest of the Facilities in, to, and under the Agreement to Lease with Option to Purchase dated March 18, 2011, along with all amendments, between the Facilities and the Board of Supervisors for the University of Louisiana System, and any leases, subleases and use agreements or other similar agreements relating to the Scoreboards, Athletic Facilities Upgrades & Electronic Display Boards. The principal balance due on the Note Payable – Series 2014 Athletic Facilities Project Bonds totaled \$810,000 at June 30, 2020.

Series 2017

In June 2017, the Authority issued \$4,000,000 in Revenue Bonds (Series 2017 Brown Stadium Project). The proceeds of the bonds were loaned to the Facilities, a blended component unit of the University, for the purpose of acquiring, designing, developing, constructing, renovating and the reconstructing of Brown Stadium and parking adjacent thereto, on the campus of the University ("Brown Stadium"); and to pay bond issuance costs. The Series 2017 bond proceeds were loaned to the Facilities pursuant to a Loan and Assignment Agreement by and between the Facilities and the Authority dated June 1, 2017.

The principal and interest payments on the loan are required to be the amount equal to the principal and interest amounts of the underlying bonds. As such, the loan bears interest at a rate of 2.75% per annum and matures on June 1, 2027. Interest is payable on the loan on June 1 and December 1 of each year and principal is payable on June 1 of each year commencing December 1, 2017, in accordance to the amortization schedule included in the bond closing documents. To secure the Facilities' obligations under the Loan and Assignment Agreement, the Facilities transferred, assigned, and pledged unto the Authority, all right, title, and interest of the Facilities in, to, and under the Agreement to Lease with Option to Purchase dated June 1, 2017, between the Facilities and the Board of Supervisors for the University of Louisiana System, and any leases, subleases and use agreements or other similar agreements relating to the Brown Stadium Project, all rents, issues, receipts and profits derived from the use or occupancy of Brown Stadium, and any and all additional revenues, income, receipts and other payments, including but not limited to, insurance proceeds, grants, donations, sale proceeds received by the Facilities for or relating to Brown Stadium. The principal balance due on the Note Payable – Series 2017 Bonds totaled \$2,915,000 at June 30, 2020.

Series 2018

In August 2018, the Authority and Regions Bank entered into the First Supplemental Trust Indenture; whereby the Authority issued \$2,000,000 in Revenue Bond Series 2018 on parity with the Series 2017 Bonds. The Series 2018 bond proceeds were loaned to Facilities pursuant to the Supplemental Loan and Assignment Agreement by and between the Facilities and the Authority dated June 1, 2017. Under the Supplemental Indenture, the Series 2018 bond proceeds were loaned to Facilities for the purpose of financing a portion of renovating, rehabilitating, and constructing the improvements to Brown Stadium and parking adjacent thereto on the campus and paying costs of issuance of the Series 2018 Bonds.

The principal and interest payments on the loan are required to be the amount equal to the principal and interest amounts of the underlying bond. As such, the loan bears interest at a rate of 3.56% per annum and matures on June 1, 2027. Interest is payable on the loan on June 1 and December 1 of each year and principal is payable on June 1 of each year commencing December 1, 2018, in accordance to the amortization schedule included in the bond closing documents. The provisions and terms, as supplemented and amended, shall have the same meaning as the original Agreement to Lease With Option to Purchase dated June 1, 2017. The principal balance due on the Note Payable – Series 2018 Bonds totaled \$1,595,000 at June 30, 2020.

The following is the amortization schedule for the outstanding bond payable for the athletic department as of June 30, 2020:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$785,000	\$158,818	\$943,818
2022	805,000	135,159	940,159
2023	830,000	110,678	940,678
2024	855,000	85,759	940,759
2025	660,000	62,151	722,151
2026-2027	1,385,000	63,550	1,448,550
Total	<u>\$5,320,000</u>	<u>\$616,115</u>	<u>\$5,936,115</u>

MAJOR REVENUE AND EXPENSE ANALYSIS

(UNAUDITED)

Appendix A

Appendix A includes an analysis of revenue and expense accounts that exceed 10% of total revenues and expenses. A comparison is presented of current-year amounts to prior-year amounts and of current-year amounts to budget estimates.

**ATHLETIC DEPARTMENT
UNIVERSITY OF LOUISIANA AT MONROE
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Major Revenue and Expense Analysis
For the Year Ended June 30, 2020**

Accounts Exceeding 10% Threshold and Variation Greater Than 10%	Fiscal Year 2020	Fiscal Year 2019	Increase/ (Decrease)	Percent Variance
Operating Revenues per Statement A				
No variations met the 10% variance threshold in the NCAA guidelines, and no explanations are required.				
Operating Expenses per Statement A				
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities	\$2,296,937	\$1,851,870	\$445,067	24%
				1
	Fiscal Year 2020	Fiscal Year 2019	Increase/ (Decrease)	Percent Variance
Budget				
No variations met the 10% variance threshold in the NCAA guidelines, and no explanations are required.				

NOTES:

- 1 There were significant staffing changes in the Athletics Department in fiscal year (FY) 2020. The assistant athletic director for football operations, the director of facilities and event operations, an assistant athletic trainer, and the director of creative services and fan engagement resigned and received termination pay. Also, two new positions were filled during FY 2019 and received a full year salary in FY 2020. In addition, other staff positions were filled based on higher competitive salaries.