

ATHLETIC DEPARTMENT UNIVERSITY OF LOUISIANA AT MONROE

**UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

FINANCIAL AUDIT SERVICES

**Agreed-Upon Procedures Report
Issued January 23, 2023**

**LOUISIANA LEGISLATIVE AUDITOR
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January 12, 2023

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, 2022. 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. Management of the University has acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

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 five 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 that the selected cash receipt of ticket sales was not deposited until seven business days after the game was played, which did not adhere to the University's cash handling policy that states cash is to be deposited timely. We found no other exceptions as a result of our 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, 2022.
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 identified errors in reporting categories and amounts; however, the University made the necessary adjustments to correct its Statement for the errors.

3. We compared and agreed a sample of two operating revenue receipts and a sample of two 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, 2022, to June 30, 2021, amounts and budget estimates, to identify variations greater than 10%.

We reported the analysis in Appendix A to this report.

MINIMUM AGREED-UPON PROCEDURES FOR REVENUES

1. We 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.

2. 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.

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

We found no exceptions as a result of these procedures.

4. 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.

5. 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.

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

The University adjusted the amount reported as royalties, licensing, advertisements, and sponsorships by \$84,537, the net effect of two different errors. The amount was overstated by \$85,000 for fiscal year 2023 sponsorship fees and understated by \$463 for expenses paid on behalf of the University and deducted from the sponsorship fees owed by the contractor. We found no other 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 Assistant (CA) software. We performed a check of each student selected to ensure their information was reported accurately in the NCAA's CA software using criteria found in the 2022 NCAA Agreed-Upon Procedures. We recalculated the totals for each sport and overall for all sports.

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 the grant amount for one student was entered incorrectly as the semester amount instead of the full year and eight students had unallowable expenses (cost of attendance components) included in grants-in-aid revenue distribution equivalencies. Additionally, ULM incorrectly used \$1,300 as the cost of books in their grant-in-aid

calculation for each student instead of \$800 as provided in the NCAA guidelines.

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' expenses 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; however, the University adjusted its Statement to eliminate \$1,450 paid by the Foundation for reimbursement of guests traveling with the football team.

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.

As previously noted, the University adjusted game expenses in the amount of \$463 as a result of an expense paid by an outside third party on behalf of the University. We found no other exceptions as a result of these procedures.

6. We obtained a listing of debt service schedules for athletic facilities and compared 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 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 Athletic 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 (e.g., contributions by corporate sponsors) that constitutes 10% or more of all contributions received for intercollegiate athletics during the reporting period, and ensure 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 University of Louisiana at Monroe 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	\$484,372	\$41,279	\$29,107	\$352,237	\$38,215	\$945,210
In-kind	44,920	6,600		57,713	47,195	156,428
Total revenues	529,292	47,879	29,107	409,950	85,410	1,101,638
Expenses						
Athletic Student Aid	51			11		62
Coaching salaries, benefits, and bonuses paid by the University and related entities	124,307	24,040	21,461	139,450		309,258
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities	57,707				13,107	70,814
Recruiting	2,841	266	1,772	4,856		9,735
Team travel	36,423	3,283	3,819	9,438	81	53,044
Sports equipment, uniform, and supplies	61,619	3,177	877	80,142		145,815
Game expenses	4,904	620	760	7,747	1,526	15,557
Fundraising, marketing, and promotion	85,400			96,824	48,169	230,393
Athletic facilities debt service, leases, and rental fees	37,233					37,233
Direct overhead and administrative expenses	10,156	4,333		15,487	21	29,997
Medical expenses and insurance				890	7,045	7,935
Memberships and dues	10	846		4,029		4,885
Student-athlete meals (Non-Travel)	4,651	2,729	418	9,513	10,911	28,222
Other operating expenses	103,990	8,585		41,563	4,550	158,688
Total expenses	529,292	47,879	29,107	409,950	85,410	1,101,638
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	NONE	NONE	NONE	NONE	NONE	NONE

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

We noted errors in the schedule summary, which management adjusted to reduce contributions and team travel by \$1,450 for football fan travel; reduce gifts in kind and coaching benefits by \$6,625 for a vehicle that was returned in December 2021 for which the whole year's value was

recorded; and to reduce contributions by \$1,022,101 for an amount that was a reimbursement to University of Louisiana at Monroe Facilities, Inc.

4. For all outside organizations that had an independent audit, we obtained the independent auditor's report to identify any significant deficiencies relating to the outside organization's internal controls. We were to make inquiries of management to document any corrective action taken in response to the significant deficiencies.

The University of Louisiana at Monroe Athletic Foundation's statements were audited by an independent certified public accountant for the year ended June 30, 2022. The audit report dated September 23, 2022, included no significant deficiencies on the outside organization's internal control.

ADDITIONAL MINIMUM AGREED-UPON PROCEDURES

1. In order for the NCAA to place reliance on the Division I financial reporting to calculate the NCAA revenue distributions, we performed the following procedures:

- (a) 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.

- (b) We compared current year Grant-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 found that all sports, except volleyball, had a variance greater than +/- 4% from the prior year. Management represented that the decreases in baseball, men's basketball, men's and women's golf, women's soccer, softball, and women's tennis were due to student-athletes receiving COVID-19 waivers during fiscal year 2021, which allowed more student-athletes to remain as counters on team rosters, receive aid, practice and compete when most would have exhausted eligibility a year earlier. In addition, increases in football, men's and women's cross country/track, women's basketball, and beach volleyball resulted from increases in the costs of attendance.

- (c) We obtained the University's Sports Sponsorship and Demographics Forms Report for the reporting period and validated that the institution's countable sports reported met 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 noted the University incorrectly reported the countable contests for men's and women's outdoor track, softball, and women's basketball; however, per review of the published schedule all sports met the required number of contests.

- (d) 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.

- (e) We agreed the total number of student athletes, who, during the academic year received a Pell grant award (e.g., Pell Grant recipients on Full Athletic Aid, Pell Grant recipients on Partial Athletic Aid and Pell Grant recipients with no Athletic Aid) and the total 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.

- (f) 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.

An agreed-upon procedures engagement involves the practitioner performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed. We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the compliance of the accompanying Statement and related notes of the University's Athletic Department or on its compliance with NCAA Bylaw 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, 2022. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

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ULMNCAA2022

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, 2022**

	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	OTHER SPORTS	NON- PROGRAM SPECIFIC	TOTAL
REVENUES						
Operating revenues:						
Ticket sales	\$432,193	\$101,193	\$8,376	\$81,329		\$623,091
Student fees					\$215,971	215,971
Direct institutional support	6,632		93,988	252,813	8,669,626	9,023,059
Indirect institutional support - athletic facilities debt service, lease, and rental fees					940,154	940,154
Guarantees	3,335,000	235,000		9,500		3,579,500
Contributions	484,372	41,279	29,107	352,237	161,868	1,068,863
In-kind	53,195	6,600		75,046	47,195	182,036
NCAA distributions					695,006	695,006
Conference distributions (non media and non bowl) Program, novelty, parking, and concession sales	26,650				1,912,634	1,912,634
Royalties, licensing, advertisement, and sponsorships					706,041	706,041
Other operating revenue					146,363	146,363
Total operating revenues	<u>4,338,042</u>	<u>384,072</u>	<u>131,471</u>	<u>770,925</u>	<u>13,494,858</u>	<u>19,119,368</u>
EXPENSES						
Operating expenses:						
Athletic student aid	2,245,740	319,984	458,499	2,659,940	29,003	5,713,166
Guarantees	300,000	15,000	31,748	6,000		352,748
Coaching salaries, benefits, and bonuses paid by the University and related entities	1,965,906	602,647	486,765	1,404,043		4,459,361
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities	362,620	76,331	69,631	119,837	1,823,592	2,452,011
Recruiting	97,623	54,440	50,971	73,531		276,565
Team travel	741,136	153,899	176,689	1,027,379	300	2,099,403
Sports equipment, uniforms, and supplies	564,923	47,539	72,360	485,214	69,552	1,239,588
Game expenses	395,346	209,484	189,183	243,025	9,818	1,046,856
Fundraising, marketing, and promotion	89,895	217	1,349	101,789	99,176	292,426
Athletic facilities debt service, leases, and rental fees	37,233				940,154	977,387
Direct overhead and administrative expenses	41,130	5,266	1,325	40,856	50,515	139,092
Medical expenses and insurance	178,478	27,268	63,142	278,552	94,401	641,841
Memberships and dues	39,460	19,796	35,512	37,368	107,540	239,676
Student-athlete meals (non-travel)	196,003	25,789	23,559	43,278	37,901	326,530
Other operating expenses	128,006	10,987	12,285	70,304	49,192	270,774
Total operating expenses	<u>7,383,499</u>	<u>1,568,647</u>	<u>1,673,018</u>	<u>6,591,116</u>	<u>3,311,144</u>	<u>20,527,424</u>
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENSES	<u>(\$3,045,457)</u>	<u>(\$1,184,575)</u>	<u>(\$1,541,547)</u>	<u>(\$5,820,191)</u>	<u>\$10,183,714</u>	<u>(\$1,408,056)</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 that 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, 3 years for software with an acquisition cost of \$1,000,000 or more, and 3 to 10 years for internally generated software with development costs of \$1,000,000 or more. 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, 2022:

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Principal Outstanding at 6/30/2021</u>	<u>Issued/ (Retired)</u>	<u>Principal Outstanding at 6/30/2022</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Interest Outstanding at 6/30/2022</u>
2014	6/30/2014	\$1,845,000	\$615,000	(\$200,000)	\$415,000	2024	2.92%	\$13,965
2017	6/14/2017	4,000,000	2,530,000	(395,000)	2,135,000	2027	2.75%	179,300
2018	8/1/2018	2,000,000	1,390,000	(210,000)	1,180,000	2027	3.56%	128,872
Total		<u>\$7,845,000</u>	<u>\$4,535,000</u>	<u>(\$805,000)</u>	<u>\$3,730,000</u>			<u>\$322,137</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 \$415,000 at June 30, 2022.

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, 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 14, 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 14, 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 \$2,135,000 at June 30, 2022.

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 the Facilities pursuant to the Supplemental Loan and Assignment Agreement by and between the Facilities and the Authority dated June 14, 2017. Under the Supplemental Indenture, the Series 2018 bond proceeds were loaned to the 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 14, 2017. The principal balance due on the Note Payable – Series 2018 Bonds totaled \$1,180,000 at June 30, 2022.

The following is the amortization schedule for the outstanding bond payable for the athletic department as of June 30, 2022:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$830,000	\$110,678	\$940,678
2024	855,000	85,759	940,759
2025	660,000	62,150	722,150
2026	680,000	42,097	722,097
2027	705,000	21,453	726,453
Total	<u>\$3,730,000</u>	<u>\$322,137</u>	<u>\$4,052,137</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, 2022**

<u>Accounts Exceeding 10% Threshold and Variation Greater Than 10%</u>	<u>Fiscal Year 2022</u>	<u>Fiscal Year 2021</u>	<u>Increase/ (Decrease)</u>	<u>Percent Variance</u>	
Operating Revenues per Statement A					
Direct institutional support	\$9,023,059	\$7,125,549	\$1,897,510	27%	1
Guarantees	\$3,579,500	\$305,000	\$3,274,500	1,074%	2
Operating Expenses per Statement A					
Athletic student aid	\$5,713,166	\$4,768,672	\$944,494	20%	3
Team travel	\$2,099,403	\$1,244,489	\$854,914	69%	4
Budget*					
	<u>Fiscal Year 2022 - Actual</u>	<u>Fiscal Year 2022 - Budget</u>	<u>Increase/ (Decrease)</u>	<u>Percent Variance</u>	
Direct institutional support	\$9,023,059	\$7,270,357	\$1,752,702	24%	1
Athletic student aid	\$5,713,104	\$4,845,528	\$867,576	18%	3
Team travel	\$2,046,359	\$1,489,479	\$556,880	37%	4

* The budget analysis is based on University data only. Budget information is not available for the University of Louisiana at Monroe Athletic Foundation.

NOTES:

1. Operating Revenues from direct institutional support increased as a result of additional support from auxiliary funds to provide costs of attendance to student-athletes.
2. In fiscal year 2021, there was a loss of game guarantee revenue in an amount of \$3,150,000 due to the cancellation of football games as a result of COVID-19.
3. Athletic student aid expenses increased as a result of an increase in costs of attendance provided to student-athletes, including an increase in student-athlete occupancy at Warhawk Village, a more costly on-campus living option.
4. Team travel expenses increased as a result of the nation-wide increase in transportation, lodging, and food expenses. Additionally, the University utilized more charter buses as University buses were inoperable for the Fall semester.