

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



AGREED-UPON PROCEDURES REPORT  
ISSUED FEBRUARY 14, 2018

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

January 22, 2018

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

**DR. NICK BRUNO, 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 3.2.4.15 for the year ended June 30, 2017. 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 organizational 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 fair presentation 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, 2017.
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 over 10% of total revenues or expenses for June 30, 2017, to June 30, 2016, amounts and budget estimates, to identify variances greater than 10% from June 30, 2016.

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 agree the information on the schedule to the supporting game reconciliation for one basketball game (Arkansas-Little Rock) and one baseball game (McNeese). We recalculated the reconciliations for the games tested.

We found no exceptions for the Arkansas-Little Rock basketball game held on January 30, 2017; however, for the McNeese baseball game held on February 21, 2017, the number of unsold tickets on hand did not agree to the amount reported on the event sales reconciliation, which seven less visitor player passes and 13 more coach passes were reported.

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 were to select a sample of one settlement report for away games during the reporting period and agree selection to the University's general ledger and/or the Statement in order to recalculate the total.

We found that the University had no settlement reports for away games during the reporting period.

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

We found no exceptions as a result of these procedures.

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

received for intercollegiate athletics during the reporting period. We recalculated the totals.

We found that no individual or outside organization other than the University of Louisiana at Monroe Athletic Foundation, Inc. (Foundation) contributed more than 10% of all contributions.

6. We compared the NCAA distribution amounts recorded as revenue and expense during the reporting period to the general ledger detail and other corroborative supporting documentation. We recalculated the totals.

We found no exceptions as a result of these procedures.

7. 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 the 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 Assistant software (CA). 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 CA software, as per NCAA Bylaws.

We found no exceptions as a result of these procedures.

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 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 related 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 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.

#### **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 supporting documentation and the University's general ledger.

We found no exceptions as a result of these procedures.

- 3. We obtained from University management schedules of all athletics dedicated endowments maintained by athletics, the University, and affiliated organizations.

We agreed the fair market value in the schedules to the supporting documentation and the 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 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 obtained from University management a list of contributions of monies, goods, or services received directly by the intercollegiate athletics program from any affiliated or outside organization, agency, or individuals (e.g., contributions by corporate sponsors) that constitutes 10% or more of all contributions received for intercollegiate athletics during the reporting period, and ensured the sources of the funds, goods, and services, as well as the value associated with these items, were properly disclosed in the notes to the Statement.

We noted the Foundation is the only outside organization that provided individual contributions of monies, goods, or services to the athletic department that exceeded 10% of the total contributions (see note 1 to the Statement).

2. We obtained a description of the University's policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics-related assets. We ensured that the University's policies and procedures are properly disclosed within the notes to the Statement.

We found no exceptions as 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 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
<b>Revenues</b>						
Contributions	\$159,762	\$18,341	\$3,466	\$288,259	\$111,943	\$581,771
In-kind	41,768	4,350		59,345	40,975	146,438
Total revenues	201,530	22,691	3,466	347,604	152,918	728,209
<b>Expenses</b>						
Coaching salaries, benefits, and bonuses paid by the University and related entities	52,679	9,235		59,815		121,729
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities					26,545	26,545
Recruiting	609			1,852		2,461
Team travel	471	917		5,705		7,093
Sports equipment, uniform, and supplies	7,739			92,350	9,305	109,394
Game expenses	6,774	1,421	572	3,596	1,633	13,996
Fundraising, marketing, and promotion	3,897	309		95,509	81,856	181,571
Athletic facilities debt service, leases, and rental fees	100,793					100,793
Direct overhead and administrative expenses	1,084	5,679	533	49,059	6,278	62,633
Memberships and dues		112		480	395	987
Student-athlete meals	2,645	479		2,085	900	6,109
Other operating expenses	24,839	4,539	2,361	37,153	26,006	94,898
Total expenses	201,530	22,691	3,466	347,604	152,918	728,209
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>

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

We found no exceptions as a result of these procedures.

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

The Foundation's statements were audited by an independent certified public accountant for the year ended June 30, 2017. The audit report dated September 20, 2017, 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 squad lists. We were to inquire about any discrepancies and report the justification.

We found no discrepancies as a result of these procedures.

2. We obtained the University's Sports Sponsorship and Demographics Forms Report for the reporting period and validated that the University'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 towards 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 discrepancies as a result of these procedures.

3. 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.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the compliance of the accompanying Statement and related notes of the University's Athletic Department or on its compliance with NCAA Bylaw 3.2.4.15 or on the effectiveness of the University Athletic Department's internal control over financial reporting for the year ended June 30, 2017. Accordingly, we do not express such an opinion. 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,

A handwritten signature in blue ink that reads "Daryl G. Purpera". The signature is written in a cursive style with a large, stylized initial "D".

Daryl G. Purpera, CPA, CFE  
Legislative Auditor

KVL:BAC:BH:EFS:aa

ULM NCAA 2017



**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, 2017**

	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	OTHER SPORTS	NON- PROGRAM SPECIFIC	TOTAL
<b>REVENUES</b>						
Operating revenues:						
Ticket sales	\$646,402	\$90,572	\$2,541	\$36,942	\$6,765	\$783,222
Student fees					317,695	317,695
Direct institutional support	10,638	1,300	133,447	115,992	6,421,078	6,682,455
Indirect institutional support - athletic facilities debt service, lease, and rental fees					213,366	213,366
Guarantees	2,800,000	129,969	37,000	5,500		2,972,469
Contributions	159,762	18,341	3,466	353,259	423,289	958,117
In-kind	41,768	4,350		59,345	40,975	146,438
NCAA distributions					1,865,830	1,865,830
Conference distributions					1,334,889	1,334,889
Program, novelty, parking, and concession sales	34,019			2,950	20,292	57,261
Royalties, licensing, advertisements, and sponsorships					594,499	594,499
Athletics restricted endowment and investment income					1,534	1,534
Other operating revenue					204,649	204,649
Total operating revenues	<u>3,692,589</u>	<u>244,532</u>	<u>176,454</u>	<u>573,988</u>	<u>11,444,861</u>	<u>16,132,424</u>
<b>EXPENSES</b>						
Operating expenses:						
Athletic student aid	1,720,087	303,027	282,813	1,821,396	17,600	4,144,923
Guarantees	250,000	62,500	7,500			320,000
Coaching salaries, benefits, and bonuses paid by the University and related entities	1,782,906	601,102	331,100	1,094,974		3,810,082
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities	114,957	49,310	57,100	13,620	1,705,288	1,940,275
Recruiting	69,559	40,688	24,885	58,642		193,774
Team travel	642,319	183,212	64,208	568,404		1,458,143
Sports equipment, uniforms, and supplies	210,560	2,323	268	102,560	186,046	501,757
Game expenses	571,836	167,195	101,305	295,103	152,478	1,287,917
Fundraising, marketing, and promotion	10,351	893	633	99,489	86,646	198,012
Athletic facilities debt service, leases, and rental fees	100,793				213,366	314,159
Direct overhead and administrative expenses	19,288	6,553	2,780	93,839	322,667	445,127
Medical expenses and insurance	88,086	52,886	28,034	210,169	8,488	387,663
Memberships and dues	22,889	2,541	7,033	6,794	118,584	157,841
Student-athlete meals (non-travel)	89,134	15,215	4,868	47,308	8,793	165,318
Other operating expenses	34,280	5,221	9,316	47,070	60,899	156,786
Total operating expenses	<u>5,727,045</u>	<u>1,492,666</u>	<u>921,843</u>	<u>4,459,368</u>	<u>2,880,855</u>	<u>15,481,777</u>
<b>EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENSES</b>	<u><u>(\$2,034,456)</u></u>	<u><u>(\$1,248,134)</u></u>	<u><u>(\$745,389)</u></u>	<u><u>(\$3,885,380)</u></u>	<u><u>\$8,564,006</u></u>	<u><u>\$650,647</u></u>



# NOTES TO THE FINANCIAL STATEMENT

(UNAUDITED)

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## 1. CONTRIBUTIONS

Individual contributions to the Athletic Department from the University of Louisiana at Monroe Athletic Foundation, Inc. (Foundation), totaling \$581,771, exceeded 10% of the total contributions included in Statement A.

## 2. CAPITAL ASSETS

Capital assets are reported at cost at the date of acquisition or their estimated fair value at the date of donation. For movable property, the University's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized if they exceed \$100,000. Any infrastructure exceeding \$3 million must be capitalized, but the University does not have any infrastructure that meets that criterion. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred.

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

## 3. LONG-TERM LIABILITY

The following is a detailed summary of bonds payable for the athletic department for the year ended June 30, 2017:

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Principal Outstanding at 6/30/2016</u>	<u>Issued/ (Retired)</u>	<u>Principal Outstanding at 6/30/2017</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Interest Outstanding at 6/30/2017</u>
2014	6/30/2014	\$1,845,000	\$1,525,000	(\$170,000)	\$1,355,000	2024	2.90%	\$150,789
2017	6/14/2017	4,000,000		4,000,000	4,000,000	2027	2.75%	625,643
Total		<u>\$5,845,000</u>	<u>\$1,525,000</u>	<u>\$3,830,000</u>	<u>\$5,355,000</u>			<u>\$776,432</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 in favor of Regions Bank for scoreboards and facility upgrades, to 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 2.90% 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 \$1,355,000 at June 30, 2017.

Series 2017

In June 2017, the Louisiana Local Government Environmental Facilities and Community Development Authority (Authority) issued \$4,000,000 in Revenue (Series 2017 Brown Stadium Project). The proceeds of the bonds were loaned to 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 \$4,000,000 at June 30, 2017.

The following is the amortization schedule for the outstanding bond payable for the athletic department as of June 30, 2017:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$530,000	\$144,369	\$674,369
2019	540,000	133,176	673,176
2020	560,000	117,910	677,910
2021	580,000	102,036	682,036
2022	595,000	85,675	680,675
2023-2027	2,550,000	193,266	2,743,266
Total	<u>\$5,355,000</u>	<u>\$776,432</u>	<u>\$6,131,432</u>



## MAJOR REVENUE AND EXPENSE ANALYSIS

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### 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, 2017**

<u>Accounts Exceeding 10% Threshold and Variance Greater Than 10%</u>	<u>Fiscal Year 2017</u>	<u>Fiscal Year 2016</u>	<u>Increase/ (Decrease)</u>	<u>Percent Variance</u>	
<b>Operating Revenues per Statement A</b>					
Guarantees	\$2,972,469	\$3,666,500	(\$694,031)	(18.9%)	<sup>1</sup>
NCAA distributions	\$1,865,830	\$663,919	\$1,201,911	181%	<sup>2</sup>
<b>Operating Expenses per Statement A</b>					
Athletic student aid	\$4,144,923	\$3,758,812	\$386,111	10.3%	<sup>3</sup>
Support staff/administrative salaries, benefits, and bonuses paid by the institution and related entities	\$1,940,275	\$1,658,244	\$282,031	17%	<sup>4</sup>

**NOTES:**

<sup>1</sup> There was an overall reduction in game guarantees revenues in fiscal year (FY) 2017. Football game guarantees decreased by \$498,000; men's basketball by \$193,531; baseball by \$6,500; volleyball by \$2,000; and softball by \$2,000; however, women's basketball game guarantees increased by \$8,000.

<sup>2</sup> There was an overall increase in NCAA Distributions from FY 2016 to FY 2017 due in part to a one-time distribution of \$666,433 received in April 2017 for the direct benefit of the student athlete and their academic success, life skills, career success, health and safety and student-athlete focused diversity and inclusion initiatives. This one-time distribution was given to all Division I members that were active as of the 2015-16 academic year based on the University's equivalency for grants-in-aid determined for the 2013-14 academic year. There was also a timing difference in the receipt of \$451,000 in grant-in-aid between FY 2017 and FY 2016.

<sup>3</sup> More students qualified to receive scholarships, and more funds were transferred to the athletics department to award the scholarships in FY 2017. Increases by sport consisted of \$296,000 more for men's football scholarships; \$41,000 more for women's basketball scholarships; \$37,000 more for men's basketball scholarships; \$26,000 more for sand volleyball scholarships; \$26,000 more for women's golf scholarships; and \$20,000 more for women's tennis scholarships. However, there was also \$49,000 less in women's soccer scholarships and \$12,000 less in women's track scholarships.

<sup>4</sup> Athletics department staffing changes occurred in FY 2017, which included the end of the contract term for the athletic director and the resignation of the assistant athletic directors for internal operations and the Athletic Foundation, resulting in an increase in termination pay. Staff were paid higher initial salaries than their incumbents. The University offers competitive salaries when possible to bring in talent. Football staff salaries increased by \$86,000; and the athletic director and staff salaries and termination payments increased by \$196,000 in FY 2017 over FY 2016.

<u>Budget</u>	<u>2017 Actual</u>	<u>2017 Budget</u>	<u>Variance</u>	<u>Percent Variance</u>	
<b>Operating Revenues per Statement A</b>					
NCAA distributions	\$1,865,830	\$1,214,508	\$651,322	34.9%	<sup>1</sup>

**NOTE:**

<sup>1</sup> The University did not budget for a \$666,433 one-time NCAA revenue distribution received in April 2017, previously mentioned above.