

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION

MONROE, LOUISIANA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2019

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
JUNE 30, 2019

CONTENTS

	<u>PAGE</u>
Independent Auditors' Report.....	1-3
Statement of Financial Position.....	4-5
Statement of Activities and Changes in Net Assets.....	6
Statement of Cash Flows.....	7-8
Notes to Financial Statements.....	9-23
 SUPPLEMENTAL INFORMATION	
Schedule I - Analysis of Net Assets with Donor Restrictions, Programs.....	24-25
Schedule II - Analysis of Net Assets with Donor Restrictions, Scholarships.....	26
Schedule III - Analysis of Net Assets with Donor Restrictions, Endowment Principal.....	27
Schedule IV - Schedule of Revenues, Expenses and Capitalized Expenses Made To or On Behalf of the University Intercollegiate Athletics Program.....	28-30
Schedule V - Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer.....	31
 COMPLIANCE REPORTS	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	32-33
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	34
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS.....	35

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INDEPENDENT AUDITORS' REPORT

Board of Directors
University of Louisiana at Monroe Athletic Foundation
Monroe, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the University of Louisiana at Monroe Athletic Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, and the related statements of activities and cash flows for the year ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Statement of Financial Position

In our opinion, the statement of financial position referred to in the first paragraph presents fairly, in all material respects, the financial position of the University of Louisiana at Monroe Athletic Foundation as of June 30, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules I, II, III, IV and V on pages 24 through 31 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2019 on our consideration of the University of Louisiana at Monroe Athletic Foundation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant

agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the University of Louisiana at Monroe Athletic Foundation's internal control over financial reporting and compliance.

Johnson Perry Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
September 17, 2019

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2019

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	185,366
Due from Related Parties	57,369
Accounts Receivables	275,041
Pledges Receivable, Net, Current	881,759
Contributions Receivable - Suites	<u>165,520</u>

<u>TOTAL CURRENT ASSETS</u>	1,565,055
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RESTRICTED DEPOSITS

Cash and Cash Equivalents	829,507
Bank Trust Funds	
Cash and Cash Equivalents	13,198
Investments, at Market	<u>714,588</u>

<u>TOTAL RESTRICTED DEPOSITS</u>	1,557,293
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PROPERTY, PLANT AND EQUIPMENT

Property and Equipment	2,480,325
Accumulated Depreciation	(1,150,965)
Net Property, Plant and Equipment	<u>1,329,360</u>

<u>TOTAL PROPERTY, PLANT AND EQUIPMENT</u>	1,329,360
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OTHER ASSETS

Securities	4,700
Cash Surrender Value of Life Insurance	313,478
Pledges Receivable, Net, Long-Term	626,610
Contributions Receivable - Suites, Long-Term	<u>51,557</u>

<u>TOTAL OTHER ASSETS</u>	<u>996,345</u>
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<u>TOTAL ASSETS</u>	<u>5,448,053</u>
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The accompanying notes are an integral part of these financial statements.

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED JUNE 30, 2019

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	39,499
Accrued Interest Payable	4,956
Due to Related Parties	30,609
Current Portion of Long-Term Debt	<u>481,238</u>

TOTAL CURRENT LIABILITIES 556,302

LONG-TERM LIABILITIES

Lease Payable - PNC	119,326
Notes Payable	1,739,913
Less: Current Portion of Long-Term Debt	<u>(481,238)</u>

TOTAL LONG-TERM LIABILITIES 1,378,001

TOTAL LIABILITIES 1,934,303

NET ASSETS

Without Donor Restrictions	1,700,140
With Donor Restrictions, Programs	1,077,623
With Donor Restrictions, Scholarships	137,835
With Donor Restrictions, Endowment Principal	<u>598,152</u>

TOTAL NET ASSETS 3,513,750

TOTAL LIABILITIES AND NET ASSETS 5,448,053

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

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions			TOTALS
		Programs	Endowment Scholarships	Endowment Principal	
<u>SUPPORT, REVENUES AND GAINS</u>					
Support					
Contributions - Cash	293,270	1,090,751	-	2,694	1,386,715
Contributions - Non-Cash	135,505	36,703	-	-	172,208
Total Support	<u>428,775</u>	<u>1,127,454</u>	<u>-0-</u>	<u>2,694</u>	<u>1,558,923</u>
Revenues and Gains					
Investment Income (Loss)	3,864	1,683	40,582	(4,002)	42,127
Other Income	953	180,052	-	-	181,005
Total Revenues and Gains	<u>4,817</u>	<u>181,735</u>	<u>40,582</u>	<u>(4,002)</u>	<u>223,132</u>
Restrictions Satisfied by Payments	<u>844,147</u>	<u>(840,773)</u>	<u>(3,374)</u>	<u>-0-</u>	<u>-0-</u>
<u>TOTAL SUPPORT, REVENUES AND GAINS</u>	<u>1,277,739</u>	<u>468,416</u>	<u>37,208</u>	<u>(1,308)</u>	<u>1,782,055</u>
<u>EXPENSES</u>					
Program Services					
General Scholarships	7,874	-	-	-	7,874
University and Sports Promotion	116,427	-	-	-	116,427
Departmental Expenses	227,862	-	-	-	227,862
Staff Support	86,463	-	-	-	86,463
Depreciation and Amortization	107,235	-	-	-	107,235
Total Program Services	<u>545,861</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>545,861</u>
Supporting Services					
Interest Expense	72,142	-	-	-	72,142
Miscellaneous Expense	127,482	-	-	-	127,482
Materials and Supplies	309,814	-	-	-	309,814
Professional Services	152,149	-	-	-	152,149
Fund-Raising	12,868	-	-	-	12,868
Bad Debts	234,775	-	-	-	234,775
Total Supporting Services	<u>909,230</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>909,230</u>
<u>TOTAL EXPENSES</u>	<u>1,455,091</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>1,455,091</u>
Changes in Net Assets	(177,352)	468,416	37,208	(1,308)	326,964
Transfers In (Out)	94,225	(119,515)	3,931	21,359	-0-
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>1,783,267</u>	<u>728,722</u>	<u>96,696</u>	<u>578,101</u>	<u>3,186,786</u>
<u>NET ASSETS - END OF YEAR</u>	<u>1,700,140</u>	<u>1,077,623</u>	<u>137,835</u>	<u>598,152</u>	<u>3,513,750</u>

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

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Increase (Decrease) in Net Assets		326,964
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities		
Depreciation and Amortization	107,235	
Change In:		
Accounts Receivable	12,953	
Due to Related Parties	(53,072)	
Pledge Receivables	216,531	
Contributions Receivable	10,572	
Cash Surrender Value of Life Insurance Policies	(16,323)	
Deferred Revenue	-	
Accounts Payable	26,056	
Due From Related Parties	(12,236)	
Interest Payable	(1,357)	

TOTAL ADJUSTMENTS 290,359

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES 617,323

CASH FLOWS FROM INVESTING ACTIVITIES

(Increase) Decrease in Bank Trust Funds		(69,964)
Purchases of Fixed Assets		<u>-</u>

NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES (69,964)

CASH FLOWS FROM FINANCING ACTIVITIES

Payment on Capital Lease - PNC Equipment Finance		(36,492)
Payment of Long-Term Debt - Bancorp South		<u>(420,782)</u>

NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES (457,274)

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

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	90,085
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	<u>937,986</u>
<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u>1,028,071</u>
<u>CASH AND CASH EQUIVALENTS INCLUDED ON STATEMENT OF FINANCIAL POSITION</u>	
Cash in Banks	185,366
Cash in Banks - Restricted	829,507
Cash in Bank Trust Funds	<u>13,198</u>
<u>TOTAL CASH AND CASH EQUIVALENTS AS INCLUDED ON STATEMENT OF FINANCIAL POSITION</u>	<u>1,028,071</u>
Cash Paid for Interest	73,499
Cash Paid for Income Taxes	-0-

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

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The University of Louisiana at Monroe Athletic Foundation (the Foundation) is a legally autonomous fund-raising foundation that raises funds for the benefit of student-athletes at the University of Louisiana at Monroe (the University) and to enhance the University's image through athletic excellence. The mission of the Foundation is to raise funds for athletic scholarships; help finance all support groups with travel, materials and supplies, and equipment; and to build, upgrade and maintain the University's athletic facilities.

The stated duties of the Foundation are to select and form an interested sports group to act as a 20-person Board of Directors and leaders of the annual fund drive; to keep and maintain up-to-date records on all donors, both present and past; to form, guide and direct various satellite clubs in north Louisiana towns so that interest in the University will be created and maintained; to create and act on special projects for extra funds; and to aid and assist with promoting and marketing the University's athletic teams.

The most visible products of the University are the athletic teams fielded by the University. Images are created by what people perceive you to be. Through local and national news media coverage, it is the desire and commitment of the Foundation to make the University the best it can be with the student-athletes leading the way.

A. Method of Accounting

The financial statements have been prepared on the accrual method of accounting and in conformity with the standards promulgated by the American Institute of Certified Public Accountants in its *Audit and Accounting Guide for Not-for-Profit Organizations*.

B. Basis of Presentation

The financial statements have been prepared in accordance with U.S generally accepted accounting principles ("US GAAP"), which require the Foundation to report

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 1. - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

B. Basis of Presentation (Continued)

information regarding its financial position and activities according to the following net asset classifications:

Net Assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation and the board of directors.

Net Assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

C. Contributions

Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence or nature of any donor-imposed restrictions. Contributions are recognized as support when received or when an unconditional promise to give is received. Contributions that are donor restricted when received from the donor, but the restrictions are satisfied in the same year, are recorded as contributions without donor restrictions.

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

D. Donated Services and Materials

Non-cash donations include both materials and services. These donations are recorded at their fair market value on the date of donation. Donated services are recognized only when they create or enhance a non-financial asset, or when they are specialized skills provided by entities or persons possessing those skills that would be purchased if they were not donated. For the year ended June 30, 2019, the Foundation received various donations of materials and/or services in the amount of \$172,208, which enhanced the Foundation as a whole. The Foundation also receives donated services from volunteers which have not been recognized as revenue in the financial statements, as there is no objective way to value the services and these costs do not meet the criteria for recognitions as contributions.

E. Investment Policies

Marketable equity securities for which a fair market value is not readily determinable are recorded at estimated amortized cost. Investments in debt securities and marketable equity securities for which fair market value is readily determinable are reported at fair value. Gains and losses on all investments are recorded as increases or decreases (as appropriate) in net assets in the accompanying Statement of Activities.

F. Income Tax Status

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. During the year ended June 30, 2010, the Foundation adopted the provisions of FASB ASC 740, *Income Taxes*. The Foundation believes that it has appropriate support for any tax provisions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundations' Federal Return of

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
(Continued)

F. Income Tax Status (Continued)

Organization Exempt from Income Tax (form 990) for the years ended June 30, 2016, 2017, 2018 and 2019 are subject to examination by the IRS.

G. Cash Equivalents

For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

H. Accounting Estimates

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

I. Advertising

The Foundation expenses advertising costs as they are incurred. For the year ended June 30, 2019, advertising expense was immaterial.

J. New Accounting Pronouncement

On August 18, 2016, FASB issued ASU 2016-14, *Not-for-Profit Entities - Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net assets classification, deficiencies in information about liquidity and availability of resources, and the lack of

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2019

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:
 (Continued)

J. New Accounting Pronouncement (Continued)

consistency in the type of information provided about expenses and investment return. The Foundation has adjusted the presentation of these statements accordingly.

NOTE 2 - PROPERTY AND EQUIPMENT:

Property and equipment are recorded at cost on the date of purchase or fair market value on the date of donation. Capitalization policies of the Foundation are in accordance with the threshold as prescribed by the Louisiana Legislature. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets ranging from 5 to 40 years. The balances of property and equipment owned by the Foundation by major category are as follows at June 30, 2019:

Buildings	306,014
Improvements	1,175,118
Computer	13,650
Equipment	357,079
Malone Stadium Suites	628,464
Total	2,480,325
Less: Accumulated Depreciation	(1,150,965)
<u>NET</u>	<u>1,329,360</u>

Depreciation expense for the year ended June 30, 2019 was \$107,235.

NOTE 3 - BANK TRUSTS:

The investments held at June 30, 2019 include the following which are stated at their fair values as determined by the various banks that maintain the trust accounts. The types of investments are as follows at June 30, 2019:

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2019

NOTE 3 - BANK TRUSTS: (Continued)

	Fair Value at Reporting Date Using Quoted Prices in Active Markets for Identical Assets (Level I)
Cash Equivalents	13,198
Corporate Bond	264,619
Mutual Funds	<u>449,969</u>
 Total Bank Trust Funds	 <u>727,786</u>

Bank trust fund investment return is summarized as follows for the year ended June 30, 2019:

Interest and Dividend Income	15,428
Net Realized and Unrealized Gains (Losses)	<u>26,699</u>
 Total	 <u>42,127</u>

Investment expense paid by the Foundation for the year ended June 30, 2019 was \$3,396.

NOTE 4 - SUMMARY OF FAIR VALUE EXPOSURE:

The FASB *Fair Value Measurement* standard clarifies the definition of fair value for financial reporting, establishes a framework for measuring fair value, and requires additional disclosure about the use of fair value measurements in an effort to make the measurement of fair value more consistent and comparable. The Foundation has adopted this standard for its financial assets and liabilities measured on a recurring and nonrecurring basis (ASC 820-10).

Fair Value Measurement defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants, i.e., an exit price. To estimate an exit price, a three-tier hierarchy is used to prioritize the inputs:

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2019

NOTE 4 - SUMMARY OF FAIR VALUE EXPOSURE: (Continued)

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment spreads, credit risk, etc.)
- Level 3: Significant unobservable inputs (including the Organization's own assumptions in determining the fair value of investments).

The inputs and methodology used for valuing the Foundation's financial assets and liabilities are not indicators of the risks associated with those instruments.

The following table provides fair value measurement information for financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2019:

<u>Description</u>	<u>Investments in Securities</u>
Level 1: Quoted Prices	727,786
Level 2: Other Significant Observable Inputs	-
Level 3: Significant Unobservable Inputs	-
<u>Total Fair Value</u>	<u>727,786</u>

The following methods and assumptions were used to estimate the fair values of the assets and liabilities in the table above:

LEVEL 1: FAIR VALUE MEASUREMENTS

Investments in Securities

The fair value of the Foundation's investments in marketable equity and debt securities is based on quoted market prices.

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 5 - INSURANCE PROGRAM:

During fiscal 1991, the Foundation began an insurance program whereby boosters could make their contributions in the form of life insurance policies. Each contributor's life insurance is funded by the insured with the Foundation as the owner and beneficiary. Increases in cash surrender values are recorded as reductions of insurance expense.

For the year ended June 30, 2019, contributions in the form of premiums of \$2,953 were made. The cash value of these policies increased by \$16,323.

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS:

Funds Available for Programs

Included in the Statement of Financial Position under net assets with donor restrictions are funds available for programs. The programs consist of funds for various sports and special projects. Changes in funds available for programs during the year ended June 30, 2019 were as follows:

Funds Available - Beginning of Year	728,722
Contributions	1,127,454
Earnings	1,683
Other Revenue	180,052
Program Expenses	(840,773)
Transfers	(119,515)
<u>Funds Available - End of Year</u>	<u>1,077,623</u>

Funds Available for Scholarships

Included in the Statement of Financial Position under net assets with donor restrictions are funds available for scholarships. These consist of earnings from invested endowment funds. Changes in funds available for scholarships during the year ended June 30, 2019 were as follows:

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS: (Continued)

Funds Available - Beginning of Year	96,696
Contributions	-
Earnings	40,582
Other Revenue	-
Scholarships and Support	(3,374)
Transfers	<u>3,931</u>
<u>Funds Available - End of Year</u>	<u>137,835</u>

Endowment Principal for Scholarships

Included in the Statement of Financial Position under net assets with donor restrictions is the endowment principal for scholarships. Changes in endowment principal during the year ended June 30, 2019 were as follows:

Principal - Beginning of Year	578,101
Contributions	2,694
Earnings	(4,002)
Other Revenue	-
Expenses	-
Transfers	<u>21,359</u>
<u>Principal - End of Year</u>	<u>598,152</u>

Endowment Spending Policy

The Foundation has adopted investment and spending policies for endowment assets that attempt to subject the fund to low investment risk and to provide income to fund scholarships. The Foundation seeks to build endowment assets through additional contributions. The Foundation expends the endowment fund's investment income as needed to fund scholarships. The current spending policy is not expected to allow the Foundation's endowment fund to grow as a result of investment returns. This is consistent with the Foundation's objectives to provide income to fund scholarships, preserve endowment assets without subjecting them to substantial risk, and provide additional growth through new gifts.

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2019

NOTE 7 - CONTRIBUTIONS RECEIVABLE - SUITES:

Contributions Receivable - Suites represents the net present value of amounts committed to be paid to the Foundation over a five-year period by beneficiaries granted rights to use the Malone Stadium Suites. The receivables are anticipated to be collected in the following time periods:

Years Ending <u>June 30</u>	Total <u>Due</u>	Estimated <u>Costs</u>	Net <u>Contributions</u>	<u>Discounts</u>	Net Present <u>Value</u>
2019-2022	240,500	21,480	219,020	1,943	217,077

Estimated costs are tickets to football games and refreshments for the occupants of the suites during football games. The discount represents a 6.07% factor to arrive at net present value.

NOTE 8 - NOTES PAYABLE AND LONG-TERM DEBT:

Note Payable BancorpSouth

On April 9, 2015, the Foundation obtained financing from BancorpSouth Bank. The loan, in the original amount of \$3,034,350, is payable in 84 regular payments of \$40,622.80 each with one final payment towards the full amount of any remaining principal and interest. The loan bears interest at an annual rate of 3.340% and matures on April 10, 2023. The proceeds from the loan were to refinance the commercial construction of the field house project and the collateral for this loan will be pledged revenue, pledged gifts, grants, or donations with respect to the field house project. As of June 30, 2019, the balance of the loan was \$1,739,913.

Debt service to maturity is as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2020	443,151
2021	458,181
2022	473,990
2023	364,591

Interest expense for the year ended June 30, 2019 was \$72,142.

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 9. - PNC LEASE FOR FIELD TURF:

The Foundation entered into a lease for a field turf synthetic field with an 8-year warranty on December 11, 2014, payable in 9 regular payments. The first payment was in the amount of \$46,750 and a payment of \$43,300 will be due annually thereafter. Provided the lease has not terminated early and no event of default under the lease has occurred and is continuing, the Foundation will have an end of lease option to purchase the equipment for \$1. As of June 30, 2019, the balance of the lease payable was \$119,326.

The following is a schedule by years of future minimum payments required under the capital lease together with its present value as of June 30, 2019:

<u>Year Ending June 30</u>	<u>Amount</u>
2020	43,300
2021	43,300
2022	43,300
Thereafter	-0-
Total Minimum Lease Payments	129,900
Less Amount Representing Interest	(10,574)
<u>Net Present Value of Future Minimum</u>	
<u>Lease Payments</u>	<u>119,326</u>

NOTE 10 - DISCLOSURES ABOUT RISK AND CONCENTRATIONS:

The Foundation's financial instruments consist primarily of cash, investments in bank trust funds, cash surrender value of life insurance policies, and contributions receivable. Cash held by financial institutions is insured through the FDIC. However, the Foundation faces credit risk with the balance in its sweep account, investments held in the bank trust funds, and the cash surrender value of life insurance policies. These risks are mitigated as much as possible through the utilization of high-quality, credit-worthy financial institutions and insurance carriers. Market risk faced by the investments held in the bank trust funds is mitigated through diversification. Pledge receivables are stated at their net present value using a discount rate of 1.0%. Contributions receivable on the suites are stated at

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 10 - DISCLOSURES ABOUT RISK AND CONCENTRATIONS: (Continued)

their net present value using a discount rate of 1.0%. Management feels these are reasonable estimates of the fair value of these receivables. No collateral is required on contributions receivable and accounts receivable. At June 30, 2019, the Foundation's uninsured cash balance in Chase Bank totaled \$465,957 and the uninsured cash balances at BancorpSouth Bank totaled \$63,059.

NOTE 11 - CONTINGENCIES:

All athletic coaches are employed by the University. The Athletic Foundation has agreed to fund incentive payouts to coaches for APR scores and other performance based measures.

NOTE 12 - PLEDGES RECEIVABLE:

Pledges receivable consists of the following unconditional promises to give at June 30, 2019:

Unrestricted Promises to Give	32,708
Restricted to Programs	<u>1,598,110</u>
Gross Unconditional Promises to Give	1,630,818
Less: Unamortized Discount	<u>(122,449)</u>
Net Unconditional Promises to Give	<u>1,508,369</u>
Amounts Due In:	
Less than One Year	481,379
One to Five Years	<u>1,122,439</u>
Gross Unconditional Promises to Give	<u>1,603,818</u>

The unconditional promises to give due in more than one year are reflected at the present value of estimated future cash flows using a discount rate for June 30, 2019 at 1.0%.

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 13 - RELATED PARTY TRANSACTIONS:

During the year ended June 30, 2019, the ULM Foundation paid operating expenses on behalf of the Athletic Foundation. As of June 30, 2019, the Athletic Foundation owed ULM Foundation \$167.

During the year ended June 30, 2019, the ULM Athletic Funds paid operating expenses on behalf of the Athletic Foundation. As of June 30, 2019, the Athletic Foundation owed ULM Athletic Funds \$30,443.

During the year ended June 30, 2019, the ULM Foundation collected contributions on behalf of the Athletic Foundation. As of June 30, 2019, ULM Foundation owed the Athletic Foundation \$28,319.

During the year ended June 30, 2019, ULM collected contributions on behalf of the Athletic Foundation. As of June 30, 2019, ULM owed the Athletic Foundation \$29,050.

During the year ended June 30, 2019, the ULM Alumni Association collected contributions on behalf of the Athletic Foundation. As of June 30, 2019, the ULM Alumni Association owed the Athletic Foundation \$-0-.

The Athletic Foundation has a cooperative endeavor agreement with the University of Louisiana at Monroe Foundation to provide funds administration, investment management, accounting services, data management reporting, and other services mutually agreed on for a fee of \$6,250 per month. This contract was for one year beginning on July 1, 2017. The total amount paid on this contract for the year ending June 30, 2019 was \$75,000.

During the normal course of business, the Athletic Foundation obtains bank financing and incurs other routine operating costs to facilitate its mission and protect its assets. The Athletic Foundation members and its board of directors are composed of several local and regional business executives. During the normal course of business, these business executives or the companies they represent may provide such financing or services at a commercially

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 13 - RELATED PARTY TRANSACTIONS: (Continued)

reasonable, arms-length cost to the Athletic Foundation. The note payable with BancorpSouth, as referenced in Note 8, and the Athletic Foundation directors and officers insurance, for which premiums totaled \$3,093 during the fiscal year ended June 30, 2019, were facilitated by Athletic Foundation board members who also serve as officers in the providing companies.

NOTE 14 - SUBSEQUENT EVENTS:

Events that occur after the balance sheet date but before the financial statements were issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Foundation through September 17, 2019, the date the report was available for issue, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosures in the notes to the financial statements.

NOTE 16 - LITIGATION WITH ASPIRE:

The Foundation is involved in litigation involving Aspire, the former contractor responsible for ticket sales on behalf of the Foundation. As of June 30, 2019, the Foundation reports a receivable from Aspire in Accounts Receivable in the amount of \$237,571. Aspire has disputed the total amount owed to the Foundation, but the attorney for the Foundation expects to prevail against Aspire on the merits should the matter proceed to trial. Resolution of the case could take anywhere from one week to three years from the date of suit. As of the report date, this dispute has not been settled.

NOTE 17 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects the Foundation's financial assets as of the balance sheet date of June 30, 2019, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2019

NOTE 17 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS: (Continued)

Financial Assets at June 30, 2019		4,118,693
Less those unavailable for general expenditure within one year, due to:		
Donor Restrictions	1,813,610	
Long-Term Receivables	<u>678,167</u>	
		<u>2,491,777</u>
Financial assets availability to meet cash needs for general expenditure, within one year		<u>1,626,916</u>

SUPPLEMENTAL INFORMATION

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
ANALYSIS OF NET ASSETS WITH DONOR RESTRICTIONS, PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2019

Donor Restricted Net Asset	Beginning Balance 7/01/18	Contributions	Earnings (Losses) and Other Revenue	Transfers	Expenses	Ending Balance 6/30/19
	Programs		Revenue			Programs
Caroline & John						
David Crow	26,907	-	-	(26,907)	-	-0-
ULMAD 500	12,806	460	-	-	(4,500)	8,766
Field Turf	15,176	11,240	-	-	(6,807)	19,609
Track & Field						
Renovation	60,839	1,227	-	-	-	62,066
Track & Field						
Coach	13,280	355	-	-	-	13,635
Warhawk Womens						
Club	-0-	1,332	13,124	-	(14,740)	(284)
Athletic Admin	998	1,125	156	11,067	(12,843)	503
Elee Trichel	2,214	3,650	-	-	(2,046)	3,818
Baseball	50,121	57,740	2,375	-	(65,451)	44,785
Men's						
Basketball	60,873	7,027	-	2,000	(12,287)	57,613
Basketball						
Renovation	2,000	-	-	(2,000)	-	-0-
Women's						
Basketball	442	791	-	133	(1,410)	(44)
Strength	7,678	1,900	-	-	(1,432)	8,146
Equipment	64	1,000	-	-	(364)	700
Training Room						
Naming Rights	-0-	12,500	-	-	-	12,500
Quarterback						
Club	5,627	32,650	-	-	(27,556)	10,721
Football	2,415	16,462	70	-	(14,799)	4,148
Football						
Excellence	113,436	8,445	-	-	(109,167)	12,714
Football						
Field House	(200,330)	73,818	1,683	-	(202,329)	(327,158)
Golf	26,949	38,348	11,100	29,576	(99,553)	6,420
Wally Jones						
Golf Center	-0-	570,155	-	-	-	570,155
Women's Golf	5,085	-	-	424	(5,509)	-0-
Golf Classic	42,822	102,099	1,155	(35,000)	(55,934)	55,142
Assistant						
Golf Coach	-0-	92,028	-	-	(47,268)	44,760
6th Man Club	-0-	300	-	-	-	300
Soccer	1,791	6,820	6,198	-	(11,847)	2,962
Softball	177,408	29,220	14,736	1,000	(40,715)	181,649
Softball Lounge	-0-	14,743	-	-	(6,938)	7,805
Women's Tennis	(2,851)	3,250	6,196	5,000	(11,282)	313
Track	7,807	5,974	5,234	-	(18,964)	51
ULM Scouts	45	-	2,751	-	(1,502)	1,294
Volleyball	1,396	3,151	17	-	(3,843)	721
Beach						
Volleyball	1,406	3,855	-	-	(3,076)	2,185
Champs	236	-	10,000	-	(4,963)	5,273
Sports Medicine	8,833	1,361	-	-	(9,300)	894

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
ANALYSIS OF NET ASSETS WITH DONOR RESTRICTIONS, PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2019

Donor Restricted Net Asset	Beginning Balance 7/01/18 Programs	Contributions	Earnings (Losses) and Other Revenue	Transfers	Expenses	Ending Balance 6/30/19 Programs
Malone Stadium Suites	283,249	24,428	106,940	(106,426)	(44,348)	263,843
Hugh D Smith Memorial	-0-	-	-	1,618	-	1,618
<u>Total</u>	<u>728,722</u>	<u>1,127,454</u>	<u>181,735</u>	<u>(119,515)</u>	<u>(840,773)</u>	<u>1,077,623</u>

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
 ANALYSIS OF NET ASSETS WITH DONOR RESTRICTIONS, SCHOLARSHIPS
 FOR THE YEAR ENDED JUNE 30, 2019

Donor Restricted Endowment	Beginning Balance 7/01/18 Funds Available	Contribution	Earnings and Other Revenue	Transfers	Expenses	Ending Balance 6/30/19 Funds Available
Buchanan	9,338	-	4,914	1,216	(1,216)	14,252
Burroughs	1,857	-	1,002	-	-	2,859
Fant	2,957	-	1,592	480	(480)	4,549
Huffman	1,834	-	234	-	-	2,068
Huntsman	5,101	-	2,734	187	(187)	7,835
Malone	4,971	-	2,680	383	(383)	7,651
Martin	27,632	-	5,079	284	(284)	32,711
John D Parker	5,051	-	2,664	311	(311)	7,715
Rivers	26,977	-	14,537	308	(308)	41,514
Shows	5,592	-	2,240	205	(205)	7,832
Hugh D Smith	186	-	94	(280)	-	-0-
Butler	5,086	-	2,760	-	-	7,846
Pittington	114	-	52	837	-	1,003
<u>Total</u>	<u>96,696</u>	<u>-0-</u>	<u>40,582</u>	<u>3,931</u>	<u>(3,374)</u>	<u>137,835</u>

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
ANALYSIS OF NET ASSETS WITH DONOR RESTRICTIONS, ENDOWMENT PRINCIPAL
FOR THE YEAR ENDED JUNE 30, 2019

Donor Restricted Endowment	Beginning Balance 7/01/18 Endowment Principal	Contribution	Earnings (Losses) and Other Revenue	Transfers	Expenses	Ending Balance 6/30/19 Endowment Principal
Crow	411	1,250	-	26,908	-	28,569
Buchanan	64,694	-	(559)	(1,216)	-	62,919
Burroughs	13,206	-	(89)	-	-	13,117
Fant	21,033	-	(190)	(480)	-	20,363
Huffman	1,694	-	(21)	-	-	1,673
Huntsman	36,034	-	(263)	(187)	-	35,584
Malone	35,372	-	(277)	(383)	-	34,712
Martin	48,777	-	(482)	(284)	-	48,011
John D Parker	35,029	200	(263)	(311)	-	34,655
Rivers	191,634	-	(1,328)	(308)	-	189,998
Shows	28,102	100	(216)	(205)	-	27,781
Hugh D Smith SOAR "A"	1,403	-	(65)	(1,338)	-	-0-
Endowment SOAR "A"	50,076	1,144	-	-	-	51,220
Athletics	13,379	-	-	-	-	13,379
Butler	36,417	-	(246)	-	-	36,171
Pittington	840	-	(3)	(837)	-	-0-
Total	<u>578,101</u>	<u>2,694</u>	<u>(4,002)</u>	<u>21,359</u>	<u>-0-</u>	<u>598,152</u>

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
 SCHEDULE OF REVENUES, EXPENSES AND CAPITALIZED EXPENSES MADE TO OR ON
 BEHALF OF THE UNIVERSITY INTERCOLLEGIATE ATHLETICS PROGRAM
 JUNE 30, 2019

REVENUE

<u>Date Received</u>	<u>Received From</u>	<u>Amount</u>	<u>Description</u>
NONE			

EXPENSES

<u>Date Paid</u>	<u>Paid To</u>	<u>Amount</u>	<u>Description</u>
8/20/18	ULM Athletic Ticket Office	290	Tickets Paid through the Athletic Foundation
9/17/18	ULM Athletic Ticket Office	1,230	Tickets Paid through the Athletic Foundation
12/17/18	ULM Athletic Ticket Office	45,238	Tickets Paid through the Athletic Foundation
1/22/19	ULM Athletic Ticket Office	1,000	Tickets Paid through the Athletic Foundation
2/18/19	ULM Athletic Ticket Office	265	Tickets Paid through the Athletic Foundation
2/25/19	ULM Athletic Ticket Office	150	Tickets Paid through the Athletic Foundation
4/5/19	ULM Athletic Ticket Office	100	Tickets Paid through the Athletic Foundation
5/20/19	ULM Athletic Ticket Office	200	Tickets Paid through the Athletic Foundation
6/10/19	ULM Athletic Ticket Office	4,200	Tickets Paid through the Athletic Foundation
7/13/18	ULM Athletics	500	Host Walk in the Grove
7/13/18	ULM Athletics	80	Grove Rental Spot
7/13/18	ULM Athletics	500	July Salary Stipend Supplement - Chris Warren
8/6/18	ULM Athletics	500	August Salary Stipend Supplement - Chris Warren
9/10/18	ULM Athletics	500	September Salary Stipend Supplement - Chris Warren
9/17/18	ULM Athletics	14,000	Reimburse ULM Athletics for Sidearm Platform Website License
2/17/18	ULM Athletics	2,816	Reimburse ULM Athletics for Suite Wristbands, etc.
10/1/18	ULM Athletics	175	Softball Rental Fees for Facilities
10/8/18	ULM Athletics	500	October Salary Stipend Supplement - Chris Warren
10/19/18	ULM Athletics	4,500	ULM AD 500 Account Balance To ULM Athletics

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
SCHEDULE OF REVENUES, EXPENSES AND CAPITALIZED EXPENSES MADE TO OR ON
BEHALF OF THE UNIVERSITY INTERCOLLEGIATE ATHLETICS PROGRAM
JUNE 30, 2019

<u>EXPENSES</u>				
<u>Date Paid</u>	<u>Paid To</u>	<u>Amount</u>	<u>Description</u>	
11/12/18	ULM Athletics	500	November Salary Stipend Supplement - Chris Warren	
11/12/18	ULM Athletics	1,000	ULM Mardis Gras Float	
11/12/18	ULM Athletics	139	Reimbursement for Car Rental - Women's Basketball	
11/12/18	ULM Athletics	500	December Salary Stipend Supplement - Chris Warren	
12/10/18	ULM Athletics	22,489	Funds for Grove Rental Income	
12/17/18	ULM Athletics	975	Resort Fees Myrtle Beach - Football	
12/20/18	ULM Athletics	691	Recruiting Travel - Terrance DeJongh	
12/20/18	ULM Athletics	200	Funds for Grove Rental Income	
12/20/18	ULM Athletics	877	Donor/Travel 2018 Football	
1/14/19	ULM Athletics	500	January Salary Stipend Supplement - Chris Warren	
1/14/19	ULM Athletics	308	Hotel Rooms for Arkansas State	
1/22/19	ULM Athletics	15,368	New ULM Football Uniform Pants	
2/8/19	ULM Athletics	500	February Salary Stipend Supplement - Chris Warren	
2/18/19	ULM Athletics	7	DeJongh Lodging Overage	
2/8/19	ULM Athletics	500	March Salary Stipend Supplement - Chris Warren	
3/25/19	ULM Athletics	641	Basketball Tickets for Students	
4/1/19	ULM Athletics	1,000	Student Tickets for CIT Tournament	
4/5/19	ULM Athletics	500	April Salary Stipend Supplement - Chris Warren	
5/6/19	ULM Athletics	3,114	Overpayment for Scouts Concession Stand Money	
5/6/19	ULM Athletics	16,000	Forty Basketball Courtside Tickets	
5/28/19	ULM Athletics	133	Reimburse ULM Hotel Overages For Golf	
6/3/19	ULM Athletics	500	May Salary Stipend Supplement - Chris Warren	

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
SCHEDULE OF REVENUES, EXPENSES AND CAPITALIZED EXPENSES MADE TO OR ON
BEHALF OF THE UNIVERSITY INTERCOLLEGIATE ATHLETICS PROGRAM
JUNE 30, 2019

<u>EXPENSES</u>				
<u>Date Paid</u>	<u>Paid To</u>	<u>Amount</u>	<u>Description</u>	
6/28/19	ULM Athletics	135	Warhawks Classic Officials Lodging	
6/28/19	ULM Athletics	17	Reimburse ULM Athletics - Postage for Hotel Incidental	
6/28/19	ULM Athletics	28	DeJongh Recruiting Lodging Overage	
6/28/19	ULM Athletics	8	Friedland Hotel State Tax	

CAPTITALIZED
EXPENSES
NONE

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
 SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS TO
 AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
 FOR THE YEAR ENDED JUNE 30, 2019

AGENCY HEAD NAME/TITLE: STEVEN FARMER, EXECUTIVE DIRECTOR

<u>Purpose</u>	<u>Amount Paid with State Funds</u>
Salary	-0-
Benefits-insurance	-0-
Benefits-retirement	-0-
Benefits-other (describe)	-0-
Benefits-other (describe)	-0-
Benefits-other (describe)	-0-
Car allowance	-0-
Vehicle provided by government (enter amount reported on W-2)	-0-
Per diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference travel	-0-
Housing	-0-
Unvouchered expenses (example: travel advances, etc.)	-0-
Special meals	-0-
Other - Training	-0-

COMPLIANCE REPORTS

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.

ROWLAND H. PERRY, CPA, APC
CHARLES L. JOHNSON, JR., CPA
VIOLET M. ROUSSEL, CPA, APC
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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
University of Louisiana at Monroe Athletic Foundation
Monroe, Louisiana

We were engaged to audit, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the University of Louisiana at Monroe Athletic Foundation (a nonprofit organization) as of and for the year ended June 30, 2019, and the related notes to the financial statements, and have issued our report thereon dated September 17, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered University of Louisiana at Monroe Athletic Foundation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University of Louisiana at Monroe Athletic Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the University of Louisiana at Monroe Athletic Foundation's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of

the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the University of Louisiana at Monroe Athletic Foundation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Johnson Perry Roussel & Cuthbert, LLP

JOHNSON, PERRY, ROUSSEL & CUTHBERT, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
September 17, 2019

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

Internal Control

There were no findings or questioned costs for the year ended June 30, 2019.

Compliance

There were no findings or questioned costs for the year ended June 30, 2019.

UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
CORRECTIVE ACTION TAKEN ON PRIOR YEAR FINDINGS
JUNE 30, 2019

There were no findings or questioned costs for the year ended June 30, 2018.