

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



AGREED-UPON PROCEDURES REPORT
ISSUED FEBRUARY 15, 2017

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

January 12, 2017

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 of Louisiana at Monroe Athletic Department is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.15 for the year ended June 30, 2016, and to assist you in your evaluation of the effectiveness of the University Athletic Department's internal control over financial reporting as of June 30, 2016. University management is responsible for the Statement (unaudited) and related notes (unaudited) and 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 listed below related to specific reporting categories were not performed if the specific reporting category was less than 0.5% 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 deposit form for ticket sales payments received 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 determined the University's adherence to the 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 legislations, completeness of the list of all known affiliated and outside organizations, and other information we considered necessary for the year ended June 30, 2016.
2. We verified the mathematical accuracy of the amounts on the Statement and compared and agreed each operating revenue and expense category reported on the Statement to supporting schedules provided by the University and/or the University's general ledger.

We identified errors in reporting categories; however, the University made the necessary adjustments to its Statement to correct those errors, which are specifically identified in the procedures below.

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, 2016, to June 30, 2015, amounts and budget estimates, to identify variances over the lesser of \$1 million or 10% from June 30, 2016.

We identified variances over the lesser of \$1 million or 10% from June 30, 2016, and obtained and documented the University's explanations for the variances. We reported the analysis in Appendix A to this report.

MINIMUM AGREED-UPON PROCEDURES FOR REVENUES

1. We used schedules prepared by the University to compare the total ticket sales revenue for the reporting period per the schedules to the related revenue reported by the University in the general ledger and Statement. We agreed the information on the schedules to the supporting game reconciliation for one football game, one men's basketball game, and one baseball game. We recalculated the reconciliations for the games tested.

We found the ticket sales revenues per the game reconciliations generated by the University's ticketing software system did not agree to the related revenue reported in the general ledger for the Appalachian State football game held on October 17, 2015, where (\$2,771) less was reported; for the Arkansas State men's basketball game held on February 13, 2016, \$168 more was reported; and for the Louisiana Tech University baseball game held on March 22, 2016, (\$21) less was reported. Also, the reconciliations did not indicate the date prepared, the preparer, or the reviewer. In addition, the total number of unsold preprinted tickets was not indicated on the baseball game reconciliation.

2. Based on the University's methodology for allocating student fees to the intercollegiate athletics program, we compared and agreed student fees reported in the Statement to student enrollment. We were to obtain explanations from the University regarding any variances in excess of 10%. We also recalculated the totals. If the athletic department is reporting that an allocation of student fees should be countable as generated revenues, we were to recalculate the totals of its methodology for supporting that the athletic department is able to count each sport, and tie the calculation to supporting documents. The University does not allocate the student fees to each sport.

We found no exceptions as a result of these procedures and identified no variances that exceeded 10%.

3. We compared the 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.

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

We found no exceptions as a result of these procedures.

5. We randomly selected one away game guarantee contest. We compared and agreed the contractual agreement amount to the University's general ledger and/or Statement. We recalculated the total.

We found no exceptions as a result of these procedures.

6. 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) not included above (e.g. contributions by corporate sponsors) that constitutes 10% or more of all contributions received for intercollegiate athletics during the reporting period.

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.

7. We compared the in-kind revenue recorded by the University during the reporting period with a schedule of in-kind donations. We recalculated the totals.

We found no exceptions as a result of these procedures.

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

We found no exceptions as a result of these procedures.

9. 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, corroborative supporting documents, and/or 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.

10. Based on the relevant terms and conditions of agreements related to the University's participation in revenues from royalties, licensing, advertisements, and sponsorships during the reporting period, we compared and agreed the related revenues to the general ledger and/or the Statement. We recalculated the totals.

We found no exceptions as a result of these procedures.

11. We randomly selected a sample of one operating revenue receipt from each revenue category not previously sampled and agreed to adequate supporting documentation. We recalculated the totals.

We found no exceptions as a result of these procedures.

MINIMUM AGREED-UPON PROCEDURES FOR EXPENSES

1. We randomly 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 allocated from the related aid award letter to the student's account. We performed a check of each student selected to ensure their information was reported accurately in the NCAA's Compliance Assistant software using NCAA specified criteria. We recalculated the totals for each sport and overall.

We found no exceptions as a result of these procedures.

2. We obtained and inspected a random sample of one contractual agreement that pertains to expenses recorded by the University from guaranteed contests during the reporting period. We agreed the related expenses to the University's general ledger and/or Statement. We recalculated the totals.

We found no exceptions as a result of these procedures.

3. 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 random sample of one support staff/administrative personnel and all head coaches from football and men's and women's basketball. 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.

- 4. We obtained a list prepared by the University and randomly selected one athletic employee receiving a severance payment from the University during the reporting period. We agreed the severance payment to the related termination letter or employment contract and recalculated the totals.

We found no exceptions as a result of these procedures.

- 5. We were to compare and agree the University's recruiting expense policies to existing University and NCAA-related policies. We obtained the general ledger detail, compared to the total recruiting expenses reported, and recalculated the totals.

The University had no written recruiting expense policies during the period. Additionally, based on our procedures, the University adjusted its Statement to reclassify \$196 as men's basketball recruiting expenses instead of team travel expenses. University management represented that the athletic department's established practice and intent is to follow all NCAA recruitment policies, rules, and regulations. Management also represented that athletic department personnel are formally educated regarding these policies, rules, and regulations and are held accountable to follow each. Management has drafted a University policy incorporating the NCAA recruitment policies, for all recruitment matters including recruitment expense classifications, and anticipates formal adoption by January 31, 2017.

- 6. We were to compare and agree the University's team travel policies to existing institutional and NCAA-related policies. We obtained the general ledger detail, compared it to the total team travel expenses reported, and recalculated the totals.

The University had no written team travel policies during the reporting period ended June 30, 2016, but later adopted team travel policies in August 2016. Additionally, as previously mentioned above, the University adjusted its

Statement to remove \$196 of men's basketball recruiting expenses from team travel expenses.

7. We obtained a listing of debt service schedules, lease payments, and rental fees for athletics facilities and compared the highest facility payment to additional supporting documentation. We compared amounts recorded to the general ledger detail and recalculated the totals.

We found no exceptions as a result of these procedures.

8. We randomly selected a sample of one expense from each expense category not previously sampled and validated existence of the transaction and accuracy of recording. We also obtained the general ledger detail, compared the total expenses reported, and recalculated the totals.

Based on our procedures, the University adjusted its Statement to reclassify \$149 of men's track laptop bags as equipment, uniforms, and supplies instead of game expenses; and to reclassify \$14,403 of baseball umpire payments as game expenses instead of membership and dues expenses.

9. For the expense transactions selected above, we compared and agreed to adequate supporting documentation.

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 athletic department to identify any contribution from an affiliated or outside organization, agency, or individuals (e.g., contributions by corporate sponsors) that constitute 10% or more of all contributions received during the reporting period. We ensured the source of funds, goods, and services, as well as the value associated with these items, were properly disclosed in the notes to the Statement. We obtained and reviewed supporting documentation for each such contribution.

The Foundation, an outside organization, contributed monies, goods, or services for or on behalf of the athletic department that exceeded 10% of the total contributions.

We found no exceptions as a result of these procedures

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 in the notes to the Statement.

We found no exceptions as a result of these procedures.

3. We obtained from University management the repayment schedules of all outstanding intercollegiate athletics debt maintained by the University during the reporting period. We recalculated the annual maturities (consisting of principal and interest) and agreed annual maturities to supporting documentation and to the University's general ledger. 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.

MINIMUM AGREED-UPON PROCEDURES FOR AFFILIATED AND OUTSIDE ORGANIZATIONS

1. We obtained from University management a listing of all affiliated and outside organizations for the reporting period. We obtained written representations from management that the Foundation was the only outside organization created for or on behalf of the athletic department.
2. We obtained from management of the University statements for the affiliated and outside organization and performed the following:
 - (a) We confirmed revenues and expenses directly with a responsible official of the organization.
 - (b) We reconciled the cash disbursements made by the organization for or on behalf of the University's intercollegiate athletics programs or employees to the revenues reported on the University's Statement.
 - (c) We reconciled the direct payments of outside organizations to the University with the revenues reported on the University's Statement.

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	\$199,118	\$41,820	\$7,568	\$248,004	\$131,755	\$628,265
In-kind	89,978	13,272	6,609	44,402	238,496	392,757
Total revenues	289,096	55,092	14,177	292,406	370,251	1,021,022
Expenses						
Coaching salaries, benefits, and bonuses paid by the University and related entities	57,700	15,475	4,768	32,906		110,849
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities	415				11,245	11,660
Recruiting	4,641	2,876	2,670	22,265	164	32,616
Team travel	24,039	14,709		13,460		52,208
Sports equipment, uniform, and supplies	1,544	890	769	82,096	28,613	113,912
Game expenses	31,150	1,182	370	2,500	1,099	36,301
Fundraising, marketing, and promotion	54,683	3,208	993	37,176	237,522	333,582
Athletic facilities debt service, leases, and rental fees	52,710					52,710
Direct overhead and administrative expenses	2,991	3,001	1,293	39,328	21,122	67,735
Memberships and dues				428	820	1,248
Student-athlete meals (non-travel)	28,550	6,248	500	14,836	3,520	53,654
Other operating expenses	30,673	7,503	2,814	47,411	66,146	154,547
Total expenses	289,096	55,092	14,177	292,406	370,251	1,021,022
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	NONE	NONE	NONE	NONE	NONE	NONE

We obtained written representations from management as to the fair presentation of the summary schedule. We compared the summary schedule provided by the outside organization to ensure data is included in the University's Statement.

- 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 control. We were to make inquiries of management to document any corrective action taken in response to the significant deficiencies.

The financial statements of the Foundation were audited by an independent certified public accounting firm for the year ended June 30, 2016. The audit report is dated September 9, 2016, and did not identify any significant deficiencies.

ADDITIONAL MINIMUM AGREED-UPON PROCEDURES

1. We obtained the squad lists of the University and compared and agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the squad lists of the institution. 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 institution'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 towards meeting the minimum contest requirement. We ensured that the institution has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System. If there were discrepancies, we were to determine whether the discrepancies were resolved prior to the report being submitted to the NCAA.

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 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, 2016. 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,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

KVL:BAC:BH:EFS:aa

ULM NCAA 2016

**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, 2016**

	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	OTHER SPORTS	NON- PROGRAM SPECIFIC	TOTAL
REVENUES						
Operating revenues:						
Ticket sales	\$104,153	\$104,419		\$60,362		\$268,934
Student fees					\$318,717	318,717
Direct institutional support	8,541		\$94,170	135,447	6,046,197	6,284,355
Indirect institutional support					132,414	132,414
Indirect institutional support - athletic facilities debt service, lease and rental fees					213,387	213,387
Guarantees	3,298,000	323,500	29,000	16,000		3,666,500
Contributions	199,118	41,820	7,568	248,004	207,385	703,895
In-kind	89,978	13,272	6,609	44,402	238,496	392,757
NCAA distributions					663,919	663,919
Conference distributions	146,398	58,357	58,256	28,454	1,114,442	1,405,907
Program, novelty, parking, and concession sales	19,662	5,947	5,480	5,760	18,768	55,617
Royalties, licensing, advertisements, and sponsorships					211,109	211,109
Athletics restricted endowment and investments income					1,124	1,124
Other operating revenue			275	9,205	331,459	340,939
Total operating revenues	<u>3,865,850</u>	<u>547,315</u>	<u>201,358</u>	<u>547,634</u>	<u>9,497,417</u>	<u>14,659,574</u>
EXPENSES						
Operating expenses:						
Athletic student aid	1,423,593	265,689	241,091	1,800,539	27,900	3,758,812
Guarantees	275,000	15,000	11,000			301,000
Coaching salaries, benefits, and bonuses paid by the University and related entities	1,655,729	550,580	331,301	973,904		3,511,514
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities	27,003	40,413	50,253	8,232	1,532,343	1,658,244
Severance Payments	111,007					111,007
Recruiting	70,574	41,140	18,959	81,115	164	211,952
Team travel	913,001	121,608	60,833	496,788		1,592,230
Sports equipment, uniforms, and supplies	16,373	5,805	983	89,071	130,055	242,287
Game expenses	560,225	175,369	98,482	231,569	104,538	1,170,183
Fundraising, marketing, and promotion	59,005	3,668	3,039	41,075	249,026	355,813
Athletic facilities debt service, leases and rental fees	52,710				213,387	266,097
Direct overhead and administrative expenses	32,174	4,250	2,710	53,837	323,298	416,269
Indirect institutional support					132,414	132,414
Medical expenses and insurance	65,257	32,410	39,291	187,020		323,978
Memberships and dues	2,263	1,655	1,759	5,182	103,416	114,275
Student-athlete meals (non-travel)	105,832	18,107	6,732	46,677	12,436	189,784
Other operating expenses	98,949	7,776	9,329	58,600	86,505	261,159
Total operating expenses	<u>5,468,695</u>	<u>1,283,470</u>	<u>875,762</u>	<u>4,073,609</u>	<u>2,915,482</u>	<u>14,617,018</u>
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENSES	<u>(\$1,602,845)</u>	<u>(\$736,155)</u>	<u>(\$674,404)</u>	<u>(\$3,525,975)</u>	<u>\$6,581,935</u>	<u>\$42,556</u>

NOTES TO THE FINANCIAL STATEMENT

(UNAUDITED)

1. CONTRIBUTIONS

No individuals or outside organizations, other than the University of Louisiana at Monroe Athletic Foundation, Inc. (Foundation), contributed monies, goods, or services for or on behalf of the athletic department that exceeded 10% of the total contributions included in Statement A. The Foundation's contributions totaled \$1,021,022.

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 three to 10 years for most movable property. All departments within the University follow standardized policies and procedures established 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 the bond payable for the athletic department for the year ended June 30, 2016:

Issue	Date of Issue	Original Issue	Principal Outstanding at June 30, 2015	Issued/ (Retired)	Principal Outstanding at June 30, 2016	Maturities	Interest Rates	Interest Outstanding at June 30, 2016
2014	6/30/2014	\$1,845,000	\$1,690,000	(\$165,000)	\$1,525,000	2024	2.90%	\$194,163
Total		<u>\$1,845,000</u>	<u>\$1,690,000</u>	<u>(\$165,000)</u>	<u>\$1,525,000</u>			<u>\$194,163</u>

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 to 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 \$1,525,000 at June 30, 2016.

The following is the amortization schedule for the outstanding bond payable for the athletic department as of June 30, 2016:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$170,000	\$43,374	\$213,374
2018	175,000	38,341	213,341
2019	180,000	32,938	212,938
2020	190,000	27,572	217,572
2021-2024	810,000	51,938	861,938
Total	<u>\$1,525,000</u>	<u>\$194,163</u>	<u>\$1,719,163</u>

MAJOR REVENUE AND EXPENSE ANALYSIS

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.

UNAUDITED

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

APPENDIX A

**Major Revenue and Expense Analysis
For the Year Ended June 30, 2016**

Accounts	Fiscal Year 2016	Fiscal Year 2015	Increase/ (Decrease)	% Variance	
10% of Operating Revenues per Statement A	\$1,465,958				
Revenue Account Balances Exceeding 10% Threshold and Variance of \$1 Million or 10%					
Direct institutional support	\$6,284,355	\$3,700,416	\$2,583,939	69.83%	¹
10% of Operating Expenses per Statement A					
Expense Account Balances Exceeding 10% Threshold and Variance of \$1 Million or 10%					
Athletic student aid	\$3,758,812	\$3,346,092	\$412,720	12.33%	²
Coaching salaries, benefits, and bonuses paid by the University	\$3,511,514	\$2,972,747	\$538,767	18.12%	³
Support staff/administrative salaries, benefits, and bonuses paid by the University and related entities	\$1,658,244	\$1,336,320	\$321,924	24.09%	⁴
Team travel	\$1,592,230	\$1,394,258	\$197,972	14.20%	⁵

Fiscal Year 2016 - Significant Budget Variances

The budget analysis is presented based on University data only. No revenues and expenses exceeded the 10% threshold and met the NCAA Guidelines threshold of significant variation of over the lesser of \$1 million or 10%. No explanations required.

NOTES:

¹ The University transferred approximately \$2.5 million more funds to athletics in fiscal year (FY) 2016 than in FY 2015 primarily due to increased salaries. There were many new positions in Athletics including employees hired at higher salaries, such as the football coach. The University's maximum state support allowed for athletics in FY 2016 was \$4,771,011, and the University transferred \$4,703,009 from the general fund. In FY 2015, the University's maximum state support allowed for athletics was \$4,661,129, and the University transferred only \$2,066,390 from the general fund. The University also transferred \$52,000 less auxiliary and restricted funds to athletics in FY 2016 than in FY 2015.

² More students qualified to receive scholarships, and more funds were transferred to the athletics department to award the scholarships in FY 2016. Increases by sport consisted of \$250,000 more men's football scholarships; \$48,000 more men's track scholarships; \$24,000 more women's track scholarships; \$68,000 more volleyball scholarships; and \$25,000 more women's golf scholarships.

³ New coaches were brought in for several sports, and these coaches were paid higher initial salaries than their previous incumbents. The University offers competitive salaries when possible to bring in coaching talent. With some coaches, several assistant coaches and other staff were also replaced in FY 2016. Increases by sport included \$302,000 in football salaries; \$83,000 in football termination pay; \$121,000 in men's basketball salaries; \$17,000 in women's basketball salaries; and \$8,000 in women's tennis salaries.

⁴ The athletics department utilized more student labor because it is flexible and generally cheaper than hiring full-time staff to perform tasks that could be done by student workers and graduate assistants. There was a \$50,000 increase in graduate assistant and student labor wages across all sports in FY 2016. Also, there was a \$135,000 increase in the athletic director's salaries and benefits; a \$51,000 increase in strength and conditioning employees' salaries and benefits; and new event ticket sellers were hired and paid \$85,000 in 2016. The University did not handle ticket sales in FY 2015.

⁵ The University sports teams played more out-of-state games in FY 2016 than in FY 2015. This was a \$162,000 increase in football travel mainly due to the game played in Hawaii; a \$22,000 increase in men's basketball travel mainly due to two games played in Las Vegas, Nevada; and a \$27,000 increase in baseball travel to play a three-game series in Troy, Alabama. There was also a \$13,000 decrease in soccer travel mainly due to games played in North Carolina and Alabama in FY 2015 and not in FY 2016.