

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC SCHOLARSHIP FOUNDATION**

FINANCIAL REPORT

**FOR THE YEARS ENDED
JUNE 30, 2003 AND 2002**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1-5-05

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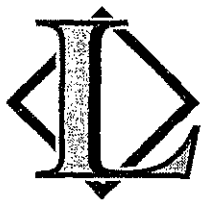
JUNE 30, 2003

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LITTLE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Wm. TODD LITTLE, CPA
CHARLES R. MARCHBANKS, JR., CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The University of Louisiana at Monroe
Athletic Scholarship Foundation
(A Nonprofit Organization)

We have audited the accompanying statements of financial position of The University of Louisiana at Monroe Athletic Scholarship Foundation (the Foundation) as of June 30, 2003 and 2002, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The University of Louisiana at Monroe Athletic Scholarship Foundation as of June 30, 2003 and 2002, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules 1, 2 and 3 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Little & Associates

Monroe, Louisiana
September 30, 2003

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC SCHOLARSHIP FOUNDATION
STATEMENTS OF FINANCIAL POSITION**

	June 30,	
	2003	2002
ASSETS		
Cash and Cash Equivalents	\$ 378,169	\$ 111,031
Accounts Receivable	21,000	7,590
Contributions Receivable - Suites	125,184	177,689
Contributions Receivable - Debt Reduction, net of Allowance for Uncollectible Pledges of \$0 in 2003 and \$14,800 in 2002	13,833	84,900
Bank Trust Funds		
Cash and Cash Equivalents	13,852	78,581
Investments, at Market	221,365	150,246
Securities	4,700	3,200
Cash Surrender Value of Life Insurance	209,197	189,502
Loan Fees	2,125	-
Advance Deposits on Malone Stadium Suites, net of Accumulated Amortization of \$314,231 in 2003 and \$251,386 in 2002	314,233	377,079
Property and Equipment, net of Accumulated Depreciation of \$144,967 in 2003 and \$104,450 in 2002	580,270	108,238
TOTAL ASSETS	\$ 1,883,928	\$ 1,288,056
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	\$ 28,069	\$ 20,968
Accrued Interest Payable	3,089	4,962
Note Payable	807,232	605,251
Total Liabilities	838,390	631,181
Net Assets		
Unrestricted	309,521	58,151
Temporarily Restricted, Debt Reduction	13,833	84,900
Temporarily Restricted, Programs	439,030	233,539
Temporarily Restricted, Scholarships	16,931	17,042
Permanently Restricted	266,224	263,243
Total Net Assets	1,045,538	656,875
TOTAL LIABILITIES AND NET ASSETS	\$ 1,883,928	\$ 1,288,056

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

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC SCHOLARSHIP FOUNDATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002**

	2003					TOTAL 2003
	Unrestricted	Temporarily Restricted			Permanently Restricted Endowment Principal	
		Debt Reduction	Departments & Scholarships	Endowment Income		
SUPPORT, REVENUES AND GAINS						
Support						
Contributions - Cash	\$ 224,499	\$ -	\$ 306,735	\$ -	2,795	\$ 534,029
Contributions - Debt Reduction	-	3,500	-	-	-	3,500
Contributions - Non Cash	346,074	-	-	-	-	346,074
Total Support	<u>570,573</u>	<u>3,500</u>	<u>306,735</u>	<u>-</u>	<u>2,795</u>	<u>883,603</u>
Revenues and Gains						
Investment Income	5,151	-	-	6,390	-	11,541
Other Income	157,603	-	378,735	-	-	536,338
Total Revenues and Gains	<u>162,754</u>	<u>-</u>	<u>378,735</u>	<u>6,390</u>	<u>-</u>	<u>547,879</u>
Net Assets Released from Restrictions						
Restrictions Satisfied by Payments	560,861	(74,567)	(479,979)	(6,315)	-	-
Total Support, Revenues and Gains	<u>1,294,188</u>	<u>(71,067)</u>	<u>205,491</u>	<u>75</u>	<u>2,795</u>	<u>1,431,482</u>
EXPENSES						
Program Services						
General Scholarships	6,315	-	-	-	-	6,315
University & Sports Promotion	317,357	-	-	-	-	317,357
Departmental Expenses	151,561	-	-	-	-	151,561
Staff Support	119,492	-	-	-	-	119,492
Depreciation and Amortization	103,364	-	-	-	-	103,364
Total Program Services	<u>698,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>698,089</u>
Supporting Services						
Interest Expense	32,058	-	-	-	-	32,058
Miscellaneous Expense	1,653	-	-	-	-	1,653
Materials & Supplies	170,487	-	-	-	-	170,487
Professional Services	13,900	-	-	-	-	13,900
Fund Raising	126,432	-	-	-	-	126,432
Bad Debts	200	-	-	-	-	200
Total Supporting Services	<u>344,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>344,730</u>
Total Expenses	<u>1,042,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,042,819</u>
Change in Net Assets	251,370	(71,067)	205,491	75	2,795	388,663
Transfers In/(Out)	-	-	-	(186)	186	-
Net Assets-Beginning of Year	<u>58,151</u>	<u>84,900</u>	<u>233,539</u>	<u>17,042</u>	<u>263,243</u>	<u>656,875</u>
Net Assets-End of Year	<u>\$ 309,521</u>	<u>\$ 13,833</u>	<u>\$ 439,030</u>	<u>\$ 16,931</u>	<u>\$ 266,224</u>	<u>\$ 1,045,538</u>

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

2002

Unrestricted	Temporarily Restricted			Permanently Restricted Endowment Principal	Total 2002
	Debt Reduction	Departments & Scholarships	Endowment Income		
\$ 201,791	\$ -	\$ 137,607	\$ 250	\$ 7,171	\$ 346,819
-	5,250	-	-	-	5,250
225,814	-	-	-	-	225,814
<u>427,605</u>	<u>5,250</u>	<u>137,607</u>	<u>250</u>	<u>7,171</u>	<u>577,883</u>
5,126	-	-	9,755	-	14,881
70,674	-	308,725	834	-	380,233
<u>75,800</u>	<u>-</u>	<u>308,725</u>	<u>10,589</u>	<u>-</u>	<u>395,114</u>
556,850	(59,150)	(488,150)	(9,550)	-	-
<u>1,060,255</u>	<u>(53,900)</u>	<u>(41,818)</u>	<u>1,289</u>	<u>7,171</u>	<u>972,997</u>
9,550	-	-	-	-	9,550
306,681	-	-	-	-	306,681
118,546	-	-	-	-	118,546
120,064	-	-	-	-	120,064
93,427	-	-	-	-	93,427
<u>648,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>648,268</u>
49,602	-	-	-	-	49,602
1,682	-	-	-	-	1,682
114,268	-	-	-	-	114,268
21,113	-	-	-	-	21,113
65,056	-	-	-	-	65,056
14,800	-	-	-	-	14,800
<u>266,521</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>266,521</u>
914,789	-	-	-	-	914,789
145,466	(53,900)	(41,818)	1,289	7,171	58,208
(87,315)	138,800	275,357	15,753	256,072	598,667
<u>\$ 58,151</u>	<u>\$ 84,900</u>	<u>\$ 233,539</u>	<u>\$ 17,042</u>	<u>\$ 263,243</u>	<u>\$ 656,875</u>

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC SCHOLARSHIP FOUNDATION
STATEMENTS OF CASH FLOWS**

	Year Ended June 30,	
	2003	2002
Cash Flows From Operating Activities		
Increase (Decrease) in Net Assets	\$ 388,663	\$ 58,208
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation and Amortization	103,364	93,427
Non Cash Contribution of Securities	(1,500)	(1,500)
Non Cash Contribution of Loan Fees	(2,500)	
Change in:		
Accounts Receivable and Contributions Receivable-Suites	39,096	11,910
Contributions Receivable-Debt reduction	71,067	87,182
Cash Surrender Value of Life Insurance Policies	(19,695)	(13,289)
Accounts Payable	7,101	(560)
Interest Payable	(1,873)	(3,430)
Total Adjustments	195,060	173,740
Net Cash Provide (Used) by Operating Activities	583,723	231,948
Cash Flows From Investing Activities		
(Increase) Decrease in Bank Trust Funds	(71,119)	3,121
Purchases of Fixed Assets, net	(512,549)	(36,942)
Net Cash Provided (Used) by Investing Activities	(583,668)	(33,821)
Cash Flows From Financing Activities		
Proceeds from Issuance of Long-Term Debt	425,000	-
Repayments of Debt	(222,646)	(200,158)
Net Cash Provided (Used) by Financing Activities	202,354	(200,158)
Net Increase (Decrease) in Cash and Cash Equivalents	202,409	(2,031)
Cash and Cash Equivalents at Beginning of Year	189,612	191,643
Cash and Cash Equivalents at End of Year	\$ 392,021	\$ 189,612

(Continued)

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

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC SCHOLARSHIP FOUNDATION
STATEMENTS OF CASH FLOWS (CONCLUDED)**

	Year Ended June 30,	
	2003	2002
CASH AND CASH EQUIVALENTS INCLUDED ON STATEMENT OF FINANCIAL POSITION:		
Cash in Banks	\$ 378,169	\$ 111,031
Cash in Bank Trust Funds	13,852	78,581
TOTAL CASH AND CASH EQUIVALENTS AS INCLUDED ON STATEMENT OF FINANCIAL POSITION	\$ 392,021	\$ 189,612
<i>Cash Paid for Interest</i>	<i>\$ 33,931</i>	<i>\$ 53,031</i>

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

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC SCHOLARSHIP FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002**

Note 1 – Organization and Summary of Significant Accounting Policies

The University of Louisiana at Monroe Athletic Scholarship 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 40-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.

Basis of Presentation

The financial statements have been prepared on the accrual basis 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*.

Financial Statement Classification

The net assets of the Foundation are reported in three classes as follows:

1. Unrestricted - includes all resources received without donor restrictions to be used in support of the Foundation's operations at the sole discretion of the Foundation. Resources that are temporarily restricted by the donor when given, but are relieved of the restriction during the year, are carried as unrestricted.
2. Temporarily Restricted - includes amounts that have been donated subject to donor-imposed stipulations that will or will not be met by action of the Foundation and/or the passage of time.

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC SCHOLARSHIP FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002**

Note 1 – Organization and Summary of Significant Accounting Policies (Continued)

Financial Statement Classification (Continued)

3. Permanently Restricted - represents amounts contributed to the Foundation that are subject to restrictions imposed by the gift instruments. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on the related investments for general or specific purposes as may be expressed by the donor.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support 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 temporarily restricted when received from the donor, but the restrictions are satisfied in the same year, are recorded as unrestricted contributions.

Donated Services and Materials

Noncash 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 nonfinancial 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 years ended June 30, 2003 and 2002, the Foundation received various donations of materials and/or services in the amount of \$346,074 and \$225,814, respectively, which enhanced the Foundation as a whole.

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.

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC SCHOLARSHIP FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002**

Note 1 – Organization (Continued)

Income Tax Status

The Foundation is a nonprofit corporation exempted from Federal income taxes as other than a private Foundation under Section 501(c) (3) of the Internal Revenue Code.

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.

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 these estimates.

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 3 to 15 years. The balances of equipment owned by the Foundation by major category are as follows at June 30, 2003 and 2002:

	<u>2003</u>	<u>2002</u>
Van for golf team	\$ 18,333	\$ 18,333
Weight equipment	74,896	73,896
Other	10,924	10,924
Computer Equipment	10,203	10,203
Furniture and fixtures	110,507	44,407
Equipment-Baseball	12,645	12,645
Equipment-Football	40,482	27,472
Equipment-Tennis & Track	6,191	4,836

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC SCHOLARSHIP FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002**

Note 2 - Property and Equipment (Continued)

Equipment-Golf	384	384
House	424,849	-
Construction in Progress	6,235	-
Accessories-Malone Suites	<u>9,588</u>	<u>9,588</u>
Total	725,237	212,688
Less: Accumulated depreciation	<u>(144,967)</u>	<u>(104,450)</u>
Net	<u>\$ 580,270</u>	<u>\$ 108,238</u>

Depreciation and amortization expense for the years ended June 30, 2003 and 2002, was \$103,364 and \$93,427, respectively.

Note 3 - Bank Trusts

The investments held at June 30, 2003 and 2002, 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,

	<u>2003</u>	<u>2002</u>
Cash Equivalents	\$ 13,852	\$ 78,581
Mutual Funds	<u>221,365</u>	<u>150,246</u>
TOTAL BANK TRUST FUNDS	<u>\$ 235,217</u>	<u>\$ 228,827</u>

Bank trust fund investment return is summarized as follows for the years ended June 30,

	<u>2003</u>	<u>2002</u>
Interest and dividend income	\$ 6,271	\$ 12,876
Net realized and unrealized gains/losses	<u>119</u>	<u>(3,121)</u>
TOTAL	<u>\$ 6,390</u>	<u>\$ 9,755</u>

Note 4 - 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.

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC SCHOLARSHIP FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002**

Note 4 - Insurance Program (Continued)

For the year ended June 20, 2003, contributions in the form of premiums of \$19,426 were made. The cash value of these policies increased by \$19,695.

For the year ended June 30, 2002, contributions in the form of premiums of \$18,664 were made. The cash value of these policies increased by \$13,289.

Note 5 - Funds Available

Included in the Statements of Financial Position under temporarily restricted net assets are funds available for scholarships. These consist of earnings from invested endowment funds. Changes in funds available during the year ended June 30, 2003 and 2002, were as follows:

	<u>2003</u>	<u>2002</u>
Funds available - Beginning of Year	\$ 17,042	\$ 15,753
Contributions	-	250
Earnings	6,390	9,755
Special events, net	-	834
Scholarships and support	(6,315)	(9,550)
Transfers to permanently restricted	<u>(186)</u>	<u>-</u>
Funds available - End of Year	<u>\$ 16,931</u>	<u>\$ 17,042</u>

Note 6 - Contributions Receivable-Suites

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

<u>Years Ending</u> <u>June 30,</u>	<u>Total</u> <u>Due</u>	<u>Estimated</u> <u>Costs</u>	<u>Net</u> <u>Contribution</u>	<u>Discounts</u>	<u>Net Present</u> <u>Value</u>
2004-2009	\$ 324,000	\$ (179,200)	\$ 144,800	\$ 19,616	\$ 125,184

Estimated costs are tickets to football and basketball games and food for the occupants of the suites during football games. The discount represents an 8% factor to arrive at net present value.

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC SCHOLARSHIP FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002**

Note 7 - Advance Deposits on Malone Stadium Suites

The Foundation paid the State of Louisiana for the Malone Stadium Suites as costs were incurred. In return for payment for the suites, the Foundation received the right to use the suites to further the mission of the Foundation. Since the Foundation does not own the suites, the amounts paid for these rights are to be amortized over the ten-year life of the initial agreements entered into with the contributors. Amortization of \$62,846 is included in the accompanying financial statements for the years ending June 30, 2003 and 2002.

Note 8 - Notes Payable and Long-term Debt

On March 20, 1998, the Foundation entered into a term loan agreement for construction bearing an annual interest rate of 8.00% payable quarterly and annual principal reductions of \$60,000 due on February 1 of each year with a final payment of \$415,000 due on February 1, 2002. On February 1, 2002, this loan was renewed in the amount of \$355,000. The new loan matures February 11, 2008, and bears interest at a rate of 6.555% per annum. This note is a participation loan whereby the participants and the related loan amounts consist of the following as of June 30, 2003:

Hibernia Bank	\$ 73,750
Regions Bank	73,750
Bank One	<u>147,500</u>
 Total Loan	 <u>\$ 295,000</u>

On September 30, 1998, the Foundation entered into a long-term financing agreement with Daktronics, Inc. for the payment of an additional \$45,000 for certain scoreboards. The payments are financed over a period of five years at an annual interest rate of 8.00%. As of June 30, 2003, this loan was paid in full.

A loan from American Horizons Bank in the principal amount of \$223,000 matured on February 24, 2003. The loan was renewed with a maturity date of September 24, 2003, and bears interest at a rate of 4.00%. The loan is secured by the assignment of cash surrender values of all life insurance policies owned by the Foundation. The balance of the loan at June 30, 2003, is \$87,232. Subsequent to year end, the loan was renewed with a maturity date of September 24, 2004.

A loan from Regions Bank in the original principal amount of \$177,800 was refinanced at maturity (December 31, 2001) for a new loan with a maturity date of December 31, 2002. The loan bears interest at a variable rate and is secured by bank trust funds. As of June 30, 2003, this loan was paid in full.

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC SCHOLARSHIP FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002**

Note 8 - Notes Payable and Long-term Debt (Continued)

On June 20, 2003, the Foundation obtained financing from American Horizons Bank. The loan, in the original amount of \$425,000, bears interest at an annual rate of prime plus 1.00% (5.25% at June 30, 2003). The interest is to be paid in quarterly installments. The loan is payable upon demand and if no demand is made, then the loan will be repaid in one principal payment of \$425,000 due on the maturity date, June 20, 2004. The proceeds from the loan were used to purchase a house and property, which also serves as collateral for the loan. The loan is also secured by collateral securing other loans with American Horizons Bank as the result of cross-collateralization.

Debt service to maturity is as follows:

Years Ending June 30,	(Participation Loan)		American		Total
	Hibernia	American Horizons	American Horizons		
2004	\$ 60,000	\$ 425,000	\$ 87,232		\$ 572,232
2005	60,000	-	-		60,000
2006	60,000	-	-		60,000
2007	60,000	-	-		60,000
2008	115,000	-	-		55,000
Total	<u>\$ 295,000</u>	<u>\$ 425,000</u>	<u>\$ 87,232</u>		<u>\$ 807,232</u>

Interest expense for the years ended June 30, 2003 and 2002 was \$32,058 and \$49,602, respectively.

Note 9 - 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. Contributions receivable on the suites are stated at their net present value using a discount rate of 8%, which is a reasonable estimate of the fair value of these receivables. No collateral is required on contributions receivable. At June 30, 2003, the Foundation's uninsured cash balances in Bank One totaled \$223,984.

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC SCHOLARSHIP FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002**

Note 10 – Other Income-Life Insurance Proceeds

On September 12, 2002, as beneficiary, the Foundation received \$101,723 in proceeds from a life insurance policy. A portion of the proceeds was used to pay off the remaining balance of the Regions Bank loan. The remaining proceeds are currently held as unrestricted funds in a money market account.

Note 11 – Subsequent Events

Subsequent to year-end, the Foundation entered into an operating lease with the University of Louisiana at Monroe to lease a house that was purchased by the Foundation during the year at a cost of \$424,849. Rental payments of \$3,333 are payable monthly to the Foundation throughout the lease period from July 1, 2003 through June 30, 2004. The Foundation is responsible for maintaining the property, paying all taxes and governmental charges imposed on the property and providing adequate property and liability insurance. The property shall be used and operated only in compliance with all governmental requirements.

SUPPLEMENTARY INFORMATION

**THE UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC SCHOLARSHIP FOUNDATION
ANALYSIS OF TEMPORARILY RESTRICTED NET ASSETS, PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2003**

Temporarily Restricted Funds	Balance	Contributions		Other	Transfers/ Reclasses/ From (To)	Scholarships	Other	Balance
	June 30, 2002	Revenue	Other Funds	Revenue	Other Funds	Expenses	Expenses	June 30, 2003
	\$	\$	\$	\$	\$	\$	\$	\$
Athletic Administration	-	61,060	(13,010)	1,105	(13,010)	(14,701)	(14,701)	34,454
Baseball	239	18,183	6,805	55,805	6,805	(80,890)	(80,890)	142
Women's Athletics	1,024	-	-	-	-	-	-	1,024
Men's Basketball	8,708	7,352	-	4,215	-	(5,895)	(5,895)	14,380
Women's Basketball	770	1,800	160	6,643	160	(6,455)	(6,455)	2,918
Strength	1,194	70	-	-	-	(623)	(623)	641
Football	-	1,150	17,722	1,801	17,722	(20,673)	(20,673)	-
Golf	17,205	27,215	(1,235)	53,749	(1,235)	(79,343)	(79,343)	17,591
Soccer	1,417	10,301	-	8,318	-	(13,714)	(13,714)	6,322
Softball	4,644	4,416	-	2,213	-	(7,811)	(7,811)	3,462
Ski Team	153	125	-	-	-	-	-	278
Swimming	447	19,436	-	437	-	(18,573)	(18,573)	1,747
Women's Tennis	1,723	3,471	-	366	-	(2,997)	(2,997)	2,563
Men's Track	4,328	3,916	(1,355)	6,869	(1,355)	(8,465)	(8,465)	5,293
Volleyball	80	2,950	-	271	-	(2,416)	(2,416)	885
Sports Medicine	6,418	50	(6,000)	13,500	(6,000)	(13,337)	(13,337)	631
Spear-It	-	540	-	-	-	(537)	(537)	3
Media	-	17,200	(805)	223,443	(805)	(166,826)	(166,826)	73,012
Capital Projects	-	127,500	-	-	-	-	-	127,500
Malone Stadium Suites Licensing	185,189	-	(39,005)	-	(39,005)	-	-	146,184
TOTAL	\$ 233,539	\$ 306,735	\$ 36,723	\$ 378,735	\$ (36,723)	\$ (443,256)	\$ (443,256)	\$ 459,030

**THE UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC SCHOLARSHIP FOUNDATION
ANALYSIS OF TEMPORARILY RESTRICTED NET ASSETS, SCHOLARSHIPS
FOR THE YEAR ENDED JUNE 30, 2003**

Temporarily Restricted Endowment	<u>FUNDS AVAILABLE</u>							Balance June 30, 2003 Funds Available
	Balance June 30, 2002 Funds Available	Contributions	Earnings	Staff Support	General Scholarships	Transfers/Endowments		
Buchanan	\$ 32	\$ -	\$ 1,056	\$ -	\$ (1,050)	\$ (38)	\$ -	
Butler	-	-	36	-	-	(36)	-	
Burroughs	1,400	-	334	-	(330)	-	1,404	
Fant	11	-	484	-	(480)	(15)	-	
Huffman	1,039	-	160	-	(155)	-	1,044	
Huntsman	11	-	848	-	(840)	(18)	-	
Malone	29	-	730	-	(725)	(34)	-	
Martin	14,479	-	1,293	-	(1,290)	-	14,482	
Parker	31	-	790	-	(790)	(31)	-	
Shows	10	-	660	-	(655)	(14)	-	
TOTAL	\$ 17,042	\$ -	\$ 6,390	\$ -	\$ (6,315)	\$ (186)	\$ 16,931	

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC SCHOLARSHIP FOUNDATION
ANALYSIS OF PERMANENTLY RESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2003**

Permanently Restricted Endowment	Balance June 30, 2002 Endowment Principal	ENDOWMENT PRINCIPAL		Balance June 30, 2003 Endowment Principal
		Contributions	Transfers/ Endowments	
Buchanan	\$ 46,181	\$ 395	\$ 38	\$ 46,614
Burroughs	13,242	35	-	13,277
Butler	1,283	280	36	1,599
Fant	21,171	-	15	21,186
Groseclose	-	1,000	-	1,000
Huffman	5,983	-	-	5,983
Huntsman	37,109	-	18	37,127
Malone	31,957	-	34	31,991
Martin	43,101	-	-	43,101
Parker	34,358	960	31	35,349
Shows	<u>28,858</u>	<u>125</u>	<u>14</u>	<u>28,997</u>
TOTAL	\$ <u>263,243</u>	\$ <u>2,795</u>	\$ <u>186</u>	\$ <u>266,224</u>