

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



AGREED-UPON PROCEDURES REPORT
ISSUED JANUARY 27, 2020

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

January 14, 2020

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

DR. NICK BRUNO, PRESIDENT
UNIVERSITY OF LOUISIANA AT MONROE
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Monroe, Louisiana

We have performed the procedures enumerated below, which were agreed to by you, as President of the University of Louisiana at Monroe (University), solely to assist you in evaluating whether the accompanying Statement of Revenues and Expenses (Statement) of the University's athletic department is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.15 for the year ended June 30, 2019. University management is responsible for the accuracy of the Statement (unaudited) and the related notes (unaudited) and the compliance with NCAA requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of management of the University. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

Procedures were not performed on specific reporting categories that were less than 4% of the total revenues or expenses.

The procedures that we performed and our findings are as follows:

MINIMUM COMPLIANCE AGREED-UPON PROCEDURES

INTERNAL CONTROL

1. We obtained, through discussion with management, the identity of those aspects of internal control that management considers unique to intercollegiate athletics.
2. We performed procedures to test specific elements of the control environment and accounting systems that are unique to intercollegiate athletics to determine

adherence to established policies and procedures relating to revenues and expenses. The following procedures were performed:

- (a) We randomly selected one cash receipt batch sheet of ticket sales and followed it through the University's cash control system to determine adherence to established policies and procedures.
- (b) We selected the 10 largest athletic department cash disbursement transactions and followed them through the University's accounting system to determine adherence to established policies and procedures.
- (c) We inquired of and observed athletic department personnel to determine their compliance with policies and procedures related to the control and safeguarding of unsold tickets.

We found no exceptions as a result of these procedures.

3. We obtained the University's procedures for gathering information on the nature and extent of affiliated and outside organization activity for or on behalf of the University's intercollegiate athletics program and performed procedures to determine the University's adherence to these procedures.

We found no exceptions as a result of these procedures.

STATEMENT OF REVENUES AND EXPENSES

GENERAL PROCEDURES

1. We obtained written representations from management as to the fair presentation of the Statement, completeness of required schedules and related financial information, adequacy of controls, compliance with NCAA rules and legislation, completeness of the list of all known affiliated and outside organizations, and other information as we considered necessary for the year ended June 30, 2019.
2. We verified the mathematical accuracy of the amounts on the Statement and compared and agreed the amounts to supporting schedules provided by the University and/or the University's general ledger.

We found no exceptions as a result of these procedures.

3. We compared and agreed a sample of five operating revenue receipts and a sample of five expense disbursements obtained from the supporting schedules to adequate supporting documentation.

We found no exceptions as a result of these procedures.

4. We compared each major revenue and expense account over 10% of total revenues or expenses for June 30, 2019, to June 30, 2018, amounts and budget estimates, to identify variations greater than 10%.

We identified no variations greater than 10%.

MINIMUM AGREED-UPON PROCEDURES FOR REVENUES

1. Using a schedule prepared by the University, we compared the value of the tickets sold, complimentary tickets provided, and unsold tickets for the reporting period per the schedule to the related revenue reported by the University in the general ledger and Statement. We were to compare the value of tickets to related attendance figures; however, official attendance figures are not maintained by the University. We agreed the information on the schedule to the supporting game reconciliation for one football game, one men's basketball game, and one baseball game. We also recalculated the reconciliations for the games tested.

We found that the University's electronic ticketing system did not track the number of pre-printed general admission tickets to verify the number of unsold tickets reported on the football game reconciliation. We found no other exceptions as a result of these procedures.

2. We compared direct institutional support recorded by the University during the reporting period with the institutional supporting budget transfers documentation and other corroborative supporting documentation. We recalculated the totals.

We found no exceptions as a result of these procedures.

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

We found no exceptions as a result of these procedures.

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

We found no exceptions as a result of these procedures.

5. We were to obtain and review supporting documentation for each contribution of monies, goods, or services received directly by an intercollegiate athletics program from any affiliated or outside organization, agency, or group of individuals (two or more) that constitutes 10% or more of all contributions received for intercollegiate athletics during the reporting period, and recalculate the totals.

There were no contributions received directly by the University during the reporting period that constituted 10% or more of all contributions received for intercollegiate athletics.

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

We found no exceptions as a result of these procedures.

7. We compared and agreed the revenues related to the University's conference distributions and participation in revenues from conference tournaments during the reporting period to the University's general ledger and Statement. The University had no agreements related to these revenues during the reporting period. We recalculated the totals.

We found no exceptions as a result of these procedures.

MINIMUM AGREED-UPON PROCEDURES FOR EXPENSES

1. We selected a sample of 10% of the total student athletes from the listing of University student aid recipients, obtained individual student-account detail for each selection, and compared total aid in the University's student system to the student's detail in NCAA's Compliance Assistant software (CA). We performed a check of each student selected to ensure their information was reported accurately in the NCAA's CA software using NCAA-specified criteria. We recalculated the totals for each sport and overall.

We found that the University uses a combination of actual and average amounts to report student aid detail in the NCAA's CA software, as per NCAA Bylaws.

We found one student reported in the NCAA's CA software as receiving aid for two sports with a revenue distribution equivalence greater than the maximum 1.00 allowed. Also, the athletics aid equivalency for women's tennis exceeded the maximum equivalency limit by 0.5 due to aid awarded to a student athlete who returned from medical leave during the reporting period.

2. We obtained from management a list of coaches and support staff/administrative personnel paid by the University and related entities during the reporting period and examined the contracts for a sample of one football and one men's and women's basketball coach and one support staff/administrative personnel. The following procedures were performed:
 - (a) We compared and agreed the financial terms and conditions of each selection to the related salaries, benefits, and bonuses recorded by the University and related entities in the Statement during the reporting period.
 - (b) We obtained and inspected payroll summary registers for the reporting year for each selection.

- (c) We compared and agreed related payroll summary registers for each selection to the related salaries, benefits, and bonuses paid by the University in the Statement during the reporting period.
- (d) We compared and agreed the totals recorded to the employment contracts executed for the sample selected.
- (e) We recalculated the totals.

We found no exceptions as a result of these procedures.

3. We compared and agreed the University's team travel policies to existing University and NCAA-related policies. We also obtained the general ledger detail and compared it to the total team travel expenses reported and recalculated the totals.

We found no exceptions as a result of these procedures.

4. We obtained the general ledger detail for game expenses and compared the detail to the total expenses reported. We selected a sample of one transaction and validated its existence and the accuracy of its recording. We recalculated the totals.

We found no exceptions as a result of these procedures.

5. We obtained a listing of debt service schedules for athletic facilities and compared a sample of three facility payments that included the top two highest payments to debt financing agreements and to the general ledger detail. We also recalculated the totals.

We found no exceptions as a result of these procedures.

6. We obtained the general ledger detail for sports equipment, uniform, and supplies and compared the detail to the total expenses reported. We selected a sample of one transaction and validated its existence and the accuracy of its recording. We recalculated the total.

We found no exception as a result of these procedures.

MINIMUM AGREED-UPON PROCEDURES FOR OTHER REPORTING ITEMS

1. We obtained the repayment schedules and general ledger detail for all outstanding intercollegiate athletics debt during the reporting period. We recalculated the annual maturities (consisting of principal and interest) provided in the schedules obtained. We agreed the total annual maturities and total outstanding athletic debt to supporting documentation and the University's general ledger.

We found no exceptions as a result of these procedures.

2. We agreed the total outstanding University debt to supporting documentation and the University's general ledger.

We found no exceptions as a result of these procedures.

3. We obtained from University management schedules of all athletics dedicated endowments maintained by an affiliated organization. We agreed the fair market value in the schedules to the supporting documentation and the University of Louisiana at Monroe Athletic Foundation's (ULM Athletic Foundation) audited financial statements.

We found no exceptions as a result of these procedures.

4. We agreed the total fair market value of University endowments to supporting documentation and the University of Louisiana at Monroe Foundation's audited financial statements.

We found no exceptions as a result of these procedures.

5. We obtained a schedule of athletics-related capital expenditures made by athletics, the University, and affiliated organizations during the reporting period. We obtained and compared the general ledger detail to the total expenses reported. We selected a sample of one transaction and validated the existence of the transaction and the accuracy of its recording. We also recalculated the totals.

We found no exceptions as a result of these procedures.

MINIMUM AGREED-UPON PROCEDURES FOR NOTES AND DISCLOSURES

1. We were to obtain from University management a list of contributions of monies, goods, or services received directly by the intercollegiate athletics program from any affiliated or outside organization, agency, or individuals (two or more) that constitutes 10% or more of all contributions received for intercollegiate athletics during the reporting period, and ensure the sources of the funds, goods, and services, as well as the value associated with these items, were properly disclosed in the notes to the Statement.

There were no contributions received directly by the University during the reporting period that constituted 10% or more of all contributions received for intercollegiate athletics (see note 1 to the Statement).

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

We found no exceptions as a result of these procedures (see note 2 to the Statement).

3. We determined that intercollegiate athletics debt exists and we ensured that the repayment schedule is properly disclosed within the notes to the Statement.

We found no exceptions as a result of these procedures (see note 3 to the Statement).

MINIMUM AGREED-UPON PROCEDURES FOR AFFILIATED AND OUTSIDE ORGANIZATIONS

1. We obtained from management a listing of all affiliated and outside organizations for the reporting period. We also obtained written representations from management that the ULM Athletic Foundation is the only outside organization created for or on behalf of the athletic department.
2. We obtained from management of the University statements for all affiliated and outside organizations and confirmed revenues and expenses directly with a responsible official of the organization.

We found no exceptions as a result of these procedures.

3. We obtained from University management a summary schedule of revenues and expenses for or on behalf of intercollegiate athletics programs by affiliated and outside organizations not under the accounting control of the University to be included with the agreed-upon procedures report as follows:

	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	OTHER SPORTS	NON- PROGRAM SPECIFIC	TOTAL
Revenues						
Contributions	\$173,742	\$21,207	\$4,975	\$337,711	\$65,203	\$602,838
In-kind	51,432	6,850		43,564	70,362	172,208
Total revenues	225,174	28,057	4,975	381,275	135,565	775,046
Expenses						
Coaching salaries, benefits, and bonuses paid by the University and related entities	64,610	12,645		137,192		214,447
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities					7,505	7,505
Recruiting	1,552	1,183	343	6,991		10,069
Team travel	975	4,434		2,236		7,645
Sports equipment, uniform, and supplies	20,281	422	115	59,432	2,471	82,721
Game expenses	17,858	823	73	3,979	2,064	24,797
Fundraising, marketing, and promotion	1,205			62,580	67,091	130,876
Athletic facilities debt service, leases, and rental fees	72,142					72,142
Direct overhead and administrative expenses	4,570	1,700	963	54,872	231	62,336
Memberships and dues		185		3,180	510	3,875
Student-athlete meals (non-travel)	8,760	1,353		6,492	3,008	19,613
Other operating expenses	33,221	5,312	3,481	44,321	52,685	139,020
Total expenses	225,174	28,057	4,975	381,275	135,565	775,046
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 found no exceptions as a result of these procedures.

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

The ULM Athletic Foundation's statements were audited by an independent certified public accountant for the year ended June 30, 2019. The audit report dated September 17, 2019, included no significant deficiencies on the outside organization's internal control.

ADDITIONAL MINIMUM AGREED-UPON PROCEDURES

- We compared and agreed the sports sponsored and reported in the NCAA Membership Financial Reporting System to the University's Calculation of

Revenue Distribution Equivalencies Report from NCAA's CA software. We were to inquire about any discrepancies and report the justification.

We found no discrepancies as a result of these procedures.

2. We compared current-year Grants-in-Aid revenue distribution equivalencies to prior-year reported equivalencies per the Membership Financial Report submission. We inquired and documented explanations for variances greater than +/- 4%.

We noted a total variance increase of 10.3%. Management represented that the variance was mainly due to a change in the method of computing equivalencies for four sponsored sports, an increase in the number of men's track scholarships, and the inclusion of student-athletes designated as medical or exhausted eligibility.

3. We obtained the University's Sports Sponsorship and Demographics Forms Report for the reporting period and validated that the institution's countable sports reported meet the minimum requirements set forth in NCAA Bylaw 20.9.6.3 for the number of contests and participants in each contest that is counted toward meeting the minimum contest requirement. We ensured that the University has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System.

We found no discrepancies as a result of these procedures.

4. We compared current-year number of Sports Sponsored to prior-year reported total per the Membership Financial report submission. We were to inquire and document an explanation for any variance.

We found no variances as a result of these procedures.

5. We agreed the total number of student athletes who, during the academic year, received a Pell Grant award and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report, generated from the University's financial aid records of, all student athlete Pell Grants.

We found no discrepancies as a result of these procedures.

6. We compared the current-year Pell Grant total to the prior-year reported total per the Membership Financial Report submission. We were to inquire and document an explanation for any variance greater than +/- 20 grants.

We noted no variance that met the +/- 20 grants threshold.

We were not engaged to, and did not, conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the compliance of the accompanying Statement and related notes of the University's Athletic Department or on its compliance with NCAA Bylaw 3.2.4.15 or on the effectiveness of the University Athletic

Department's internal control over financial reporting for the year ended June 30, 2019. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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ULMNCAA2019

UNAUDITED

Statement A

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

**Statement of Revenues and Expenses
For the Year Ended June 30, 2019**

	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	OTHER SPORTS	NON- PROGRAM SPECIFIC	TOTAL
REVENUES						
Operating revenues:						
Ticket sales	\$376,941	\$209,955	\$2,220	\$47,581		\$636,697
Student fees					\$303,542	303,542
Direct institutional support	6,065	2,519	286,212	106,673	6,450,498	6,851,967
Indirect institutional support - athletic facilities debt service, lease, and rental fees					877,455	877,455
Guarantees	2,800,000	320,000	33,000	22,700		3,175,700
Contributions	173,742	21,207	4,975	337,711	86,283	623,918
In-kind	51,847	6,850		44,334	70,362	173,393
NCAA distributions					714,785	714,785
Conference distributions (non media and non bowl)					1,493,766	1,493,766
Program, novelty, parking, and concession sales	33,847					33,847
Royalties, licensing, advertisement, and sponsorships					478,879	478,879
Athletics restricted endowment and investments income					924	924
Other operating revenue				83,776	120,303	204,079
Total operating revenues	<u>3,442,442</u>	<u>560,531</u>	<u>326,407</u>	<u>642,775</u>	<u>10,596,797</u>	<u>15,568,952</u>
EXPENSES						
Operating expenses:						
Athletic student aid	1,817,928	293,549	315,978	2,057,896	14,618	4,499,969
Guarantees	250,000	162,815	8,000	5,300		426,115
Coaching salaries, benefits, and bonuses paid by the University and related entities	1,968,650	603,503	358,894	1,228,615		4,159,662
Support staff/administrative compensation, benefits, and bonuses paid by the University and related entities	141,310	62,083	63,549	14,601	1,570,327	1,851,870
Recruiting	72,641	41,946	37,707	64,262		216,556
Team travel	474,113	147,110	73,619	639,669		1,334,511
Sports equipment, uniforms, and supplies	280,592	40,685	23,328	344,483	36,820	725,908
Game expenses	265,122	191,760	112,841	150,930	151,161	871,814
Fundraising, marketing, and promotion	18,932	2,371	1,271	70,171	81,302	174,047
Athletic facilities debt service, leases, and rental fees	72,142				877,455	949,597
Direct overhead and administrative expenses	103,149	24,705	24,751	196,580	105,889	455,074
Medical expenses and insurance	126,546	50,284	33,455	343,890		554,175
Memberships and dues	33,000	12,197	7,645	10,551	122,720	186,113
Student-athlete meals (non-travel)	141,030	15,827	9,534	45,755	10,265	222,411
Other operating expenses	49,159	23,215	6,981	61,163	159,516	300,034
Total operating expenses	<u>5,814,314</u>	<u>1,672,050</u>	<u>1,077,553</u>	<u>5,233,866</u>	<u>3,130,073</u>	<u>16,927,856</u>
EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENSES	<u>(\$2,371,872)</u>	<u>(\$1,111,519)</u>	<u>(\$751,146)</u>	<u>(\$4,591,091)</u>	<u>\$7,466,724</u>	<u>(\$1,358,904)</u>

NOTES TO THE FINANCIAL STATEMENT

(UNAUDITED)

1. CONTRIBUTIONS

No individual contributions were received directly by the Athletic Department that exceeded 10% of the total contributions included in Statement A.

2. CAPITAL ASSETS

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

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

3. LONG-TERM LIABILITY

The following is a detailed summary of bonds payable for the athletic department for the year ended June 30, 2019:

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Principal Outstanding at 6/30/2018</u>	<u>Issued/ (Retired)</u>	<u>Principal Outstanding at 6/30/2019</u>	<u>Maturities</u>	<u>Interest Rates</u>	<u>Interest Outstanding at 6/30/2019</u>
2014	6/30/2014	\$1,845,000	\$1,180,000	(\$180,000)	\$1,000,000	2024	2.92%	\$79,510
2017	6/14/2017	4,000,000	3,645,000	(360,000)	3,285,000	2027	2.75%	419,377
2018	8/1/2018	2,000,000	-	1,795,000	1,795,000	2027	3.56%	299,040
Total		<u>\$7,845,000</u>	<u>\$4,825,000</u>	<u>\$1,255,000</u>	<u>\$6,080,000</u>			<u>\$797,927</u>

Series 2014

In June 2014, the Louisiana Local Government Environmental Facilities and Community Development Authority (Authority) issued \$1,845,000 in Revenue and Refunding Bonds (Series 2014 Athletic Facilities Project). The proceeds of the bonds were loaned to University of Louisiana at Monroe Facilities, Inc. (Facilities), a blended component unit of the University, to

refund a Promissory Note in favor of Regions Bank for scoreboards and facility upgrades, to finance football field improvements, and pay bond issuance costs. The Series 2014 Athletic Facilities Project bond proceeds were loaned to the Facilities pursuant to a Loan and Assignment Agreement by and between the Facilities and the Authority dated June 30, 2014.

The principal and interest payments on the loan are required to be the amount equal to the principal and interest amounts of the underlying bonds. As such, the loan bears interest at a rate of 2.92% per annum and matures on June 11, 2024. Principal and interest is payable on the loan each September 11, December 11, March 11, and June 11 commencing September 11, 2014, in accordance to the amortization schedule included in the bond closing documents. To secure the Facilities' obligations under the Loan and Assignment Agreement, the Facilities transferred, assigned, and pledged unto the Authority, all right, title, and interest of the Facilities in, to, and under the Agreement to Lease with Option to Purchase dated March 18, 2011, along with all amendments, between the Facilities and the Board of Supervisors for the University of Louisiana System, and any leases, subleases and use agreements or other similar agreements relating to the Scoreboards, Athletic Facilities Upgrades & Electronic Display Boards. The principal balance due on the Note Payable – Series 2014 Athletic Facilities Project Bonds totaled \$1,000,000 at June 30, 2019.

Series 2017

In June 2017, the Authority issued \$4,000,000 in Revenue Bonds (Series 2017 Brown Stadium Project). The proceeds of the bonds were loaned to the Facilities, a blended component unit of the University, for the purpose of acquiring, designing, developing, constructing, renovating and the reconstructing of Brown Stadium and parking adjacent thereto, on the campus of the University (Brown Stadium); and to pay bond issuance costs. The Series 2017 bond proceeds were loaned to the Facilities pursuant to a Loan and Assignment Agreement by and between the Facilities and the Authority dated June 1, 2017.

The principal and interest payments on the loan are required to be the amount equal to the principal and interest amounts of the underlying bonds. As such, the loan bears interest at a rate of 2.75% per annum and matures on June 1, 2027. Interest is payable on the loan on June 1 and December 1 of each year and principal is payable on June 1 of each year commencing December 1, 2017, in accordance to the amortization schedule included in the bond closing documents. To secure the Facilities' obligations under the Loan and Assignment Agreement, the Facilities transferred, assigned, and pledged unto the Authority, all right, title, and interest of the Facilities in, to, and under the Agreement to Lease with Option to Purchase dated June 1, 2017, between the Facilities and the Board of Supervisors for the University of Louisiana System, and any leases, subleases and use agreements or other similar agreements relating to the Brown Stadium Project, all rents, issues, receipts and profits derived from the use or occupancy of Brown Stadium, and any and all additional revenues, income, receipts and other payments, including but not limited to, insurance proceeds, grants, donations, sale proceeds received by the Facilities for or relating to Brown Stadium. The principal balance due on the Note Payable – Series 2017 Bonds totaled \$3,285,000 at June 30, 2019.

Series 2018

In August 2018, the Authority and Regions Bank entered into the First Supplemental Trust Indenture; whereby the Authority issued \$2,000,000 in Revenue Bond Series 2018 on parity with the Series 2017 Bonds. The Series 2018 bond proceeds were loaned to Facilities pursuant to the Supplemental Loan and Assignment Agreement by and between the Facilities and the Authority dated June 1, 2017. Under the Supplemental Indenture, the Series 2018 bond proceeds were loaned to Facilities for the purpose of financing a portion of renovating, rehabilitating, and constructing the improvements to Brown Stadium and parking adjacent thereto on the campus and paying costs of issuance of the Series 2018 Bonds.

The principal and interest payments on the loan are required to be the amount equal to the principal and interest amounts of the underlying bond. As such, the loan bears interest at a rate of 3.56% per annum and matures on June 1, 2027. Interest is payable on the loan on June 1 and December 1 of each year and principal is payable on June 1 of each year commencing December 1, 2018, in accordance to the amortization schedule included in the bond closing documents. The provisions and terms, as supplemented and amended, shall have the same meaning as the original Agreement to Lease With Option to Purchase dated June 1, 2017. The principal balance due on the Note Payable – Series 2018 Bonds totaled \$1,795,000 at June 30, 2019.

The following is the amortization schedule for the outstanding bond payable for the athletic department as of June 30, 2019:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$760,000	\$181,812	\$941,812
2021	785,000	158,818	943,818
2022	805,000	135,159	940,159
2023	830,000	110,678	940,678
2024	855,000	85,759	940,759
2025-2027	2,045,000	125,701	2,170,701
Total	<u>\$6,080,000</u>	<u>\$797,927</u>	<u>\$6,877,927</u>