

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

FINANCIAL REPORT

**AS OF AND FOR THE YEARS ENDED
JUNE 30, 2012 AND 2011**

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 JUN 05 2013

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

JUNE 30, 2012 AND 2011

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of The University of Louisiana at Monroe Athletic Foundation (the Foundation) as of June 30, 2012 and 2011, 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 Foundation as of June 30, 2012 and 2011, 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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules 1, 2 and 3 on pages 15-17 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Little & Associates, LLC

Monroe, Louisiana
November 13, 2012

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

	June 30,	
	2012	2011
ASSETS		
Cash and Cash Equivalents	\$ 729,168	\$ 576,170
Accounts Receivable	18,482	14,982
Accounts Receivable - Other	55,277	6,691
Accounts Receivable - L-Club Life Member Endowment	63,489	61,243
Pledge Receivables	160,564	79,837
Restricted Deposits		
Cash and Cash Equivalents	262,158	240,461
Bank Trust Funds		
Cash and Cash Equivalents	24,918	13,670
Investments, at Market	523,605	522,304
Securities	4,700	4,700
Cash Surrender Value of Life Insurance	296,809	295,790
Loan Fees (net of Accumulated Amortization of \$657 in 2012 and \$193 in 2011)	2,589	3,053
Advance Deposits on Malone Stadium Suites, net of Accumulated Amortization of \$628,464 in 2012 and \$628,464 in 2011	-	-
Property and Equipment, net of Accumulated Depreciation of \$114,399 in 2012 and \$103,725 in 2011	330,907	341,581
Construction in Progress	-	16,623
TOTAL ASSETS	\$ 2,472,666	\$ 2,177,105
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable	\$ 74,115	\$ 11,496
Accrued Interest Payable	1,249	1,249
Deferred Revenue	4,250	-
Notes Payable	289,284	315,527
Total Liabilities	368,898	328,272
Net Assets		
Unrestricted	1,112,647	962,327
Temporarily Restricted, Programs	358,137	267,817
Temporarily Restricted, Scholarships	20,872	20,872
Permanently Restricted	612,112	597,817
Total Net Assets	2,103,768	1,848,833
TOTAL LIABILITIES AND NET ASSETS	\$ 2,472,666	\$ 2,177,105

The accompanying notes are an integral part of these financial statements

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

	2012				TOTAL 2012
	Unrestricted	Temporarily Restricted		Permanently Restricted Endowment Principal	
		Programs	Scholarships		
SUPPORT, REVENUES AND GAINS					
Support					
Contributions - Cash	\$ 442,629	\$ 279,439	\$ -	\$ 9,400	\$ 731,468
Contributions - Non Cash	469,261	33,976	-	-	503,237
Total Support	<u>911,890</u>	<u>313,415</u>	<u>-</u>	<u>9,400</u>	<u>1,234,705</u>
Revenues and Gains					
Investment Income (Loss)	978	-	5,220	(2,975)	3,223
Other Income	615,687	137,125	-	2,650	755,462
Total Revenues and Gains	<u>616,665</u>	<u>137,125</u>	<u>5,220</u>	<u>(325)</u>	<u>758,685</u>
Restrictions Satisfied by Payments	<u>377,905</u>	<u>(377,905)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Support, Revenues and Gains	<u>1,906,460</u>	<u>72,635</u>	<u>5,220</u>	<u>9,075</u>	<u>1,993,390</u>
Program Services					
General Scholarships	243,033	-	-	-	243,033
University & Sports Promotion	557,532	-	-	-	557,532
Departmental Expenses	258,262	-	-	-	258,262
Staff Support	238,689	-	-	-	238,689
Depreciation and Amortization	11,138	-	-	-	11,138
Total Program Services	<u>1,308,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,308,654</u>
Supporting Services					
Interest Expense	14,662	-	-	-	14,662
Miscellaneous Expense	29,016	-	-	-	29,016
Materials & Supplies	209,395	-	-	-	209,395
Professional Services	62,375	-	-	-	62,375
Fund Raising	104,744	-	-	-	104,744
Lease House Expense	9,609	-	-	-	9,609
Total Supporting Services	<u>429,801</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>429,801</u>
Total Expenses	<u>1,738,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,738,455</u>
Change in Net Assets	168,005	72,635	5,220	9,075	254,935
Transfers In/(Out)	(17,685)	17,685	(5,220)	5,220	-
Equity Transfers	-	-	-	-	-
Net Assets-Beginning of Year	<u>962,327</u>	<u>267,817</u>	<u>20,872</u>	<u>597,817</u>	<u>1,848,833</u>
Net Assets-End of Year	<u>\$ 1,112,647</u>	<u>\$ 358,137</u>	<u>\$ 20,872</u>	<u>\$ 612,112</u>	<u>\$ 2,103,768</u>

The accompanying notes are an integral part of these financial statements

2011

Unrestricted	Temporarily Restricted		Permanently Restricted Endowment Principal	Total 2011
	Programs	Scholarships		
\$ 343,298	\$ 287,823	\$ -	\$ 13,575	\$ 644,696
561,609	68,266	-	-	629,875
<u>904,907</u>	<u>356,089</u>	<u>-</u>	<u>13,575</u>	<u>1,274,571</u>
820	-	14,215	67,742	82,777
585,521	171,614	-	3,000	760,135
<u>586,341</u>	<u>171,614</u>	<u>14,215</u>	<u>70,742</u>	<u>842,912</u>
602,217	(582,217)	(20,000)	-	-
<u>2,093,465</u>	<u>(54,514)</u>	<u>(5,785)</u>	<u>84,317</u>	<u>2,117,483</u>
311,899	-	-	-	311,899
543,984	-	-	-	543,984
413,653	-	-	-	413,653
269,186	-	-	-	269,186
13,307	-	-	-	13,307
<u>1,552,029</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,552,029</u>
17,535	-	-	-	17,535
32,251	-	-	-	32,251
227,138	-	-	-	227,138
101,375	-	-	-	101,375
78,018	-	-	-	78,018
3,447	-	-	-	3,447
<u>459,764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>459,764</u>
<u>2,011,793</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,011,793</u>
81,672	(54,514)	(5,785)	84,317	105,690
47,473	(47,473)	5,785	(5,785)	-
-	-	-	50,060	50,060
<u>833,182</u>	<u>369,804</u>	<u>20,872</u>	<u>469,225</u>	<u>1,693,083</u>
<u>\$ 962,327</u>	<u>\$ 267,817</u>	<u>\$ 20,872</u>	<u>\$ 597,817</u>	<u>\$ 1,848,833</u>

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

	Year Ended June 30,	
	2012	2011
Cash Flows From Operating Activities		
Increase (Decrease) in Net Assets	\$ 254,935	\$ 105,690
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities		
Depreciation and Amortization	11,138	13,307
Donation of Fixed Assets to University	16,623	117,073
Change in		
Accounts Receivable and Contributions Receivable-Suites	(135,059)	(61,857)
Cash Surrender Value of Life Insurance Policies	(1,019)	(15,645)
Deferred Revenue	4,250	-
Accounts Payable	62,619	(121,338)
Interest Payable	-	(475)
Total Adjustments	(41,448)	(68,935)
Net Cash Provided (Used) by Operating Activities	213,487	36,755
Cash Flows From Investing Activities		
(Increase) Decrease in Bank Trust Funds	(1,301)	(113,844)
Purchases of Fixed Assets	-	(97,748)
Net Cash Provided (Used) by Investing Activities	(1,301)	(211,592)
Cash Flows From Financing Activities		
Proceeds from Issuance of Long-Term Debt - Capital One Bank	-	323,616
Payment of Long-Term Debt - Iberia Bank	-	(333,395)
Receipt of Equity Transfer	-	50,060
Payment of Long-Term Debt - Capital One	(26,243)	(8,089)
Payment of Loan Fees	-	(3,246)
Net Cash Provided (Used) by Financing Activities	(26,243)	28,946
Net Increase (Decrease) in Cash and Cash Equivalents	185,943	(145,891)
Cash and Cash Equivalents at Beginning of Year	830,301	976,192
Cash and Cash Equivalents at End of Year	\$ 1,016,244	\$ 830,301

(Continued)

The accompanying notes are an integral part of these financial statements

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

	Year Ended June 30,	
	2012	2011
CASH AND CASH EQUIVALENTS INCLUDED ON STATEMENT OF FINANCIAL POSITION:		
Cash in Banks	\$ 729,168	\$ 576,170
Cash in Banks - Restricted	262,158	240,461
Cash in Bank Trust Funds	24,918	13,670
 TOTAL CASH AND CASH EQUIVALENTS AS INCLUDED ON STATEMENT OF FINANCIAL POSITION	 \$ 1,016,244	 \$ 830,301
 Cash Paid for Interest	 \$ 14,662	 \$ 18,010

The accompanying notes are an integral part of these financial statements

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

Note 1 – Organization and Summary of Significant Accounting Policies

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

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

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

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 FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

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

Non-cash donations include both materials and services. These donations are recorded at their fair market value on the date of donation. Donated services are recognized only when they create or enhance a non-financial asset, or when they are specialized skills provided by entities or persons possessing those skills that would be purchased if they were not donated. For the years ended June 30, 2012 and 2011, the Foundation received various donations of materials and/or services in the amount of \$503,237 and \$629,875, 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 FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

Note 1 – Organization (Continued)

Income Tax Status

The Foundation is exempt from federal income taxes under Section 501(c) (3) of the Internal Revenue Code. During the year ended June 30, 2010, the Foundation adopted the provisions of FASB ASC 740, *Income Taxes*. The Foundation believes that it has appropriate support for any tax provisions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Foundations' Federal Return of Organization Exempt from Income Tax (form 990) for the years ended June 30, 2009, 2010, and 2011 are subject to examination by the IRS, generally for three years after they were filed.

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 5 to 40 years. The balances of property and equipment owned by the Foundation by major category are as follows at June 30,

	<u>2012</u>	<u>2011</u>
Van for golf team	\$ 18,333	\$ 18,333
House	<u>426,973</u>	<u>426,973</u>
Total	445,306	445,306
Less Accumulated depreciation	<u>(114,399)</u>	<u>(103,725)</u>
Net	<u>\$ 330,907</u>	<u>\$ 341,581</u>

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

Note 2 - Property and Equipment (Continued)

On June 23, 2011, the Foundation donated the Putting Greens to the University. During the year ended June 30, 2011, the Foundation donated renovations made to property located at 4503 Bon Aire Drive to the University. The renovations included golf team offices, locker room, meeting space and skill training in the amount of \$84,582. During the year-end June 30, 2012, the Athletic Foundation transferred renovations made to the baseball field in the amount of \$16,623 to the University. Depreciation expense for the years ended June 30, 2012 and 2011 was \$11,138 and \$13,307, respectively.

Note 3 - Bank Trusts

The investments held at June 30, 2012 and 2011 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>2012</u>	<u>2011</u>
Cash Equivalents	\$ 24,919	\$ 13,670
Corporate Bonds	95,960	96,016
Mutual Funds	<u>427,644</u>	<u>426,288</u>
TOTAL BANK TRUST FUNDS	<u>\$ 548,523</u>	<u>\$ 535,974</u>

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

	<u>2012</u>	<u>2011</u>
Interest and dividend income	\$ 11,197	\$ 9,703
Net realized and unrealized gains/(losses)	<u>(8,952)</u>	<u>72,254</u>
TOTAL	<u>\$ 2,245</u>	<u>\$ 81,957</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.

For the year ended June 30, 2012, contributions in the form of premiums of \$6,734 were made. The cash value of these policies increased by \$1,019.

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

Note 4 - Insurance Program (Continued)

For the year ended June 30, 2011, contributions in the form of premiums of \$11,486 were made. The cash value of these policies increased by \$15,645.

Note 5 - Funds Available for Scholarships

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, 2012 and 2011, were as follows:

	<u>2012</u>	<u>2011</u>
Funds available - Beginning of Year	\$ 20,872	\$ 20,872
Contributions	-	-
Earnings	5,220	14,215
Other Revenue	-	-
Scholarships and support	-	(20,000)
Transfers	<u>(5,220)</u>	<u>5,785</u>
Funds available - End of Year	<u>\$ 20,872</u>	<u>\$ 20,872</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 five-year period by beneficiaries granted rights to use the Malone Stadium Suites. The receivables are anticipated to be collected in the following time periods:

<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>
2009-2012	\$ 0	\$ (67,203)	\$ (67,203)	\$ 3,047	\$ (64,156)

Estimated costs are tickets to football games and food for the occupants of the suites during football games. The discount represents a 4.75% factor to arrive at net present value.

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

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 expense of \$464 and \$828 is included in the accompanying financial statements for the years ending June 30, 2012 and 2011.

Note 8 - Notes Payable and Long-term Debt

On January 20, 2011, the Foundation obtained financing from Capital One Bank. The loan, in the original amount of \$323,616, is payable in eighty-three regular payments of \$3,408.79 each with one final payment estimated at \$117,475. The loan bears interest at an annual rate of 4.750% and matures on February 1, 2018. The proceeds from the loan were to refinance the house and property, which also serves as collateral for the loan along with the assignment of leases and rents. As of June 30, 2012, the balance of the loan was \$289,284.

Debt service to maturity is as follows:

Years Ending <u>June 30,</u>	<u>Capital One</u>
2013	\$ 27,764
2014	29,112
2015	30,525
2016	32,007
2017	33,561
Thereafter	<u>136,315</u>
Total	<u>\$ 289,284</u>

Interest expense for the years ended June 30, 2012 and 2011 was \$14,662 and \$17,535, 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.

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

Note 9 - Disclosures About Risk and Concentrations (Continued)

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 4.75%, which is a reasonable estimate of the fair value of these receivables. No collateral is required on contributions receivable and accounts receivable. At June 30, 2012, the Foundation's uninsured cash balances in Chase Bank totaled \$983,562.

Note 10 – Related Parties – Operating Lease

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 ended June 30, 2003, at a cost of \$424,849. Rental payments of \$3,333 are payable monthly to the Foundation throughout the lease periods from July 1, 2004 through June 30, 2005, July 1, 2005 through June 30, 2006, July 1, 2006 through June 30, 2007, July 1, 2007 through June 30, 2008, July 1, 2008 through June 30, 2009, July 1, 2009 through June 30, 2010 and July 1, 2010 through June 30, 2011. The lease agreement was renewed for one additional year, July 1, 2011 through June 30, 2012. As of January 1, 2012, a new lease was issued with rental payment of \$1,900 payable monthly to the Foundation. The lease will be up for renewal on December 31, 2012. 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.

Note 11 – Reclassifications

Certain accounts in the prior year's financial statements have been reclassified to conform to the current year's financial statements' presentation.

Note 12 – Contingencies

During review of the Athletic Foundation minutes for the year ended June 30, 2010, it was noted that a newly appointed head football coach was employed by the University. If the football coach is terminated for any reason, the University is responsible for the current year's salary and any remaining years are the responsibility of the Athletic Foundation. All incentives of the football coach are the responsibility of the Athletic Foundation. The contract is on file at the University. The Athletic Foundation is also responsible for the remaining years.

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2012 AND 2011**

Note 12 – Contingencies (Continued)

of the assistant football coach, men's basketball coach, women's basketball coach, and the baseball coach if they are terminated for any reason

Note 13 – L-Club Receivable

Prior to July 1, 2010, the L-Club was affiliated in the Alumni Association. On July 1, 2010, the L-Club became an affiliate of the Athletic Foundation. The Life Member Endowment account is held in trust as an investment and payable on the ULM Foundation's books. The revenue and expenses of the Life Member Endowment are recorded within the Athletic Foundation's records. As of June 30, 2012 and 2011, the Athletic Foundation has a receivable due from the ULM Foundation in the amount of \$63,489 and \$61,243, respectively, the amount of the Life Member Endowment held in trust.

Note 14 – Related Party Transactions

During the year ended June 30, 2012, the University of Louisiana at Monroe paid operating expenses on behalf of the Athletic Foundation. As of June 30, 2012, the Athletic Foundation owed the University of Louisiana at Monroe \$68,333.

Note 15 – Subsequent Events

The Foundation has evaluated subsequent events through November 13, 2012, the date which the financial statements were available for issue.

Subsequent to year-end, the Foundation received a death benefit payment from a life insurance policy in the amount of \$105,167.

Also, subsequent to year-end, the Foundation refinanced the loan with Capital One Bank, which replaces the existing loan for real estate located at 3 Afton Village Drive, as described in Note 8.

SUPPLEMENTARY INFORMATION

**THE UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
ANALYSIS OF TEMPORARILY RESTRICTED NET ASSETS, PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2012**

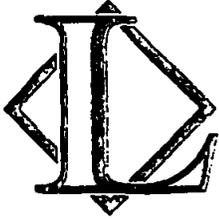
Temporarily Restricted Funds	Balance June 30, 2011	Contributions	Other Revenue	Transfers/ Reclasses From (To) Other Funds	Scholarships	Other Expenses	Balance June 30 2012
Athletic Administration	\$ 31,189	\$ 2,050	\$ 1,620	\$ 5,000	\$ -	\$ (16,288)	\$ 23,571
Elce Trichel Athletic Support	6,758	6,000	-	-	-	(6,119)	6,639
Baseball	96,815	49,334	18,375	-	-	(122,899)	41,625
Men's Basketball	10,490	3,814	-	2,000	-	(11,455)	4,849
Basketball Renovation Fund	-	2,000	-	(2,000)	-	-	-
Women's Basketball	14,893	2,219	-	-	-	(5,849)	11,263
Football	-	5,049	2,410	-	-	(4,098)	3,361
Football Recruiting	1,581	-	-	-	-	(1,369)	212
Football Field House Fund	-	138,500	-	-	-	(6,400)	132,100
Golf	31,584	55,854	94,781	(1,200)	-	(131,842)	49,177
Golf Fund Reserve	15,000	7,000	-	1,200	-	-	23,200
6th Man Club	144	6,000	-	-	-	(4,524)	1,620
Soccer	2,201	3,098	5,484	-	-	(9,710)	1,073
Softball	5,361	8,330	2,604	-	-	(14,766)	1,529
Sun Belt Championships	11,080	5,000	-	(5,000)	-	-	11,080
Women's Tennis	657	5,165	5,755	-	-	(10,684)	893
Men's Track	996	1,950	5,421	-	-	(4,849)	3,518
Volleyball	-	615	-	5,169	-	(5,784)	-
Al Miller Legacy Campaign Fund	4,650	-	-	-	-	-	4,650
Champs Fund	-	-	-	9,016	-	(9,016)	-
Sports Medicine	-	10,337	-	-	-	(10,000)	337
Capital Projects	13,809	-	-	-	-	-	13,809
Malone Stadium Suites Licensing	14,981	-	-	3,500	-	-	18,481
L-Club Operating	3,238	1,100	675	-	-	(2,253)	2,760
The Summit	2,390	-	-	-	-	-	2,390
TOTAL	\$ 267,817	\$ 313,415	\$ 137,125	\$ 17,685	\$ -	\$ (377,905)	\$ 358,137

**THE UNIVERSITY OF LOUISIANA AT MONROE ATHLETIC FOUNDATION
ANALYSIS OF TEMPORARILY RESTRICTED NET ASSETS, SCHOLARSHIPS
FOR THE YEAR ENDED JUNE 30, 2012**

Temporarily Restricted Endowment	Balance June 30, 2011 Funds Available	Contributions	Earnings	Other Revenue	Staff Support	General Scholarships	Transfers/ Endowments	Balance June 30, 2012 Funds Available
Buchanan	\$ -	\$ -	675	\$ -	\$ -	\$ -	(675)	\$ -
Butler	-	-	362	-	-	-	(362)	-
Burroughs	1,416	-	144	-	-	-	(144)	1,416
Fant	-	-	210	-	-	-	(210)	-
Huffman	1,059	-	72	-	-	-	(72)	1,059
Huntsman	-	-	364	-	-	-	(364)	-
Malone	-	-	353	-	-	-	(353)	-
Martin	18,397	-	604	-	-	-	(604)	18,397
Parker	-	-	370	-	-	-	(370)	-
Pitington	-	-	8	-	-	-	(8)	-
Rivers	-	-	1,765	-	-	-	(1,765)	-
Shows	-	-	293	-	-	-	(293)	-
TOTAL	\$ 20,872	\$ -	\$ 5,220	\$ -	\$ -	\$ -	\$ (5,220)	\$ 20,872

**THE UNIVERSITY OF LOUISIANA AT MONROE
ATHLETIC FOUNDATION
ANALYSIS OF PERMANENTLY RESTRICTED NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012**

Permanently Restricted Endowment	Balance June 30, 2011 Endowment Principal	ENDOWMENT PRINCIPAL				Balance June 30, 2012 Endowment Principal
		Contributions	Earnings/(Loss)	Equity Transfers	Transfers/ Endowments	
Buchanan	\$ 72,147	\$ -	\$ (335)	\$ -	\$ 675	\$ 72,487
Burroughs	13,952	-	(71)	-	144	14,025
Butler	38,668	-	(179)	-	362	38,851
Fant	22,442	-	(104)	-	210	22,548
Huffman	6,580	-	(35)	-	72	6,617
Huntsman	38,898	-	(180)	-	364	39,082
Malone	37,728	-	(175)	-	353	37,906
Martin	46,104	-	(299)	-	604	46,409
Parker	39,571	100	(182)	-	370	39,859
Pittington	850	-	(4)	-	8	854
Rivers	187,613	9,200	(361)	-	1,765	198,217
Shows	31,288	100	(143)	-	293	31,538
Smith	133	-	-	-	-	133
L-Club Life Member	61,843	2,650	(907)	-	-	63,586
TOTAL	\$ 597,817	\$ 12,050	\$ (2,975)	\$ -	\$ 5,220	\$ 612,112



LITTLE & ASSOCIATES LLC
CERTIFIED PUBLIC ACCOUNTANTS

Communication of Significant Deficiencies to Management

Wm TODD LITTLE CPA
CHARLES R MARCHBANKS, JR CPA

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

In planning and performing our audit of the financial statements of The University of Louisiana at Monroe Athletic Foundation as of and for the year ended June 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered The University of Louisiana at Monroe Athletic Foundation's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the following deficiency as listed as ML12-1 in the following attached schedule to be a significant deficiency in internal control.

This communication is intended solely for the information and use of management, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Little & Associates, LLC

Monroe, Louisiana
November 13, 2012

Schedule of Management Letter Comments

ML12-1 Inadequate Controls Over Accounting and Recording of Payments in Kind

Condition During the audit, it came to our attention that the controls over the accounting and recording of payments in kind have not been fully implemented. Payments in kind are received by various people affiliated with the Foundation. The Foundation needs to adhere to a system whereby the signed transaction is documented with the payee's information, the value of the payment in kind, a description of the property or service and the date of the transaction. All possible affiliates of the Foundation which may accept in-kind donations should follow the proper procedures for documenting all in-kind donations as received. All documentation should be submitted to the accounting department of the Foundation, where a master schedule of the payments in kind will be maintained. Also, payment in kind transactions are not to be entered in to the accounting system until all documentation has been obtained. The Foundation should periodically inspect payments in kind items as to proper recording of value and description. All payments in kind should be recorded in the accounting system as they are added to the master schedule. The master schedule and the amount of payments in kind per the general ledger should be reconciled periodically to ensure proper reporting of payments in kind.

Effect Without adequate internal controls over accounting and recording of payments in kind, the in kind donations will be under reported as well as the related expense.

**The University of Louisiana at Monroe
Athletic Foundation
Monroe, Louisiana 71209**

November 13, 2012

Management's Corrective Action Plan

ML12-1 Inadequate Controls Over Accounting and Recording of Payments in Kind

Condition The controls over the accounting and recording of payments in kind have not been fully implemented. The Foundation needs to adhere to a system whereby the transaction is documented with the payee's information, the value of the payment in kind, a description of the property or service and the date of the transaction and posted properly in the general ledger.

Corrective Action Effective July 1, 2012, the ULM Athletic Foundation's bookkeeping has been incorporated into the responsibility of the ULM Foundation's staff. The ULM Foundation's staff will incorporate their policies and procedures into the ULM Athletic Foundation's policies and procedures with regard to payments in kind. The ULM Athletic Foundation will implement a revised policy reflecting best practices.

Responsible Party for Corrective Action Mark Labude, Chief Financial Officer University of Louisiana at Monroe Foundation