

Q&A Addendum #1
NCAA Agreed Upon Procedures Reviews
RFP No. 041522
April 25, 2022

1. Where do the records related to each University's athletics programs reside? We are assuming at each separate institution. As such, will the contract awardee work with each institution separately to schedule the engagement and complete the procedures?

The records related to each University's athletics programs reside with that University. The contract awardee will work with each University to schedule the engagement. Internal Audit will provide the contact information and make the necessary introductions.

2. Is the work able to be performed either remotely or on-site, and is there a preference?

A combination of remote work and on location work if the campus is open for external contractors and the work can be performed safely with COVID precautions in place.

3. Regarding the Division II institutions, when was the most recent agreed-upon procedure engagement completed?

The last engagement completed for the Division II institutions was for FY2019 revenues, expenses, and capitalized expenditures.

4. Have any of the institutions had issues providing information to your accounting firm, or issues with completion of the engagements within the required timeframe?

No.

5. Why is the System issuing this RFP?

The contract with the previous auditor had reached the extension limit dictated by the State of Arkansas Procurement Law.

6. Have you had any issues with your existing accounting firm related to these services? Are they expected to respond to this RFP?

There were not any issues with the previous accounting firm. All qualified external firms are welcome to respond with a proposal.

7. Is it possible to obtain copies of the most recently issued Agreed-upon Procedures reports for the five institutions?

The most recent issued Agreed-upon Procedures reports for the five institutions are attached to this document.



UNIVERSITY OF
ARKANSAS

**University of Arkansas at Fayetteville
Intercollegiate Athletics Program**

**Statement of Revenues and Expenses in
Accordance with NCAA Bylaw 3.2.4.17.1
(Unaudited)**

and

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

Year ended June 30, 2021

University of Arkansas at Fayetteville Intercollegiate Athletics Program

TABLE OF CONTENTS

STATEMENT OF REVENUES AND EXPENSES IN ACCORDANCE WITH NCAA BYLAW 3.2.4.17.1 (UNAUDITED)	1
INDEPENDENT ACCOUNTANT’S REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES	3
ATTACHMENT TO INDEPENDENT ACCOUNTANT’S REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES	4
NOTES TO STATEMENT OF REVENUES AND EXPENSES IN ACCORDANCE WITH NCAA BYLAW 3.2.4.17.1 (UNAUDITED)	11
SUPPLEMENTAL SCHEDULE TO THE INDEPENDENT ACCOUNTANT’S REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES (UNAUDITED)	23

University of Arkansas at Fayetteville Intercollegiate Athletics Program

Statement of Revenues and Expenses
In Accordance with NCAA Bylaw 3.2.4.17.1 (Unaudited)
Year ended June 30, 2021

	Football	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
REVENUES						
1. Ticket sales	\$ 9,652,484	\$ 2,635,464	\$ 138,234	\$ 3,205,428	\$ -	\$ 15,631,610
2. Direct state or other governmental support	-	-	-	-	-	-
3. Student fees	-	-	-	-	-	-
4. Direct institutional support	847,794	37,584	108,337	1,000,929	700	1,995,344
5. Less: transfers to institution	-	-	-	-	(416,866)	(416,866)
6. Indirect institutional support	-	-	-	-	-	-
6A. Indirect institutional support - athletic facilities debt service, lease and rental fees	-	-	-	-	-	-
7. Guarantees	-	-	-	10,000	-	10,000
8. Contributions	13,383,333	2,867,857	-	955,952	1,911,905	19,119,047
9. In-kind	89,849	4,490	-	150,500	422,707	667,546
10. Compensation and benefits provided by a third party	-	-	-	-	-	-
11. Media rights	14,101,666	3,962,529	-	-	17,020,531	35,084,726
12. NCAA distributions	-	2,843,866	26,940	862,635	408,438	4,141,879
13. Conference distributions (non-media and non-football bowl)	59,460	36,250	28,620	129,425	29,600,795	29,854,550
13A. Conference distributions of football bowl generated revenues	9,390,672	-	-	-	-	9,390,672
14. Program, novelty, parking and concession sales	108,150	74,976	15,895	256,184	398,292	853,497
15. Royalties, licensing, advertisement and sponsorships	4,139,409	2,483,645	-	827,882	7,467,798	14,918,734
16. Sports camp revenue	73,289	-	-	-	-	73,289
17. Athletics restricted endowment and investments income	43,776	4,402	10,841	76,969	163,196	299,184
18. Other operating revenue	159,130	-	-	55,182	559,086	773,398
19. Football bowl revenues	-	-	-	-	-	-
Total Revenues	52,049,012	14,951,063	328,867	7,531,086	57,536,582	132,396,610

University of Arkansas at Fayetteville Intercollegiate Athletics Program

Statement of Revenues and Expenses
In Accordance with NCAA Bylaw 3.2.4.17.1 (Unaudited)
Year ended June 30, 2021

	Football	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
EXPENSES						
20. Athletic student aid	\$ 4,064,095	\$ 484,474	\$ 670,646	\$ 6,397,783	\$ 520,199	\$ 12,137,197
21. Guarantees	-	473,035	134,854	96,501	-	704,390
Coaching salaries, benefits and bonuses paid: by the University and related entities						
22. by a third party	9,343,032	3,887,274	1,141,022	7,557,862	-	21,929,190
23. Support staff/administrative compensation, benefits and bonuses paid:						
24. by the University and related entities	1,893,233	670,511	339,065	739,776	18,349,851	21,992,436
25. by a third party	-	-	-	-	-	-
26. Severance payments	6,589,227	-	-	-	-	6,589,227
27. Recruiting	235,557	49,492	8,523	90,348	-	383,920
28. Team travel	1,501,519	1,043,860	513,756	4,434,064	-	7,493,199
29. Sports equipment, uniforms and supplies	1,455,296	212,400	176,230	1,615,992	209,102	3,669,020
30. Game expenses	1,689,862	501,173	266,359	1,579,350	-	4,036,744
31. Fund raising, marketing and promotion	75,000	34,192	11,355	28,563	1,612,958	1,762,068
32. Sports camp expenses	1,431	-	-	-	-	1,431
33. Spirit groups	-	-	-	-	845,716	845,716
34. Athletic facilities, debt service, leases and rental fees	3,709,207	185,625	185,625	2,663,669	819,722	7,563,848
35. Direct overhead and administrative expenses	40,415	23,793	23,523	105,817	7,050,554	7,244,102
36. Indirect institutional support	-	-	-	-	-	-
37. Medical expenses and insurance	1,134,359	316,950	235,872	1,520,092	860,624	4,067,897
38. Membership and dues	2,800	-	1,140	7,963	42,933	54,836
39. Student-athlete meals (non-travel)	1,421,462	165,009	69,376	1,731,156	111,502	3,498,505
40. Other operating expenses	365,252	153,430	98,199	382,838	5,762,234	6,761,953
41. Football bowl expenses	296,016	-	-	-	-	296,016
41A. Football bowl expenses - coaching compensation/bonuses	565,981	-	-	-	-	565,981
Total Operating Expenses	34,383,744	8,201,218	3,875,545	28,951,774	36,185,395	111,597,676
50. Excess transfers to institution	-	-	-	-	-	-
Total Expenses	34,383,744	8,201,218	3,875,545	28,951,774	36,185,395	111,597,676
Excess (Deficiency) of Revenues Over (Under) Expenses	\$ 17,665,268	\$ 6,749,845	\$ (3,546,678)	\$ (21,420,688)	\$ 21,351,187	\$ 20,798,934



**INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES**

Audit and Fiscal Responsibility Committee of the
Board of Trustees
University of Arkansas System
Fayetteville, Arkansas

We have performed the procedures enumerated in the attachment to this report solely to assist you in evaluating whether the accompanying Statement of Revenues and Expenses in Accordance with NCAA Bylaw 3.2.4.17.1 (Unaudited) (the Statement) of the **University of Arkansas at Fayetteville Intercollegiate Athletics Program** (the Program) is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.17.1 for the year ended June 30, 2021. The management of the Program is responsible for the Statement and the Statement's compliance with those requirements.

The Board of Trustees of the University of Arkansas System Program has agreed to and acknowledged that the procedures are appropriate to meet the intended purpose of the Statement's compliance with the NCAA Bylaw 3.2.4.17.1 for the year ended June 30, 2021. The report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures that we performed and our findings are described in the attachment to this report.

We were engaged by the Board of Trustees of the University of Arkansas System to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 of the Program. 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.

We are required to be independent of the management of the Program and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.


Certified Public Accountants

Fort Smith, Arkansas
January 5, 2022



University of Arkansas at Fayetteville Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

The agreed-upon procedures performed and our findings are enumerated below. Unless otherwise stated, no exceptions resulted from the performance of the agreed-upon procedures.

INTERNAL CONTROL

We obtained an understanding of specific elements of the control environment and accounting system that are unique to intercollegiate athletics and obtained an understanding of procedures for gathering information on the nature and extent of affiliated and outside organization activity for or on behalf of the intercollegiate athletics program.

AFFILIATED AND OUTSIDE ORGANIZATIONS

We obtained the audited financial statements for all intercollegiate athletics-related affiliated and outside organizations as of and for the year ended June 30, 2021, and confirmed the amounts reported in the Statement of Revenues and Expenses In Accordance with NCAA Bylaw 3.2.4.17.1 (Unaudited) (the Statement) directly with the affiliated organizations.

We reviewed the audited financial statements of the affiliated organizations as of and for the year ended June 30, 2021, and noted no reported internal control matters requiring corrective action.

REVENUES

We compared and agreed each operating revenue category reported in the Statement during the reporting period to supporting schedules. No procedures were performed for categories with balances less than 4.0% of total revenues.

We compared and agreed a sample of operating revenue receipts obtained from the above operating revenue supporting schedules to adequate supporting documentation.

We compared revenues reported in the Statement for the year ended June 30, 2021 to the budgeted and prior year amounts and obtained and documented management's explanation for any difference greater than 10%.

Ticket Sales

We obtained the ticket sales reports for all football and men's basketball events for the year ended June 30, 2021. We agreed the amounts to the general ledger and recalculated totals.

Direct State or Other Governmental Support

There were no revenues from direct state or other governmental support during the reporting period.

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

University of Arkansas at Fayetteville Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

Student Fees

There were no revenues from student fees during the reporting period.

Direct Institutional Support

Direct institutional support revenues were not significant during the reporting period.

Transfers to Institution

Transfers to the institution were not significant during the reporting period.

Indirect Institutional Support

There were no revenues from indirect institutional support during the reporting period.

Indirect Institutional Support – Athletic Facilities Debt Service, Lease and Rental Fees

There were no revenues from indirect institutional support – athletic facilities debt service, lease and rental fees during the reporting period.

Guarantees

Guarantees were not significant during the reporting period.

Contributions

The majority of contributions received by the University were from the Razorback Foundation and University of Arkansas Foundation. We agreed the contributions to each of the Foundations' audited financial statements for the year ended June 30, 2021. We also selected three contributions and agreed the transactions to supporting documentation and recalculated totals.

In-Kind

In-kind revenues were not significant during the reporting period.

Compensation and Benefits Provided by a Third Party

There were no compensation and benefits provided by a third party during the reporting period.

Media Rights

We obtained and inspected the 2020-2021 Southeastern Conference Summary of Distributions report related to the University's participation in the Southeastern Conference media rights agreements and agreed the amount recognized to supporting documentation and recalculated totals.

NCAA Distributions

NCAA distributions were not significant during the reporting period.

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

University of Arkansas at Fayetteville Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

Conference Distributions (non-media and non-football bowl)

We obtained and inspected the 2020-2021 Southeastern Conference distribution reports related to the University's participation in the Southeastern Conference and agreed the amount recognized to supporting documentation and recalculated totals.

Conference Distributions of Football Bowl Generated Revenues

We obtained and inspected the 2020-2021 Southeastern Conference distribution reports related to the University's participation in the Southeastern Conference related to football bowl and agreed the amount recognized to supporting documentation and recalculated totals.

Program, Novelty, Parking and Concession Sales

Program, novelty, parking and concession sales revenues were not significant during the reporting period.

Royalties, Licensing, Advertisements and Sponsorships

We obtained and inspected four contracts related to revenues from royalties, licensing, advertisements, and sponsorships during the reporting period to gain an understanding of the relevant terms and conditions. We compared and agreed the related revenues to the institution's general ledger and recalculated totals.

Sports Camp Revenue

Sports camp revenue was not significant during the reporting period.

Athletics Restricted Endowment and Investments Income

Athletics restricted endowment and investments income were not significant during the reporting period.

Other Operating Revenues

Other operating revenues were not significant during the reporting period.

Football Bowl Revenues

There were no football bowl participation revenues during the reporting period.

EXPENSES

We compared and agreed each operating expense category reported in the Statement during the reporting period to supporting schedules. No procedures were performed for categories with balances less than 4.0% of total expenses.

We compared and agreed a sample of operating expense receipts obtained from the above operating expense supporting schedules to adequate supporting documentation.

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

University of Arkansas at Fayetteville

Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

We compared expenses reported in the Statement for the year ended June 30, 2021 to the budgeted and prior year amounts, and obtained and documented management's explanation for any difference greater than 10%.

Athletic Student Aid

We selected 37 students from the listing of athletic department student aid recipients during the reporting period (10% of the total student-athletes from the University who utilized the Compliance Assistance Software.) We obtained the individual students' account details, compared total aid in the institution's system to the students' detail in the Compliance Assistance Software, and ensured their information was reported accurately to the NCAA. We recalculated totals for each sport and overall.

Guarantees

Guarantees were not significant during the reporting period.

Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities

We obtained and inspected a listing of coaches employed by the University and related entities during the reporting period. From the listing, we selected five coaches' contracts that included football, men's and women's basketball, soccer and volleyball. We compared the coaches' contracts and agreed the financial terms and conditions of each selection to the related payroll summary registers for the coaching salaries, benefits, and bonuses recorded by the University in the Statement during the reporting period and recalculated totals.

Coaching Salaries, Benefits and Bonuses Paid by a Third Party

There were no coaching salaries, benefits and bonuses paid by a third party during the reporting period.

Support Staff/Administrative Compensation, Benefits and Bonuses Paid by the University and Related Entities

We selected five administrative personnel employed by the University during the reporting period. We compared and agreed the payroll register for each selection to the general ledger and recalculated totals.

Support Staff/Administrative Compensation, Benefits and Bonuses Paid by a Third Party

There were no support staff/administrative compensation, benefits and bonuses paid by a third party during the reporting period.

Severance Payments

We selected an employee receiving severance payments by the institution during the reporting period and agreed each severance payment to the related termination letter or employment contract and recalculated totals.

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

University of Arkansas at Fayetteville Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

Recruiting

Recruiting expenses were not significant during the reporting period.

Team Travel

We obtained and documented an understanding of the University's team travel policies and compared and agreed it to the NCAA's related policies as stated in the NCAA Division 1 Manual.

We obtained the general ledger detail and compared to the total expenses reported for team travel and recalculated totals.

Sports Equipment, Uniforms and Supplies

Sports equipment, uniforms and supplies expenses were not significant during the reporting period.

Game Expenses

Game expenses were not significant during the report period.

Fund Raising, Marketing and Promotion

Fund raising, marketing and promotion expenses were not significant during the reporting period.

Sports Camp Expenses

Sports camp expenses were not significant during the reporting period.

Spirit Groups

Spirit group expenses were not significant during the reporting period.

Athletic Facilities Debt Service, Leases, and Rental Fees

We obtained a listing of debt service schedules, lease payments, and rental fees for athletics facilities for the reporting year, and agreed the two highest payments to supporting documentation. We compared amounts recorded to amounts listed in the general ledger detail and recalculated totals.

Direct Overhead and Administrative Expenses

We selected three direct overhead and administrative expenses and compared and agreed the transactions to supporting documentation and recalculated totals.

Indirect Institutional Support

There were no indirect institutional support expenses during the reporting period.

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

University of Arkansas at Fayetteville Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

Medical Expenses and Insurance

Medical expenses and insurance expenses were not significant during the reporting period.

Membership and Dues

Membership and dues expenses were not significant during the reporting period.

Student-Athlete Meals (Non-Travel)

Student-athlete meals (non-travel) expenses were not significant during the reporting period.

Other Operating Expenses

We obtained the general ledger detail of other operating expenses and compared the total to the amount reported in the Statement. We selected five transactions and agreed them to supporting documentation and recalculated totals.

Football Bowl Expenses

Football bowl expenses were not significant during the reporting period.

Football Bowl Expenses – Coaching Compensation/Bonuses

Football bowl expenses - coaching compensation/bonuses paid related to participation in a post-season football bowl game and were not significant during the reporting period.

ADDITIONAL MINIMUM AGREED-UPON PROCEDURES

We compared and agreed the Sports Sponsored reported in the NCAA Membership Financial Reporting System to the Calculation of Revenue Distribution Equivalencies Report of the University.

We compared the current year number of Sports Sponsored to prior year reported total per the Membership Financial Report submission and inquired and documented an explanation for any variance.

We compared current year Grant-in-Aid revenue distribution equivalencies to prior year reported equivalencies per the Membership Financial Report submission and inquired and documented an explanation for any variance greater than 4%.

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

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

University of Arkansas at Fayetteville Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

We agreed the total number of student-athletes who received a Pell Grant award and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report provided by the University.

We compared current year Pell Grants total to prior year reported total per the Membership Financial Report submission and inquired and documented an explanation for any variance greater than +/- 20 grants.

OTHER REPORTING ITEMS

Excess Transfers to Institution and Conference Realignment Expenses

There were no excess transfers to institution or conference realignment expenses reported by the University during the reporting period.

Total Athletics Related Debt

We obtained repayment schedules for all outstanding Program and University debt at June 30, 2021. We summarized and recalculated the Program's schedule of annual maturities and agreed the total annual maturities and outstanding athletic related debt to the supporting documentation and the University's general ledger.

Total Institutional Debt

We agreed the University's total outstanding debt on the schedule to the University's audited financial statements as of and for the year ended June 30, 2021.

Value of Athletics Dedicated Endowments

Athletics dedicated endowments are reported in Note 4.

Value of Institutional Endowments

We obtained a schedule of endowments and agreed them to audited financial statements for the University and Foundations.

Total Athletics Related Capital Expenditures

We obtained a schedule of athletics related capital expenditures. We selected a sample of additions and agreed the amounts to supporting documentation.

We obtained written representation 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 regulations, and other information we considered necessary for the year ended June 30, 2021.

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

University of Arkansas, Fayetteville

Intercollegiate Athletics Program

Notes to Statement of Revenues and Expenses in Accordance With NCAA Bylaw 3.2.4.17.1 (Unaudited) Year ended June 30, 2021

NOTE 1: BASIS OF PRESENTATION

The accompanying Statement of Revenues and Expenses in Accordance With NCAA Bylaw 3.2.4.17.1 (Unaudited) (the Statement) has been prepared on the accrual basis of accounting and is presented in a manner which intends to report all activities by and on behalf of University of Arkansas, Fayetteville (the University) Intercollegiate Athletics Program (the Program), including certain unrestricted activity reported by the University, The Razorback Foundation, Inc. (the Foundation), The University of Arkansas Foundation, Inc., and any certain outside entities related to intercollegiate activities. The Foundation accounts for contributions received and made in accordance with the provisions of ASC Topic 958, *Not-for-Profit Entities*, with respect to receivables.

Revenues are classified in the Statement in accordance with the following guidelines established by the NCAA:

1. Ticket sales

Revenue received for sales of admissions to athletic events. This includes ticket sales to the public, faculty and students, and money received for shipping and handling of tickets. This excludes ticket sales for conference and national tournaments that are pass-through transactions. Amounts paid in excess of a ticket's face value to obtain priority seating are reported in the category for Contributions.

2. Direct state or other government support

State, municipal, federal and other government appropriations made in support of the operations of intercollegiate athletics. This amount includes funding specifically earmarked to the athletics department by government agencies for which the institution has no discretion to reallocate. No such amounts were received by the University during fiscal year 2021.

3. Student fees

Student fees assessed and restricted for support of intercollegiate athletics. No such fees were assessed by the University during fiscal year 2021.

4. Direct institutional support

Includes value of institutional resources for the operations of intercollegiate athletics, as well as all unrestricted funds allocated to the athletics department by the university (e.g., state funds, tuition, tuition waivers and transfers). Includes federal work study support for student workers employed by athletics. The amount reported on the Statement by the Program consists primarily of non-resident tuition waivers, which represent noncash amounts reflected as direct institutional support with an offsetting amount in athletic student aid solely for reporting purposes.

5. Less – transfers to institution

If an institution provides student fees or direct institutional support to athletics (Categories 3 and 4 above), and the athletics department transfers funds back to the institution, the net transfer is reflected on the Statement. The Program reported transfers to the institution of \$416,866 during fiscal year 2021.

6. Indirect institutional support

Includes value of facilities and services provided by the institution but not charged to athletics. This support may include an allocation for institutional administrative cost, facilities and maintenance, grounds and field maintenance, security, risk management, utilities, and debt service. No such amounts were recognized by the University during fiscal year 2021.

6A. Indirect institutional support – Athletic facilities debt service, lease and rental fees

Includes value of debt service, leases and rental fees provided by the institution but not charged to athletics. No such amounts were recognized by the University during fiscal year 2021.

7. Guarantees

Revenue received from participation in away games.

8. Contributions

Amounts received directly from individuals, corporations, associations, foundations, clubs or other organizations for the operations of the athletics program. Includes funds contributed for the payment of debt service and amounts contributed above face value for tickets. Contributions for capital projects or endowments are not included in the Statement.

9. In-kind

Value of in-kind contributions including dealer-provided automobiles, equipment, products, and services. In-kind contributions that are made as a result of a licensing or sponsorship agreement are reported in Category 15 Royalties, licensing, advertisements and sponsorships.

10. Compensation and benefits provided by a third party

All amounts provided by a third party and contractually guaranteed by the institution. No such amounts were recognized by the University during fiscal year 2021.

11. Media rights

Revenues received for radio, television broadcasts, internet, digital, and e-commerce rights, including the portion of conference distributions related to media rights.

12. NCAA distributions

Revenues received from all NCAA distributions including revenue distributions, grants, NCAA championships travel reimbursements and payments from NCAA for hosting a championship.

13. Conference distributions (non-media and non-football bowl)

Revenues received by conference distribution, excluding portions of distribution related to media rights (reported in Category 11) or NCAA distributions (reported in Category 12). Includes revenues received in relation to conference championships and surplus distributions. Conference distributions of revenue generated by post-season football bowls to conference members are recorded separately in Category 13A. Distributions for reimbursement of post-season football bowl expenses are included in Category 19 Football bowl revenues.

13A. Conference distributions of football bowl generated revenue

Revenues received by conference distributions of revenue generated by post-season football bowl to conference members are recorded in this category. Distributions for reimbursement of post-season football bowl expenses are included in Category 19 Football bowl revenues.

14. Program, novelty, parking, and concession sales

Revenues from game programs, novelties, parking and food or other concessions.

15. Royalties, licensing, advertisements and sponsorships

All revenues from corporate sponsorships, licensing agreements, sales of advertisements, trademarks and royalties. Includes the value of in-kind products and services provided as part of a sponsorship agreement.

16. Sports camp revenues

Amounts received by the athletics department for sports camps and clinics. All sport camps except football were operated by coaches independently from the University in fiscal year 2021. Amounts reported represent payments to the University for football camp.

17. Athletics restricted endowment and investments income

Endowment and investment income including spending policy distribution and other investment income in support of the athletics department operations.

18. Other operating revenue

All other revenue items that do not meet the specific revenue category classifications above.

19. Football bowl revenues

Amounts received related to participation in a post-season football bowl game, including expense reimbursements and ticket sales.

Total operating revenues

Summation of categories 1-19.

Expenses are classified in the Statement in accordance with the following guidelines established by the NCAA:

20. Athletic student aid

Total amount of athletic-related student aid awarded, including summer school and tuition discounts and waivers (including aid given to student athletes who have exhausted their eligibility or who are inactive due to medical reasons). The amount reported on the Statement by the Program includes the value of non-resident tuition waivers, which represent noncash amounts reflected as athletic student aid with an offsetting amount in direct institutional support solely for reporting purposes.

21. Guarantees

Amounts paid to visiting participating institutions, including cash payments and travel expenses.

22. Coaching salaries, benefits and bonuses paid by the University and related entities

Gross salaries, bonuses and benefits provided to all coaches reportable on university or related entities W-2 and 1099 forms, which includes all gross wages, benefits and bonuses attributable to coaching that would be reportable on the university and related entities (e.g., foundations, booster clubs) W-2 and 1099 forms (e.g., car stipend, country club membership, entertainment allowance, clothing allowance, speaking fees, housing allowance, supplemental retirement allowance, compensation from camps, radio income, television income, tuition reimbursement/exemptions (for self or a dependent) and earned deferred compensation benefits). Bonuses related to participation in a post-season bowl game are included in Category 41A Football bowl expenses – coaching compensation/bonuses.

23. Coaching salaries, benefits and bonuses paid by a third party

All compensation paid to the coaching staff by a third party and contractually guaranteed by the institution, but not included on the institution's W-2. The amount included in the report reflects payments made to a coach for an equipment sponsorship agreement. Bonuses related to participation in a post-season football bowl game are included in Category 41A Football bowl expenses – coaching compensation/bonuses. No such amounts were recognized by the University in 2021.

24. Support staff/administrative compensation, benefits and bonuses paid by the University and related entities

Gross salaries, bonuses and benefits paid to administrative and support staff that would be reportable on university and related entities (e.g., foundations, booster clubs) W-2 and 1099 forms (e.g., car stipend, country club membership, entertainment allowance, clothing allowance, speaking fees, housing allowance, supplemental retirement allowance, compensation from camps, radio income, television income, tuition reimbursements/exemptions and earned deferred compensation. Bonuses related to participation in a post-season bowl game are included in Category 41A.

25. Support staff/administrative compensation, benefits and bonuses paid by a third party

All compensation paid to support staff by a third party and contractually guaranteed by the institution, but not included on the institution's W-2. No such amounts were recognized by the University in 2021.

26. Severance payments

Severance payments and applicable benefits recognized for past coaching and administrative personnel.

27. Recruiting

Transportation, lodging and meals for prospective student athletes and institutional personnel on official and unofficial visits, telephone call charges, and postage, among other related recruiting expenses. Includes value of use of institution's own vehicles or airplanes as well as in-kind value of loaned or contributed transportation.

28. Team travel

Air and ground travel, lodging, meals and incidentals for competition related to preseason, regular season and non-football bowl postseason. Amounts incurred for food and lodging for housing the team before a home game. Includes value of use of the institution's own vehicles or airplanes as well as in-kind value of donor-provided transportation. Travel expenses related to participation in a post-season football bowl game are included in Category 41 Football bowl expenses.

29. Sports equipment, uniforms and supplies

Amounts expended from current or operating funds for team use only. Includes value of in-kind equipment and apparel received as part of sponsorship agreements. Sports equipment, uniforms, and supplies related to participation in a post-season football bowl game are included in Category 41 Football bowl expenses.

30. Game expenses

Game-day expenses, other than travel, that are necessary for intercollegiate athletics competition, including officials, security, event staff, ambulance and other game-related expenses. Game expenses related to participation in a post-season football bowl game are included in Category 41 Football bowl expenses.

31. Fund raising, marketing and promotion

Costs associated with fund raising, marketing and promotion for media guides, brochures, recruiting publications and other fundraising-related expenses.

32. Sports camp expenses

All expenses paid by the athletics department, including non-athletics personnel salaries and benefits, from hosting sports camps and clinics. Sport camps are typically operated by coaches independently from the University. During fiscal year 2021, the athletics department managed the operation of Football camp.

33. Spirit groups

Support for spirit groups including bands, cheerleaders, mascots, dancers, etc. The department fully funds the spirit group and transfers funds to campus for support of the band program. Spirit groups expenses related to participation in a post-season football bowl game are included in Category 41 Football bowl expenses.

34. Athletic facilities, debt service, leases, and rental fees

Debt service payments (principal and interest, including internal loan programs), leases, and rental fees for athletics facilities for the reporting year regardless of entity paying (athletics, institution, or other). The department fully funds the costs of debt service for athletics facilities, and any lease or rental fees for off-campus competition facilities.

35. Direct overhead and administrative expenses

Overhead and administrative expenses paid by or charged directly to athletics, including administrative/overhead fees charged by the institution, facilities maintenance, security, risk management, utilities, equipment repair, telephone, and other administrative expenses.

36. Indirect institutional support

Overhead and administrative expenses not paid by or charged directly to athletics, including administrative/overhead fees not charged by the institution, facilities maintenance, security, risk management, utilities, equipment repair, telephone, and other administrative expenses. No such amounts were recognized by the University in 2021.

37. Medical expenses and insurance

Medical expenses and insurance premiums for student athletes.

38. Memberships and dues

Memberships, conference and association dues.

39. Student-athlete meals (non-travel)

Includes meal allowances and food/snacks provided to student-athletes. Meals related to team travel are included in Category 28 Team Travel. Meals related to participation in a post-season football bowl game are included in Category 41 Football bowl expenses.

40. Other operating expenses

Includes any operating expenses paid by Athletics which cannot be classified into one of the other categories. Includes non-team travel, team banquets and awards, and any other operating expense not reported elsewhere.

41. Football bowl expenses

All expenditures related to participation in a post-season football bowl game. Include team travel, lodging, meal expenses, bonuses related to football bowl participation, spirit groups, band, and uniforms.

41A. Football bowl expenses – coaching compensation/bonuses

All coaching salary and bonus expenditures related to participation in a post-season football bowl game (football only).

Total operating expenses

Summation of categories 20-41A.

50. Excess transfers to institution

Amount of athletic-generated revenues or athletic reserves that are contributed back to the institution for other institutional initiatives outside of athletics.

If an institution provides student fees or direct institutional support to athletics (Categories 3 and 4 above), and the athletics department transfers funds back to the institution (Category 5 above), the net transfer is reflected on the Statement. The Program reported no excess transfers to the institution during fiscal year 2021.

51. Conference realignment expenses

One-time amounts paid by athletics and by the institution above normal operating expenses for conference realignment (e.g., exit fees, consulting fees, legal fees, signage, advertising, public relations). No such amounts were incurred by the University in 2021.

52. Total athletics related debt

Value of athletics debt at the end of the fiscal year. The balance at June 30, 2021 was \$163,424,063.

53. Total institutional debt

Total value of institutional debt at the end of the fiscal year, including athletics related debt. The balance at June 30, 2021 was \$843,027,435.

54. Value of athletics dedicated endowments

Total fair market value of athletics-dedicated endowments at the end of the fiscal year. The balance at June 30, 2021 was \$18,141,052.

55. Value of institutional endowments

Total fair market value of institutional endowments at the end of the fiscal year. The balance at June 30, 2021 was \$1,682,003,955.

56. Total athletics related capital expenditures

Cost of athletics related capital expenditures for the fiscal year. The expenditures for the fiscal year ending June 30, 2021 were \$40,315,609. These expenditures were primarily related to construction-in-progress on the baseball development center, outdoor track high performance center, and indoor track upgrades.

NOTE 2: ATHLETIC DEBT AND DEBT SERVICE

The Program is subject to the University's policies and procedures for issuing debt. The Program had the following debt outstanding as of June 30, 2021:

<u>Purpose of Debt</u>	<u>Maturity Date</u>	<u>Amount of Outstanding Principal</u>
Construction of football center	2021	\$ 2,130,000
Construction of outdoor track stadium	2022	1,280,000
Capital improvements to various athletic facilities for energy savings	2023	444,639
Construction of student athlete success center, basketball performance center, and baseball and track indoor training facility	2028	17,035,000
Construction of outdoor track high performance center	2035	8,835,485
Construction of baseball development center	2035	16,064,515
Construction of football stadium north end zone expansion and updates	2037	107,700,000
Regions Master Loan refinance	2028	9,934,424
		<u>\$ 163,424,063</u>

On September 11, 2020, the University entered into a master loan agreement in the amount of \$18,664,000, delivered in two advances, to finance the refunding of a portion of the Board's Athletic Facilities Revenue Bonds. The University elected to enter into this loan agreement due to uncertainties surrounding short-term Athletics cash flows caused by the COVID-19 pandemic. The first advance of \$9,934,424 occurred in August 2020. The second advance of \$8,729,576 occurred in August 2021. This loan included a tax-exempt portion at 1.38% and a taxable portion at 1.81%, and will be repaid over a five year period beginning in FY2025.

The Program had debt service in the amount of \$6,114,595 for the year ended June 30, 2021. The Program had the following debt service requirements remaining as of June 30, 2021:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 8,807,225	\$ 5,820,635	\$ 14,627,860
2023	10,087,415	5,479,402	15,566,817
2024	9,545,000	5,155,528	14,700,528
2025	11,471,321	4,812,699	16,284,020
2026	12,002,449	4,435,335	16,437,784
2027	12,544,709	4,035,725	16,580,434
2028	13,116,342	3,612,764	16,729,106
2029	10,914,602	3,234,482	14,149,084
2030	8,735,000	2,923,341	11,658,341
2031	9,040,000	2,613,520	11,653,520
2032	9,365,000	2,286,797	11,651,797
2033	9,715,000	1,941,103	11,656,103
2034	10,080,000	1,575,378	11,655,378
2035	10,525,000	1,130,911	11,655,911
2036	8,520,000	660,750	9,180,750
2037	8,955,000	223,875	9,178,875
	<u>\$ 163,424,063</u>	<u>\$ 49,942,245</u>	<u>\$ 213,366,308</u>

Total Athletics Department debt at June 30, 2021 was \$163,424,063. Total institutional debt at June 30, 2021 was \$843,027,435.

NOTE 3: CONTRIBUTIONS

During the year ended June 30, 2021, the Program received contributions of cash, goods, and services through the Foundation of approximately \$26 million, which includes donations with restrictions and without restrictions. Approximately \$1.2 million of contributions with donor restrictions were transferred to fund debt service on capital projects (and included in Line 8). Approximately \$5.3 million of contributions with donor restrictions were related to capital projects or endowments and, in accordance with NCAA reporting guidelines, are not included in the Statement.

NOTE 4: ENDOWMENT AND RESTRICTED NET ASSETS

The Razorback Foundation receives contributions to support the Athletic Department, including annual fund contributions and contributions with certain donor restrictions for projects or endowments. During the year ended June 30, 2021, the Razorback Foundation received contributions with donor restrictions of approximately \$6.3 million. At June 30, 2021, the Razorback Foundation held net assets with donor restrictions of \$25.1 million.

The University of Arkansas Foundation, Inc. holds funds that are primarily related to Women's Athletics and remain from the period of time that the athletic programs were separate. These funds generate endowment earnings which are used to support the Program in accordance with donor

restrictions. At June 30, 2021, the University of Arkansas Foundation, Inc. held net assets with donor restrictions of \$4.2 million.

NOTE 5: CAPITAL ASSETS AND EXPENDITURES

Capital expenditures and construction-in-progress related to the Program for the year ended June 30, 2021, were approximately \$40.3 million. The Program also recognized an adjustment of \$1.5 million to the beginning balance of construction-in-progress for the Baseball Development Center, which reflected a prior year payment that was added to the current year expenditures. Capital expenditures and transfers to construction projects related to the Foundation for the year ended June 30, 2021, was approximately \$1.6 million. These expenditures and transfers were primarily related to the baseball and track facility projects. In accordance with NCAA reporting requirements, these amounts were not included in the Statement or Supplemental Schedule.

Depreciation expense related to the Program for the year ended June 30, 2021, was 17,927,533. Depreciation expense related to the Foundation for the year ended June 30, 2021, was \$527,306. In accordance with NCAA reporting requirements, these amounts were not included in the Statement or Supplemental Schedule.

The University, including intercollegiate athletics, records all purchased capital assets at cost and all donated fixed assets at fair value as of the date of the gift. Generally, buildings, improvements, and infrastructure additions are capitalized when the cost is \$50,000 or more. Renovation to buildings, infrastructure and land improvements are also capitalized when they significantly increase the value or extend the useful life of the structure and the cost exceeds \$50,000.

In accordance with the University's capitalization policy, equipment includes all furniture, fixtures and equipment with a unit cost of \$5,000 or more and an estimated useful life of two years or more.

Software assets are capitalized when the cost is \$500,000 or more for purchased software, \$1,000,000 or more for internally-developed software, or \$250,000 or more for easements, land use rights, trademarks and copyrights, and patents.

The University capitalizes interest cost on borrowings used for the construction of capital assets net of any interest earned on the proceeds of these borrowings. The interest is capitalized from the date of the borrowing until the asset is ready for its intended purpose.

Depreciation is calculated on the straight-line method over the estimated useful lives of the capital assets. The following depreciation rates are generally used to depreciate capital assets:

Buildings	15-30 years
Improvements and infrastructure	15-20 years
Equipment	3-10 years
Software	5-10 years

A summary of changes in the Program's capital assets is as follows:

	June 30, 2020	Additions	Transfers/ Disposals	June 30, 2021
Buildings	\$ 506,035,945	\$ 11,028,634	\$ (1,176,793)	\$ 515,887,786
Equipment	24,411,775	57,091	(47,358)	24,421,508
Improvements & infrastructure	3,368,355	-	-	3,368,355
Intangible Assets	575,000	-	-	575,000
Construction in progress	14,260,595	30,775,226	(9,282,890)	35,752,931
Total	548,651,670	41,860,951	(10,507,041)	580,005,580
Accumulated depreciation	(211,922,901)	(17,927,533)	45,159	(229,805,275)
	<u>\$ 336,728,769</u>	<u>\$ 23,933,418</u>	<u>\$ (10,461,882)</u>	<u>\$ 350,200,305</u>

NOTE 6: SEVERANCE PAYMENTS

During the year ended June 30, 2021, the Program made severance payments in the amount of \$6,589,227 subject to release agreements with former Football Coaches. These amounts are reflected in the Statement for the year ended June 30, 2021.

Supplemental Schedule

University of Arkansas, Fayetteville

Intercollegiate Athletics Program

Supplemental Schedule to the Independent Accountant's Report on the Application of Agreed-Upon Procedures (Unaudited) Year ended June 30, 2021

	2019-20	2020-21	% Total	Dollar Difference	Percentage Difference	Management's Comments
Revenues						
1 Ticket Sales	\$ 34,524,568	\$ 15,631,610	11.8%	\$ (18,892,958)	-54.7%	Decrease in football and men's basketball ticket sales due to reduced capacities in Athletic venues.
2 Direct State or Other Govt Support	-	-	0.0%	-	0.0%	
3 Student Fees	-	-	0.0%	-	0.0%	
4 Direct Institutional Support	1,937,523	1,995,344	1.5%	57,821	3.0%	
5 Less: Transfers to Institution	(440,413)	(416,866)	-0.3%	23,547	-5.3%	Increase in credit hours reported for non-resident tuition awards.
6 Indirect Facilities and Admin Support	-	-	0.0%	-	0.0%	
7 Guarantees	2,015,000	10,000	0.0%	(2,005,000)	-99.5%	Prior year included a one-time receipt of \$2M from the cancellation of a home football game scheduled for the 2019 season.
8 Contributions	17,911,565	19,119,047	14.4%	1,207,482	6.7%	Increase in annual fund contributions through the Razorback Foundation tied to increase in season ticket sales for the upcoming football and men's basketball seasons.
9 In-Kind Contributions	919,918	667,546	0.5%	(252,372)	-27.4%	Decrease in in-kind contributions that passed through the Razorback Foundation.
10 Compensation Provided by Third Party	175,000	-	0.0%	(175,000)	-100.0%	Third party equipment use agreement between Easton and Head Baseball Coach expired after the 2019-20 fiscal year.
11 Media Rights	34,826,266	35,084,736	26.5%	258,460	0.7%	Slight increase in revenues received through the conference for television agreements.
12 NCAA Distributions	1,219,853	4,141,879	3.1%	2,922,026	239.5%	Prior year included a decrease in NCAA distribution from the cancellation of the Men's Basketball tournament and spring sports championships.
13 Conference Distributions (Non-media and Non-bowl)	3,473,615	29,854,550	22.5%	26,380,935	759.5%	2020-21 fiscal year included a one-time distribution of \$23M from the Southeastern Conference.
13A Conference Distributions (Bowl Revenues)	8,102,040	9,390,672	7.1%	1,288,632	15.9%	Conference distribution of net bowl revenues higher due to the number of teams and payouts from bowl games.
14 Program, Novelty, Parking, Concessions	1,705,009	853,497	0.6%	(851,512)	-49.9%	2020-21 fiscal year included a decrease in commissions from concessions and merchandise due to capacity limits in Athletic venues.
15 Royalties, Licensing, Adv, Sponsorships	15,844,715	14,918,734	11.3%	(925,981)	-5.8%	2020-21 fiscal year included a decrease in the multi-media rights royalty payment due to Covid-related impairment of sponsorships.
16 Sports Camps Revenues	45,300	73,289	0.1%	27,989	61.8%	2020-21 fiscal year includes revenues for football camps that were operated through the department.
17 Endowment and Investment Income	775,212	299,184	0.2%	(476,028)	-61.4%	Decrease due to lower interest earnings on Athletic funds.
18 Other Operating Revenue	322,400	773,398	0.6%	450,998	139.9%	Prior year included a decrease in rental fees and event registration fees due to cancellation of Spring 2020 events.
19 Bowl Revenues	-	-	0.0%	-	0.0%	2020-21 fiscal year did not include an expense allowance for bowl game due to the cancellation of the Texas Bowl.
Subtotal Operating Revenues	123,357,571	132,396,610	100%	9,039,039	7.3%	

Prepared by University Management



**University of Arkansas at Little Rock
Intercollegiate Athletics Program**

**Statement of Revenues and
Expenses (Unaudited)
and
Independent Accountant's Report
on the Application of
Agreed-Upon Procedures**

Year ended June 30, 2021

**University of Arkansas at Little Rock
Intercollegiate Athletics Program**

TABLE OF CONTENTS

	<u>Page</u>
STATEMENT OF REVENUES AND EXPENSES (UNAUDITED)	1
INDEPENDENT ACCOUNTANT'S REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES	3
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES	4
SUPPLEMENTAL SCHEDULE TO THE INDEPENDENT ACCOUNTANT'S REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES (UNAUDITED)	14

**University of Arkansas at Little Rock
Intercollegiate Athletics Program**

**Statement of Revenues and Expenses (Unaudited)
Year ended June 30, 2021**

	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
REVENUES					
Ticket sales	\$ 173,363	\$ 38,895	\$ 13,472	\$ -	\$ 225,730
Direct state or other government support	-	-	-	-	-
Student fees	-	-	-	3,230,766	3,230,766
Direct institutional support	145,646	107,382	1,137,020	3,916,167	5,306,215
Transfers to the Institution	-	-	-	-	-
Indirect institutional support	-	-	-	-	-
Indirect institutional support - athletic facilities debt service, lease and rental fees	-	-	70,569	-	70,569
Guarantees	90,000	-	34,000	-	124,000
Contributions	361,494	78,147	354,463	145,807	939,911
In-kind	81,860	-	-	79,484	161,344
Compensation and benefits provided by a third party	43,837	42,850	69,973	54,863	211,523
Media rights	-	-	-	-	-
NCAA distributions	-	-	-	348,056	348,056
Conference distributions (non-media/football bowl)	-	-	-	385,804	385,804
Conference distributions of bowl generated revenue	-	-	-	-	-
Program, novelty, parking and concession sales	20,282	31,234	126,718	12,052	190,286
Royalties, licensing, advertisement and sponsorships	-	-	25,000	649,545	674,545
Sports camp revenues	-	-	-	-	-
Athletics restricted endowment and investments income	9,353	26	47,711	209,806	266,896
Other operating revenues	20,000	-	100,111	440,308	560,419
Football bowl revenues	-	-	-	-	-
Total Revenues	945,835	298,534	1,979,037	9,472,658	12,696,064

Prepared by University Management.

**University of Arkansas at Little Rock
Intercollegiate Athletics Program**

**Statement of Revenues and Expenses (Unaudited)
Year ended June 30, 2021**

	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
EXPENSES					
Athletic student aid	467,519	484,527	3,422,349	101,873	4,476,268
Guarantees	5,000	-	-	-	5,000
Coaching salaries, benefits and bonuses paid by the University and related entities	759,602	737,913	1,235,812	-	2,733,327
Coaching salaries, benefits and bonuses paid by a third party	43,837	42,850	69,973	-	156,660
Support staff/administrative compensation, benefits and bonuses paid by the University and related entities	128,167	87,368	7,770	1,495,617	1,718,922
Support staff/administrative compensation, benefits and bonuses paid by a third party	-	-	-	54,863	54,863
Severance payments	-	-	-	-	-
Recruiting	9,521	7,401	16,445	-	33,367
Team travel	246,971	85,921	879,440	-	1,212,332
Sports equipment, uniforms and supplies	94,433	37,215	330,555	51,362	513,565
Game expenses	105,655	89,511	62,666	121,942	379,774
Fund raising, marketing and promotion	2,782	201	38,524	31,893	73,400
Sports camp expenses	-	-	-	-	-
Spirit groups	-	-	-	45,368	45,368
Athletic facilities debt service, leases and rental fees	-	-	70,569	-	70,569
Direct overhead and administrative expenses	54,776	20,073	116,436	524,995	716,280
Indirect institutional support	-	-	-	-	-
Medical expenses and insurance	-	-	41,357	75,873	117,230
Membership and dues	-	-	12,444	3,288	15,732
Student-athlete meals (non-travel)	23,658	9,523	34,848	5,728	73,757
Other operating expenses	1,923	2,737	102,423	92,144	199,227
Football bowl expenses	-	-	-	-	-
Football bowl expenses - coaching compensation/bonuses	-	-	-	-	-
Total Expenses	1,943,844	1,605,240	6,441,611	2,604,946	12,595,641
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	\$ (998,009)	\$ (1,306,706)	\$ (4,462,574)	\$ 6,867,712	\$ 100,423

Prepared by University Management.



**INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES**

Audit and Fiscal Responsibility Committee of the
Board of Trustees
University of Arkansas System
Little Rock, Arkansas

We have performed the procedures enumerated in the attachment to this report solely to assist you in evaluating whether the accompanying Statement of Revenues and Expenses (unaudited) (the Statement) of the **University of Arkansas at Little Rock Intercollegiate Athletics Program** (the Program) is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.17.1 for the year ended June 30, 2021. The management of the Program is responsible for the Statement and the Statement's compliance with those requirements.

The Board of Trustees of the University of Arkansas System Program has agreed to and acknowledged that the procedures are appropriate to meet the intended purpose of the Statement's compliance with the NCAA Bylaw 3.2.4.17.1 for the year ended June 30, 2021. The report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures that we performed and our findings are described in the attachment to this report.

We were engaged by the Board of Trustees of the University of Arkansas System to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 of the Program. 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.

We are required to be independent of the management of the Program and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.


Certified Public Accountants

Fort Smith, Arkansas
January 4, 2022



University of Arkansas at Little Rock Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

The agreed-upon procedures performed and our findings are enumerated below. Unless otherwise stated, no exceptions resulted from the performance of the agreed-upon procedures.

INTERNAL CONTROL

We obtained an understanding of specific elements of the control environment and accounting system that are unique to intercollegiate athletics and obtained an understanding of procedures for gathering information on the nature and extent of affiliated and outside organization activity for or on behalf of the intercollegiate athletics program.

AFFILIATED AND OUTSIDE ORGANIZATIONS

We obtained the audited financial statements for all intercollegiate athletics-related affiliated and outside organizations as of and for the year ended June 30, 2021, and confirmed the amounts reported in the Statement of Revenues and Expenses (Unaudited) (the Statement) directly with the affiliated organizations.

We reviewed the audited financial statements of the affiliated organizations as of and for the year ended June 30, 2021, and noted no reported internal control matters requiring corrective action.

REVENUES

We compared and agreed each operating revenue category reported in the Statement during the reporting period to supporting schedules. No procedures were performed for categories with balances less than 4% of total revenues.

We compared and agreed a sample of operating revenue receipts obtained from the above operating revenue supporting schedules to adequate supporting documentation.

We compared each major program revenue amount (more than 10% of the total revenues) reported in the Statement for the year ended June 30, 2021 to the budgeted and prior year amounts and obtained and documented management's explanation for any difference greater than 10%.

Ticket Sales

Ticket sales were not significant during the reporting period.

Direct State or Other Government Support

There were no revenues from direct state or other government support during the reporting period.

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

University of Arkansas at Little Rock Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

Student Fees

We obtained the methodology for allocating student fees to intercollegiate athletics programs.

We compared and agreed student fees reported by the institution in the Statement to student enrollments during the reporting period and recalculated totals.

Direct Institutional Support

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

Transfers to the Institution

There were no transfers to the institution during the reporting period.

Indirect Institutional Support

There was no indirect institutional support during the reporting period.

Indirect Institutional Support – Athletic Facilities Debt Service, Lease, and Rental Fees

Indirect institutional support – athletic facilities debt service, lease, and rental fees was not significant during the reporting period.

Guarantees

Guarantee revenues were not significant during the reporting period.

Contributions

No contributions of moneys, goods, or services received from any affiliated or outside organization, agency, or group of individuals constitutes 10% or more in the aggregate for the reporting year of all contributions received by the Program.

In-Kind

In-kind revenues were not significant during the reporting period.

Compensation and Benefits Provided by a Third Party

Compensation and benefits provided by a third party were not significant during the reporting period.

Media Rights

There were no revenues from media rights during the reporting period.

NCAA Distributions

NCAA distributions were not significant during the reporting period.

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

University of Arkansas at Little Rock Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

Conference Distributions (non-media/football bowl)

Conference distributions (non-media/football bowl) were not significant during the reporting period.

Conference Distributions of Football Bowl Generated Revenue

There were no conference distributions of football bowl generated revenue during the reporting period.

Program, Novelty, Parking and Concession Sales

Program, novelty, parking and concession sales were not significant during the reporting period.

Royalties, Licensing, Advertisements and Sponsorships

We obtained and inspected one contact related to revenues from royalties, licensing, advertisements, and sponsorships during the reporting period to gain an understanding of the relevant terms and conditions. We compared and agreed the related revenues to the institution's general ledger and recalculated totals.

Sports Camp Revenues

There were no sports camp revenues during the reporting period.

Athletics Restricted Endowment and Investments Income

Athletics restricted endowments and investments income were not significant during the reporting period.

Other Operating Revenues

We obtained and inspected a copy of the adjustments for the revenue received from the University of Arkansas at Little Rock related to the CARES act lost revenue apportioned to the Program. We performed minimum agreed-upon procedures referenced for all revenue categories and recalculated totals.

Football Bowl Revenues

There were no football bowl revenues during the reporting period.

EXPENSES

We compared and agreed each operating expense category reported in the Statement during the reporting period to supporting schedules. No procedures were performed for categories with balances less than 4% of total expenses.

We compared and agreed a sample of operating expense receipts obtained from the above operating expense supporting schedules to adequate supporting documentation.

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

University of Arkansas at Little Rock Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

We compared each major expense amount (more than 10% of the total expenses) reported in the Statement for the year ended June 30, 2021 to the budgeted and prior year amounts, and obtained and documented management's explanation for any difference greater than 10%.

Athletic Student Aid

We selected 25 students from the listing of athletic department student aid recipients during the reporting period (10% of the total student-athletes from the University who utilized the Compliance Assistance Software.) We obtained the individual students' account details, compared total aid in the institution's system to the students' detail in the Compliance Assistance Software, and ensured their information was reported accurately to the NCAA. We recalculated totals for each sport and overall.

Guarantees

Guarantees were not significant during the reporting period.

Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities

We obtained and inspected a listing of coaches employed by the University and related entities during the reporting period. From the listing, we selected three coaches' contracts that included men's and women's basketball. We compared the coaches' contracts and agreed the financial terms and conditions of each selection to the related payroll summary registers for the coaching salaries, benefits, and bonuses recorded by the University in the Statement during the reporting period.

Coaching Salaries, Benefits, and Bonuses Paid by a Third Party

Coaching other compensation and benefits paid by a third party were not significant during the reporting period.

Support Staff/Administrative Compensation, Benefits, and Bonuses Paid by the University and Related Entities

We selected three administrative personnel employed by the University during the reporting period. We compared the payroll register for each selection to the general ledger.

Support Staff/Administrative Compensation, Benefits, and Bonuses Paid by a Third Party

Support staff/administrative compensation, benefits, and bonuses paid by a third party were not significant during the reporting period.

Severance Payments

There were no severance payments during the reporting period.

Recruiting

Recruiting expenses were not significant during the reporting period.

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

University of Arkansas at Little Rock Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

Team Travel

We obtained and documented an understanding of the University's team travel policies and compared and agreed it to the NCAA's related policies as stated in the NCAA Division 1 Manual.

We obtained the general ledger detail and compared to the total expenses reported for team travel and recalculated totals.

Sports Equipment, Uniforms and Supplies

We obtained the general ledger detail and compared to the total expenses reported for sports equipment, uniforms and supplies. We selected four sports equipment, uniforms and supplies expenses and compared and agreed the transactions to supporting documentation and recalculated totals.

Game Expenses

Game expenses were not significant during the reporting period.

Fund Raising, Marketing and Promotion

Fund raising, marketing and promotion expenses were not significant during the reporting period.

Sports Camp Expenses

There were no sports camp expenses during the reporting period.

Spirit Groups

Spirit groups expenses were not significant during the reporting period.

Athletic Facilities Debt Service, Leases, and Rental Fees

Athletic facilities debt service, leases, and rental fees were not significant during the reporting period.

Direct Overhead and Administrative Expenses

We obtained the general ledger detail and compared to the total expenses reported for direct overhead and administrative expenses. We selected four direct overhead and administrative expenses and compared and agreed the transactions to supporting documentation and recalculated totals.

Indirect Institutional Support

There were no indirect institutional support expenses during the reporting period.

University of Arkansas at Little Rock Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

Medical Expenses and Insurance

Medical expenses and insurance were not significant during the reporting period.

Membership and Dues

Membership and dues expenses were not significant during the reporting period.

Student-Athlete Meals (non-travel)

Student-athlete meals (non-travel) expenses were not significant during the reporting period.

Other Operating Expenses

Other operating expenses were not significant during the reporting period.

Football Bowl Expenses

There were no football bowl expenses during the reporting period.

Football Bowl Expenses – coaching compensation/bonuses

There were no coaching compensation/bonuses paid related to participation in a post-season bowl game during the reporting period.

ADDITIONAL MINIMUM AGREED-UPON PROCEDURES

We compared and agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the squad lists of the University.

We compared current year number of sports sponsored to prior year reported total per the Membership Financial Report submission and inquired and documented an explanation for any variance.

We compared current year Grant-in-Aid revenue distribution equivalencies to prior year reported equivalencies per the Membership Financial Report submission and inquired and documented an explanation for any variance greater than 4%.

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

We agreed the total number of student-athletes who received a Pell Grant award and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report provided by the University.

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

University of Arkansas at Little Rock Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

We compared current year Pell Grants total to prior year reported total per the Membership Financial Report submission and inquired and documented an explanation for any variance greater than +/- 20 grants.

OTHER REPORTING ITEMS

Excess Transfers to Institution and Conference Realignment Expenses

There were no excess transfers to institution and conference realignment expenses reported by the University during the reporting period.

Total Athletics-Related Debt

We obtained repayment schedules for all outstanding Program and University debt at June 30, 2021. We summarized and recalculated the Program's schedule of annual maturities.

Total Institutional Debt

We agreed the University's total outstanding debt on the schedule to the University's audited financial statements as of and for the year ended June 30, 2021.

Total Athletics Dedicated Endowments

We obtained a schedule of all athletics dedicated endowments maintained by athletics. We agreed the fair market value in the schedule to supporting documentation and the general ledgers.

Total Institutional Endowments

We obtained a schedule of endowments and agreed them to audited financial statements for the University and Foundations.

Total Athletics-Related Capital Expenditures

We obtained a schedule of athletics-related capital expenditures made by the athletics, institution, and affiliated organizations during the reporting period. We obtained the general ledger detail and compared to total additions reported. We selected a sample of additions during the year and agreed to supporting documentation.

We obtained written representation 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 regulations, and other information we considered necessary for the year ended June 30, 2021.

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

University of Arkansas at Little Rock Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

CAPITALIZED ASSETS

The University, including intercollegiate athletics, records all purchased fixed assets at cost with a useful life of two years and \$2,500 or more and all donated fixed assets at fair market value as of the date of the gift.

The University capitalizes interest cost on borrowings used for the construction of fixed assets net of any interest earned on the proceeds of these borrowings. The interest is capitalized from the date of the borrowing until the asset is ready for its intended purpose.

Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. The following depreciation rates are generally used to depreciate fixed assets:

Buildings	15-30 years
Building improvements	15-20 years
Equipment	3-12 years

A summary of changes in athletics-related property, plant, and equipment balance is as follows:

	June 30, 2020	Reclassification	Additions	Disposals	June 30, 2021
Building	\$ 25,506,453	\$ 626,257	\$ 1,870,000	\$ -	\$ 28,002,710
Equipment	333,456		56,574	-	390,030
Improvements	4,198,542	(626,257)	-	-	3,572,285
Total	30,038,451	-	1,926,574	-	31,965,025
Accumulated depreciation	(15,839,973)	-	(1,092,483)	-	(16,932,456)
Total	<u>\$ 14,198,478</u>	<u>\$ -</u>	<u>\$ 834,091</u>	<u>\$ -</u>	<u>\$ 15,032,569</u>

LONG-TERM DEBT

We obtained repayment schedules for all intercollegiate athletics debt outstanding at June 30, 2021. We recalculated the schedule of annual maturities (consisting of principal and interest payments).

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

University of Arkansas at Little Rock Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

We agreed the University's total outstanding debt on the schedule to the University's audited financial statements as of and for the year ended June 30, 2021.

The Program had the following debt service requirements as of June 30, 2021:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 38,250	\$ 32,129	\$ 70,379
2023	40,313	30,165	70,478
2024	42,375	28,098	70,473
2025	44,438	25,928	70,366
2026	46,875	23,645	70,520
Thereafter	534,938	99,583	634,521

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

Supplemental Schedule

University of Arkansas at Little Rock

Intercollegiate Athletics Program

Supplemental Schedule to the Independent Accountant's Report on the Application of Agreed-Upon Procedures (Unaudited) Year ended June 30, 2021

PRIOR PERIOD COMPARISON OF MAJOR REVENUES AND EXPENSES

Amounts for each major revenue and expense account over 10% of the total revenues and expenses were compared to prior period amounts. For variations greater than 10%, an understanding was obtained as noted below.

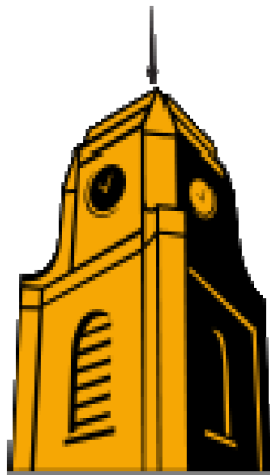
Category	FY 21 Amount	FY 20 Amount	Variance	% Variance	Variance Explanation
Student Fees	\$3,230,766	\$3,610,193	-\$379,427	-11%	Student Fees was lower in the current year due to declining enrollment.

BUDGET TO ACTUAL COMPARISON OF MAJOR REVENUES AND EXPENSES

Amounts for each major revenue and expense account over 10% of the total revenues and expenses was compared to budget estimate amounts. For variations greater than 10%, an understanding was obtained as noted below.

Category	FY 21 Estimate	FY21 Actual	Variance	% Variance	Variance Explanation
Direct Institutional Support	\$2,831,307	\$5,306,215	\$2,747,908	87%	Direct Institutional Support was higher in current year than budgeted because the budget only includes funds from the athletic department.
Athletic Student Aid	\$3,372,695	\$4,476,268	\$1,103,573	33%	Athletic Student Aid was higher in current year than budgeted because the budget only includes funds from the University. Actual expenditures include expenditures from funds/scholarships from foundation accounts as well as non-resident waivers.

Prepared by University Management.



UNIVERSITY
of ARKANSAS
AT PINE BLUFF
—1873—

**University of Arkansas at Pine Bluff
Intercollegiate Athletics Program**

**Statement of Revenues and
Expenses (Unaudited)
and
Independent Accountant's Report
on the Application of Agreed-Upon Procedures**

Year ended June 30, 2021

**University of Arkansas at Pine Bluff
Intercollegiate Athletics Program**

TABLE OF CONTENTS

	<u>Page</u>
STATEMENT OF REVENUES AND EXPENSES (UNAUDITED)	1
INDEPENDENT ACCOUNTANT’S REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES	3
ATTACHMENT TO INDEPENDENT ACCOUNTANT’S REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES	4
SUPPLEMENTAL SCHEDULE TO THE INDEPENDENT ACCOUNTANT’S REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES (UNAUDITED)	13

**University of Arkansas at Pine Bluff
Intercollegiate Athletics Program**

**Statement of Revenues and Expenses (Unaudited)
Year ended June 30, 2021**

	Football	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
REVENUES						
Ticket sales	\$ 10,625	\$ 285	\$ 816	\$ -	\$ -	\$ 11,726
Direct state or other government support	-	-	-	-	-	-
Student fees	-	-	-	-	1,489,644	1,489,644
Direct institutional support	-	-	-	-	5,758,324	5,758,324
Less - transfers to the institution	-	-	-	-	-	-
Indirect institutional support	-	-	-	-	167,265	167,265
Indirect institutional support - athletic facilities debt service, lease and rental fees	-	-	-	-	-	-
Guarantees	-	348,600	32,000	20,000	-	400,600
Contributions	-	-	-	-	-	-
In-kind	-	-	-	-	-	-
Compensation and benefits provided by a third party	-	-	-	-	-	-
Media rights	-	-	-	-	-	-
NCAA distributions	-	-	-	-	205,579	205,579
Conference distributions (non-media/ football bowl)	-	-	-	-	-	-
Conference distributions of bowl generated revenue	-	-	-	-	-	-
Program, novelty, parking and concession sales	2,960	-	-	-	369	3,329
Royalties, licensing, advertisement and sponsorships	-	-	-	-	-	-
Sports camp revenues	-	-	-	-	-	-
Athletics restricted endowment and investments income	-	-	-	-	-	-
Other operating revenues	14,581	-	-	2,144	255,487	272,212
Football bowl revenues	-	-	-	-	-	-
Total Revenues	28,166	348,885	32,816	22,144	7,876,668	8,308,679

Prepared by University Management.

**University of Arkansas at Pine Bluff
Intercollegiate Athletics Program**

**Statement of Revenues and Expenses (Unaudited)
Year ended June 30, 2021**

	Football	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
EXPENSES						
Athletic student aid	989,679	248,824	239,792	1,163,394	62,586	2,704,275
Guarantees	-	-	-	-	-	-
Coaching salaries, benefits and bonuses paid by the University and related entities	683,605	374,568	297,840	528,805	15,113	1,899,931
Coaching salaries, benefits and bonuses paid by a third party	-	-	-	-	-	-
Support staff/administrative compensation, benefits and bonuses paid by the University and related entities	-	-	-	-	1,280,081	1,280,081
Support staff/administrative compensation, benefits and bonuses paid by a third party	-	-	-	-	-	-
Severance payments	-	-	-	-	-	-
Recruiting	13,370	2,527	1,434	2,124	12,794	32,249
Team travel	120,798	119,172	93,809	365,827	68,289	767,895
Sports equipment, uniforms and supplies	204,641	22,114	14,721	48,805	132,811	423,092
Game expenses	11,625	6,400	7,300	10,265	58,764	94,354
Fund raising, marketing and promotion	7,673	120	776	1,437	21,580	31,586
Sports camp expenses	-	-	-	-	-	-
Spirit groups	-	-	-	-	-	-
Athletic facilities debt service, leases and rental fees	-	-	-	-	-	-
Direct overhead and administrative expenses	7,285	1,644	937	3,952	281,771	295,589
Indirect institutional support	-	-	-	-	167,265	167,265
Medical expenses and insurance	-	-	2,024	-	196,961	198,985
Membership and dues	-	-	-	2,579	1,800	4,379
Student-athlete meals (non-travel)	4,326	6,855	6,452	15,536	5,644	38,813
Other operating expenses	23,726	1,262	2,312	21,676	292,900	341,876
Football bowl expenses	-	-	-	-	-	-
Football bowl expenses - Coaching Compensation/Bonuses	-	-	-	-	-	-
Total Operating Expenses	2,066,728	783,486	667,397	2,164,400	2,598,359	8,280,370
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	\$ (2,038,562)	\$ (434,601)	\$ (634,581)	\$ (2,142,256)	\$ 5,278,309	\$ 28,309

Prepared by University Management.



INDEPENDENT ACCOUNTANT'S REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES

Board of Trustees
University of Arkansas System
Audit & Fiscal Responsibility Committee
Pine Bluff, Arkansas

We have performed the procedures enumerated in the attachment to this report solely to assist you in evaluating whether the accompanying Statement of Revenues and Expenses (unaudited) (the Statement) of the **University of Arkansas at Pine Bluff Intercollegiate Athletics Program** (the Program) is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.17.1 for the year ended June 30, 2021. The management of the Program is responsible for the Statement and the Statement's compliance with those requirements.

The Board of Trustees of the University of Arkansas System Program has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose in evaluating the Statement of the Program is in compliance with the NCAA Bylaw 3.2.4.17.1 for the year ended June 30, 2021. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures that we performed and our findings are described in the attachment to this report.

We were engaged by the Board of Trustees University of Arkansas System to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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 of the Program. 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.

We are required to be independent of Board of Trustees of the Program and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.


Certified Public Accountants

Fort Smith, Arkansas
January 6, 2022



University of Arkansas at Pine Bluff Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

The agreed-upon procedures performed and our findings are enumerated below. Unless otherwise stated, no exceptions resulted from the performance of the agreed-upon procedures.

INTERNAL CONTROL

We obtained an understanding of specific elements of the control environment and accounting system that are unique to intercollegiate athletics and obtained an understanding of procedures for gathering information on the nature and extent of affiliated and outside organization activity for or on behalf of the intercollegiate athletics program.

AFFILIATED AND OUTSIDE ORGANIZATIONS

The Program did not have any affiliated and outside organizations as of June 30, 2021.

REVENUES

We compared and agreed each operating revenue category reported in the Statement during the reporting period to supporting schedules. No procedures were performed for categories with balances less than 4.0% of total revenues.

We compared and agreed a sample of operating revenue receipts obtained from the above operating revenue supporting schedules to adequate supporting documentation.

We compared each major program revenue amount (more than 10% of the total revenues) reported in the Statement for the year ended June 30, 2021 to the budgeted and prior year amounts and obtained and documented management's explanation for any difference greater than 10%.

Ticket Sales

Ticket sales were not significant during the reporting period.

Direct State or Other Government Support

There were no revenues from direct state or other government support during the reporting period.

Student Fees

We obtained the methodology for allocating student fees to intercollegiate athletics programs.

We compared and agreed student fees reported by the institution in the Statement to student enrollments during the reporting period and recalculated totals.

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

University of Arkansas at Pine Bluff Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

Direct Institutional Support

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

Transfers to the Institution

There were no transfers to the institution during the reporting period.

Indirect Institutional Support

Indirect institutional support was not significant during the reporting period.

Indirect Institutional Support – Athletic Facilities Debt Service, Lease, and Rental Fees

There was no indirect institutional support – athletic facilities debt service, lease, and rental fees during the reporting period.

Guarantees

We selected two settlement reports for away games during the reporting period and agreed each selection to the Program's general ledger and recalculated the totals.

We selected two contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period and compared and agreed them to the Program's general ledger and recalculated the total.

Contributions

There were no contributions during the reporting period.

In-Kind

There were no in-kind revenues during the reporting period.

Compensation and Benefits Provided by a Third Party

There were no compensation and benefits provided by a third party during the reporting period.

Media Rights

There were no revenues from media rights during the reporting period.

NCAA Distributions

NCAA distributions were not significant during the reporting period.

Conference Distributions (non-media/football bowl)

There were no conference distributions (non-media/football bowl) during the reporting period.

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

University of Arkansas at Pine Bluff Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

Conference Distributions of Football Bowl Generated Revenue

There were no conference distributions of football bowl generated revenue during the reporting period.

Program, Novelty, Parking and Concession Sales

Program, novelty, parking and concession sales were not significant during the reporting period.

Royalties, Licensing, Advertisements and Sponsorships

There were no royalties, licensing, advertisements and sponsorships during the reporting period.

Sports Camp Revenues

There were no sports camp revenues during the reporting period.

Athletics Restricted Endowment and Investments Income

There was no athletic restricted endowments and investments income during the reporting period.

Other Operating Revenues

Other operating revenues were not significant during the reporting period.

Football Bowl Revenues

There were no football bowl revenues during the reporting period.

EXPENSES

We compared and agreed each operating expense category reported in the Statement during the reporting period to supporting schedules. No procedures were performed for categories with balances less than 4.0% of total expenses.

We compared and agreed a sample of operating expense receipts obtained from the above operating expense supporting schedules to adequate supporting documentation.

We compared each major expense amount (more than 10% of the total expenses) reported in the Statement for the year ended June 30, 2021 to the budgeted and prior year amounts, and obtained and documented management's explanation for any difference greater than 10%.

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

University of Arkansas at Pine Bluff Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

Athletic Student Aid

We selected 25 students from the listing of athletic department student aid recipients during the reporting period (10% of the total student-athletes from the University who utilized the Compliance Assistance Software.) We obtained the individual students' account details, compared total aid in the institution's system to the students' detail in the Compliance Assistance Software, and ensured their information was reported accurately to the NCAA. We recalculated totals for each sport overall.

Guarantees

Guarantees were not significant during the reporting period.

Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities

We obtained and inspected a listing of coaches employed by the University and related entities during the reporting period. From the listing, we selected four coaches' contracts that included football and men's and women's basketball. We compared the coaches' contracts and agreed the financial terms and conditions of each selection to the related payroll summary registers for the coaching salaries, benefits, and bonuses recorded by the University in the Statement during the reporting period.

Coaching Salaries, Benefits and Bonuses Paid by a Third-Party

There were no coaching salaries, benefits and bonuses paid by a third-party during the reporting period.

Support Staff/Administrative Compensation, Benefits and Bonuses Paid by the University and Related Entities

We selected three administrative personnel employed by the University during the reporting period. We compared the payroll register for each selection to the general ledger.

Support Staff/Administrative Compensation, Benefits and Bonuses Paid by a Third-Party

There were no support staff/administrative compensation, benefits and bonuses paid by a third-party during the reporting period.

Severance Payments

There were no severance payments during the reporting period.

Recruiting

Recruiting expenses were not significant during the reporting period.

Team Travel

We obtained and documented an understanding of the University's team travel policies and compared and agreed it to the NCAA's related policies as stated in the NCAA Division 1 Manual.

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

University of Arkansas at Pine Bluff Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

We obtained the general ledger detail and compared to the total expenses reported for team travel and recalculated totals.

Sports Equipment, Uniforms and Supplies

We obtained the general ledger detail and compared to the total expenses reported for sports equipment, uniforms and supplies. We selected three sports equipment, uniforms and supplies expenses and compared and agreed the transactions to supporting documentation and recalculated totals.

Game Expenses

Game expenses were not significant during the reporting period.

Fund Raising, Marketing and Promotion

Fund raising, marketing and promotion expenses were not significant during the reporting period.

Sports Camp Expenses

There were no sports camp expenses during the reporting period.

Spirit Groups

There were no spirit groups' expenses during the reporting period.

Athletic Facilities Debt Service, Leases, and Rental Fees

There were no athletic facilities debt service, leases, and rental fees during the reporting period.

Direct Overhead and Administrative Expenses

Direct overhead and administrative expenses were not significant during the reporting period.

Indirect Institutional Support

Indirect institutional support was not significant during the reporting period.

Medical Expenses and Insurance

Medical expenses and insurance were not significant during the reporting period.

Membership and Dues

Membership and dues expenses were not significant during the reporting period.

Student-Athlete Meals (non-travel)

Student-athlete meals (non-travel) expenses were not significant during the reporting period.

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

University of Arkansas at Pine Bluff Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

Other Operating Expenses

We obtained the general ledger detail and compared to the total expenses reported for other operating expenses. We selected one other operating expense and compared and agreed the transaction to supporting documentation.

Football Bowl Expenses

There were no football bowl expenses during the reporting period.

Football Bowl Expenses – Coaching Compensation/Bonuses

There were no bowl expenses – coaching compensation/bonuses during the reporting period.

ADDITIONAL MINIMUM AGREED-UPON PROCEDURES

We compared and agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the Calculation of Revenue Distribution Equivalencies Report of the University.

We compared current year number of sports sponsored to prior year reported total per the Membership Financial Report submission and inquired and documented an explanation for any variance.

We compared the current year Grant-in-Aid revenue distribution equivalencies to prior year reported equivalencies per the Membership Financial Report submission and inquired of the explanation for any variance greater than 4%.

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

We agreed the total number of student-athletes who received a Pell Grant award and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report provided by the University.

We compared current year Pell Grants total to prior year reported total per the Membership Financial Report submission and inquired and documented an explanation for any variance greater than +/- 20 grants.

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

University of Arkansas at Pine Bluff Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

OTHER REPORTING ITEMS

Excess Transfers to Institution and Conference Realignment Expenses

There were no excess transfers to institution and conference realignment expenses reported by the University during the reporting period.

Total Athletics-Related Debt

There was no athletics-related debt as of June 30, 2021.

Total Institutional Debt

We agreed the University's total outstanding debt on the schedule to the University's audited financial statements as of and for the year ended June 30, 2021.

Total Athletics Dedicated Endowments

There were no athletics dedicated endowments during the reporting period.

Total Institutional Endowments

We obtained a schedule of endowments and agreed them to audited financial statements for the University and Foundations.

Total Athletics-Related Capital Expenditures

We obtained a schedule of athletics-related capital expenditures. There were no current year additions to test.

We obtained written representation 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 regulations, and other information we considered necessary for the year ended June 30, 2021.

CAPITALIZED ASSETS

The University, including intercollegiate athletics, records all purchased fixed assets at cost with a useful life of two years and \$2,500 or more and all donated fixed assets at fair market value as of the date of the gift.

The University capitalizes interest cost on borrowings used for the construction of fixed assets net of any interest earned on the proceeds of these borrowings. The interest is capitalized from the date of the borrowing until the asset is ready for its intended purpose.

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

University of Arkansas at Pine Bluff Intercollegiate Athletics Program

Attachment to Independent Accountant's Report on the Application of Agreed-Upon Procedures Year ended June 30, 2021

Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. The following depreciation rates are generally used to depreciate fixed assets:

Buildings	15-30 years
Building improvements	15-20 years
Equipment	3-12 years

A summary of changes in athletics-related property, plant, and equipment balance is as follows:

	<u>June 30, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2021</u>
Buildings	\$ 16,311,968	\$ -	\$ -	\$ 16,311,968
Equipment	494,258	-	-	494,258
Improvements	<u>2,152,365</u>	<u>-</u>	<u>-</u>	<u>2,152,365</u>
Total	18,958,591	-	-	18,958,591
Accumulated depreciation	<u>(10,512,360)</u>	<u>(758,482)</u>	<u>-</u>	<u>(11,270,842)</u>
Total	<u><u>\$ 8,446,231</u></u>	<u><u>\$ (758,482)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,687,749</u></u>

LONG-TERM DEBT

The Program had no long-term debt as of June 30, 2021.

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

Supplemental Schedule

University of Arkansas at Pine Bluff

Intercollegiate Athletics Program

Supplemental Schedule to Independent Accountant's Report on the Application of Agreed-Upon Procedures (Unaudited) Year ended June 30, 2021

PRIOR PERIOD COMPARISON OF MAJOR REVENUES AND EXPENSES

Amounts for each major revenue and expense account over 10% of the total revenues and expenses were compared to prior period amounts. For variations greater than 10%, an understanding was obtained as noted below.

Category	FY 21 Amount	FY 20 Amount	Variance	% Variance	Variance Explanation
Direct Institutional Support	\$5,758,324	\$4,412,301	\$1,346,023	23%	Covid shutdowns caused athletic revenues to decrease greatly and Auxiliary Support picked up the difference leading to overall increase in current year.
Coaching salaries, benefits and bonuses paid by the University and related entities	\$1,899,931	\$1,657,091	\$414,884	13%	Coaching and Support Salaries were higher in the current year due to salary increases for athletic administrators. Additionally, 4 new positions were added as follows: 2 athletic trainers, 1 strength and conditioning coach, and 1 assistant volleyball coach. Two Men's Basketball Coaches received raises.

University of Arkansas at Pine Bluff

Intercollegiate Athletics Program

Supplemental Schedule to Independent Accountant's Report on the Application of Agreed-Upon Procedures (Unaudited) Year ended June 30, 2021

BUDGET TO ACTUAL COMPARISON OF MAJOR REVENUES AND EXPENSES

Amounts for each major revenue and expense account over 10% of the total revenues and expenses was compared to budget estimate amounts. For variations greater than 10%, an understanding was obtained as noted below.

Category	FY 21 Estimate	FY21 Actual	Variance	% Variance	Variance Explanation
Direct Institutional Support	\$1,391,407	\$5,758,324	(\$4,366,917)	-314%	Direct institutional support was higher than budgeted because the E&G transfer amount is budgeted, but the additional amounts from auxiliaries are not budgeted.
Athletic Student Aid	\$2,354,165	\$2,704,275	(\$350,110)	-15%	Athletic Student Aid in the current year was higher than budgeted because teams went over budget.

**UNIVERSITY OF ARKANSAS AT FORT SMITH
INTERCOLLEGIATE ATHLETICS PROGRAM**

**STATEMENT OF REVENUES AND
EXPENSES (UNAUDITED)
AND
INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF
AGREED-UPON PROCEDURES**

YEAR ENDED JUNE 30, 2019

**UNIVERSITY OF ARKANSAS AT FORT SMITH
INTERCOLLEGIATE ATHLETICS PROGRAM**

JUNE 30, 2019

CONTENTS

	Page
STATEMENT OF REVENUES AND EXPENSES (UNAUDITED)	1
INDEPENDENT ACCOUNTANT’S REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES.....	3
ATTACHMENT TO INDEPENDENT ACCOUNTANT’S REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES	4
SUPPLEMENTAL INFORMATION TO THE REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES (UNAUDITED)	13

**UNIVERSITY OF ARKANSAS AT FORT SMITH
INTERCOLLEGIATE ATHLETICS PROGRAM
STATEMENT OF REVENUES AND EXPENSES (UNAUDITED)
YEAR ENDED JUNE 30, 2019**

	<u>Men's Basketball</u>	<u>Women's Basketball</u>	<u>Other Sports</u>	<u>Non- Program Specific</u>	<u>Total</u>
REVENUES					
Ticket sales	\$ 4,136	\$ 4,136	\$ 1,100	\$ 13,124	\$ 22,496
Direct state or other government support	-	-	-	-	-
Student fees	-	-	-	2,577,209	2,577,209
Direct institutional support	-	-	-	773,253	773,253
Less - transfers to institution	-	-	-	-	-
Indirect institutional support	-	-	-	-	-
Indirect institutional support - athletic facilities debt service, lease and rental fees	-	-	-	-	-
Guarantees	1,300	4,000	250	-	5,550
Contributions	4,313	1,391	55,843	32,626	94,173
In-kind	-	-	-	-	-
Compensation and benefits provided by a third party	-	-	-	-	-
Media rights	-	-	-	-	-
NCAA distributions	4,043	-	5,250	8,778	18,071
Conference distributions (non media and non bowl)	-	-	-	3,000	3,000
Conference distributions of bowl generated revenue	-	-	-	-	-
Program, novelty, parking and concession sales	-	-	-	39,582	39,582
Royalties, licensing, advertisement and sponsorships	-	-	1,099	25,229	26,328
Sports camp revenues	80	4,235	18,575	-	22,890
Athletics restricted endowment and investments income	491	-	-	-	491
Other	98	951	27,500	8,924	37,473
Bowl revenues	-	-	-	-	-
Total Revenues	<u>14,461</u>	<u>14,713</u>	<u>109,617</u>	<u>3,481,725</u>	<u>3,620,516</u>

**UNIVERSITY OF ARKANSAS AT FORT SMITH
INTERCOLLEGIATE ATHLETICS PROGRAM
STATEMENT OF REVENUES AND EXPENSES (UNAUDITED)
YEAR ENDED JUNE 30, 2019**

	<u>Men's Basketball</u>	<u>Women's Basketball</u>	<u>Other Sports</u>	<u>Non- Program Specific</u>	<u>Total</u>
EXPENSES					
Athletic student aid	178,825	164,260	620,329	-	963,414
Guarantees	13,500	1,000	-	-	14,500
Coaching salaries, benefits and bonuses paid by the University and related entities	140,528	133,232	403,784	-	677,544
Coaching salaries, benefits and bonuses paid by a third party	-	-	-	-	-
Support staff/administrative compensation, benefits and bonuses paid by the University and related entities	7,384	1,344	1,230	498,671	508,629
Support staff/administrative compensation, benefits and bonuses paid by a third party	-	-	-	-	-
Severance payments	-	-	-	-	-
Recruiting	11,943	9,455	6,616	-	28,014
Team travel	60,143	67,371	235,733	-	363,247
Equipment, uniforms and supplies	30,031	25,225	114,168	23,888	193,312
Game expenses	23,935	17,100	42,325	3,537	86,897
Fund raising, marketing and promotion	606	606	1,228	46,616	49,056
Sports camp expenses	327	2,740	7,488	-	10,555
Spirit groups	-	-	-	119,482	119,482
Athletic facilities debt service, leases and rental fee	-	-	-	-	-
Direct overhead and administrative expenses	2,341	2,128	58,430	304,983	367,882
Indirect institutional support	-	-	-	-	-
Medical expenses and insurance	6,287	5,196	45,705	7,902	65,090
Membership and dues	-	-	10,139	6,447	16,586
Student-athlete meals (non-travel)	37,633	28,310	23,572	-	89,515
Other operating expenses	2,437	2,518	5,449	56,389	66,793
Bowl expenses	-	-	-	-	-
Total Operating Expenses	<u>515,920</u>	<u>460,485</u>	<u>1,576,196</u>	<u>1,067,915</u>	<u>3,620,516</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	<u><u>\$ (501,459)</u></u>	<u><u>\$ (445,772)</u></u>	<u><u>\$ (1,466,579)</u></u>	<u><u>\$ 2,413,810</u></u>	<u><u>\$ -</u></u>

Prepared by University Management



INDEPENDENT ACCOUNTANT'S REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES

Audit Committee of the Board of Trustees
University of Arkansas System
Fort Smith, Arkansas

We have performed the procedures detailed in the attachment to this report, which were agreed to by the Board of Trustees of the University of Arkansas System and management of the **University of Arkansas at Fort Smith Intercollegiate Athletics Program** (the Program) solely to assist you in evaluating whether the accompanying Statement of Revenues and Expenses (unaudited) (the Statement) of the Program is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 6.2.3.1 for the year ended June 30, 2019. The management of the Program is responsible for the Statement and the Statement's compliance with those 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 those parties specified in this report. 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.

The procedures that we performed and our findings are described in the attachment to this report. We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the compliance of the accompanying Statement of Revenues and Expenses (unaudited) of the Program with NCAA Bylaw 6.2.3.1. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above, and is not intended to be and should not be used by anyone other than these specified parties.

Landmark PLC

LANDMARK PLC
CERTIFIED PUBLIC ACCOUNTANTS

Fort Smith, Arkansas
January 6, 2020

**UNIVERSITY OF ARKANSAS FORT SMITH
INTERCOLLEGIATE ATHLETICS PROGRAM
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2019**

The agreed-upon procedures performed and our findings are enumerated below. Unless otherwise stated, no exceptions resulted from the performance of the agreed-upon procedures.

INTERNAL CONTROL

We obtained an understanding of specific elements of the control environment and accounting system that are unique to intercollegiate athletics and obtained an understanding of procedures for gathering information on the nature and extent of affiliated and outside organization activity for or on behalf of the intercollegiate athletics program.

AFFILIATED AND OUTSIDE ORGANIZATIONS

We obtained the audited financial statements for all intercollegiate athletics-related affiliated and outside organizations as of and for the year ended June 30, 2019, and confirmed the amounts reported in the Statement of Revenues and Expenses (Unaudited) (the Statement) directly with the affiliated organizations.

We reviewed the audited financial statements of the affiliated organizations as of and for the year ended June 30, 2019, and noted no reported internal control matters requiring corrective action.

REVENUES

We compared and agreed each operating revenue category reported in the statement during the reporting period to supporting schedules. No procedures were performed for categories with balances less than 4% of total revenues.

We compared and agreed a sample of operating revenue receipts obtained from the above operating revenue supporting schedules to adequate supporting documentation.

We compared each major program revenue amount (more than 10% of the total revenues) reported in the Statement for the year ended June 30, 2019 to the budgeted and prior year amounts and obtained and documented management's explanation for any difference greater than 10%.

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

**UNIVERSITY OF ARKANSAS FORT SMITH
INTERCOLLEGIATE ATHLETICS PROGRAM
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2019**

Ticket Sales

Ticket sales were not significant during the reporting period.

Direct State or Other Government Support

There were no revenues from direct state or other government support during the reporting period.

Student Fees

We obtained the methodology for allocating student fees to intercollegiate athletics programs.

We compared and agreed student fees reported by the institution in the Statement to student enrollments during the reporting period and recalculated totals.

Direct Institutional Support

We compared direct institutional support recorded during the reporting period with state appropriations, institutional authorizations and other corroborative supporting documentation and recalculated totals.

Transfers to the Institution

There were no transfers to the institution during the reporting period.

Indirect Institutional Support

There was no indirect institutional support during the reporting period.

Guarantees

Guarantees were not significant during the reporting period.

Contributions

Contributions were not significant during the reporting period.

**UNIVERSITY OF ARKANSAS FORT SMITH
INTERCOLLEGIATE ATHLETICS PROGRAM
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2019**

In-Kind

There were no in-kind revenues during the reporting period.

Compensation and Benefits Provided by a Third Party

There were no compensation and benefits provided by a third party during the reporting period.

Media Rights

There were no revenues from media rights during the reporting period.

NCAA Distributions

NCAA Distributions were not significant during the reporting period.

Conference Distributions (Non Media and Non Bowl)

Conference distributions were not significant during the reporting period.

Conference Distributions of Bowl Generated Revenue

There were no conference distributions of bowl generated revenue during the reporting period.

Program, Novelty, Parking and Concession Sales

Program, novelty, parking and concession sales were not significant during the reporting period.

Royalties, Licensing, Advertisements and Sponsorships

Royalties, licensing, advertisements and sponsorships were not significant during the reporting period.

Sports Camp Revenues

Sports camp revenues were not significant during the reporting period.

**UNIVERSITY OF ARKANSAS FORT SMITH
INTERCOLLEGIATE ATHLETICS PROGRAM
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2019**

Athletics Restricted Endowment and Investments Income

Athletics restricted endowment and investment income was not significant during the reporting period.

Other Operating Revenues

Other operating revenues were not significant during the reporting period.

Bowl Revenues

There were no bowl revenues during the reporting period.

EXPENSES

We compared and agreed each operating expense category reported in the statement during the reporting period to supporting schedules. No procedures were performed for categories with balances less than 4% of total expenses.

We compared and agreed a sample of operating expense receipts obtained from the above operating expense supporting schedules to adequate supporting documentation.

We compared each major expense amount (more than 10% of the total expenses) reported in the Statement for the year ended June 30, 2019 to the budgeted and prior year amounts, and obtained and documented management's explanation for any difference greater than 10%.

Athletic Student Aid

We selected 12 students from the listing of athletic department student aid recipients during the reporting period (10% of the total student-athletes from the University who utilized the Compliance Assistance Software.) We obtained the individual students' account details, compared total aid in the institution's system to the students' detail in the Compliance Assistance Software, and ensured their information was reported accurately to the NCAA. We recalculated totals for each sport and overall.

Guarantees

Guarantees expenses were not significant during the reporting period.

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

**UNIVERSITY OF ARKANSAS FORT SMITH
INTERCOLLEGIATE ATHLETICS PROGRAM
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2019**

Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities

We obtained and inspected a listing of coaches employed by the University and related entities during the reporting period. From the listing, we selected five coaches' contracts that included men's and women's basketball. We compared the coaches' contracts and agreed the financial terms and conditions of each selection to the related payroll summary registers for the coaching salaries, benefits, and bonuses recorded by the University in the Statement during the reporting period.

Coaching Salaries, Benefits and Bonuses Paid by a Third Party

There were no coaching salaries, benefits and bonuses paid by a third party during the reporting period.

Support Staff/Administrative Compensation, Benefits and Bonuses Paid by the University and Related Entities

We selected three administrative personnel employed by the University during the reporting period. We compared the payroll register for each selection to the general ledger.

Support Staff/Administrative Compensation, Benefits and Bonuses Paid by a Third Party

There were no support staff/administrative salaries, benefits and bonuses paid by a third party during the reporting period.

Severance Payments

There were no severance payment expenses during the reporting period.

Recruiting

Recruiting expenses were not significant during the reporting period.

Team Travel

We obtained and documented an understanding of the University's team travel policies and compared and agreed it to the NCAA's related policies as stated in the NCAA Division II Manual.

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

**UNIVERSITY OF ARKANSAS FORT SMITH
INTERCOLLEGIATE ATHLETICS PROGRAM
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2019**

We obtained the general ledger detail and compared to the total expenses reported for team travel. We also selected six team travel expenditures and compared and agreed the transactions to supporting documentation.

Equipment, Uniforms and Supplies

We obtained the general ledger detail and compared to the total expenses reported for sports equipment, uniforms, and supplies expense. We also selected six sports equipment, uniforms, and supplies expenditures and compared and agreed the transactions to supporting documentation.

Game Expenses

Game expenses were not significant during the reporting period.

Fund Raising, Marketing and Promotion

Fund raising, marketing and promotion expenses were not significant during the reporting period.

Sports Camp Expenses

Sports camp expenses were not significant during the reporting period.

Spirit Groups

Spirit group expenses were not significant during the reporting period.

Athletic Facilities Debt Service, Leases, and Rental Fees

There were no athletic facilities debt service, leases, and rental fees during the reporting period.

Direct Overhead and Administrative Expenses

We obtained the general ledger detail and compared to the total expenses reported for direct overhead and administrative expenses. We also selected eight direct overhead and administrative expenditures and compared and agreed the transactions to supporting documentation.

**UNIVERSITY OF ARKANSAS FORT SMITH
INTERCOLLEGIATE ATHLETICS PROGRAM
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2019**

Indirect Institutional Support

There was no indirect institutional support during the reporting period.

Indirect Institutional Support – Athletic Facilities Debt Service, Lease and Rental Fees

There was no indirect institutional support – athletic facilities debt service, lease and rental fees during the reporting period.

Medical Expenses and Insurance

Medical expenses and insurance was not significant during the reporting period.

Membership and Dues

Membership and dues expenses were not significant during the reporting period.

Student-Athlete Meals (non-travel)

Student-athlete meals (non-travel) were not significant during the reporting period.

Other Operating Expenses

Other operating expenses were not significant during the reporting period.

Bowl Expenses

There were no bowl expenses during the reporting period.

OTHER REPORTING ITEMS

Excess Transfers to Institution and Conference Realignment Expenses

There were no excess transfers to institution and conference realignment expenses reported by the University during the reporting period.

Total Athletics Related Debt

There was no athletics related debt as of June 30, 2019.

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

**UNIVERSITY OF ARKANSAS FORT SMITH
INTERCOLLEGIATE ATHLETICS PROGRAM
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2019**

Total Institutional Debt

We agreed the University's total outstanding debt on the schedule to the University's unaudited financial statements as of and for the year ended June 30, 2019.

Value of Athletics Dedicated Endowments

We obtained a schedule of all athletics dedicated endowments maintained by athletics, the institution, and affiliated organizations and agreed the fair market value in the schedule to supporting documentation and audited financial statements.

Value of Institutional Endowments

We obtained a schedule of endowments and agreed them to supporting documentation.

Total Athletics Related Capital Expenditures

We obtained a schedule of athletics related capital expenditures. We selected the one athletics related capital expenditure and agreed the amount to supporting documentation.

We obtained written representation 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 regulations, and other information we considered necessary for the year ended June 30, 2019.

CAPITALIZED ASSETS

The University, including intercollegiate athletics, records all purchased fixed assets at cost with a useful life of two years and \$5,000 or more and all donated fixed assets at fair market value as of the date of the gift. Generally, buildings, improvements, and infrastructure additions are capitalized when the cost is \$100,000 or more. Infrastructure and land improvements are also capitalized when the cost is \$5,000 or more.

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

**UNIVERSITY OF ARKANSAS FORT SMITH
INTERCOLLEGIATE ATHLETICS PROGRAM
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2019**

The University capitalizes interest cost on borrowings used for the construction of fixed assets net of any interest earned on the proceeds of these borrowings. The interest is capitalized from the date of the borrowing until the asset is ready for its intended purpose.

Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. The following depreciation rates are generally used to depreciate fixed assets:

Buildings and improvements	15-30 years
Infrastructure and other improvements	15-20 years
Equipment	3-10 years

A summary of changes in athletically-related property, plant, and equipment balance is as follows:

	June 30, 2018	Additions	Disposals	June 30, 2019
Buildings	\$ 11,509,604	\$ -	\$ -	\$ 11,509,604
Equipment	499,250	1,744	-	500,994
Infrastructure and other improvements	936,374	-	-	936,374
Total	12,945,228	1,744	-	12,946,972
Accumulated depreciation	(6,862,383)	(439,843)	-	(7,302,226)
	<u>\$ 6,082,845</u>	<u>\$ (438,099)</u>	<u>\$ -</u>	<u>\$ 5,644,746</u>

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

SUPPLEMENTAL INFORMATION

**UNIVERSITY OF ARKANSAS FORT SMITH
INTERCOLLEGIATE ATHLETICS PROGRAM
SUPPLEMENTAL INFORMATION TO THE REPORT ON THE APPLICATION
OF AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2019**

PRIOR PERIOD COMPARISON OF MAJOR REVENUES AND EXPENSES

Amounts for each major revenue and expense account over 10% of the total revenues and expenses were compared to prior period amounts. For variations greater than 10%, an understanding was obtained as noted below.

Category	FY 19 Amount	FY 18 Amount	Variance	% Variance	Variance Explanation
Direct Institutional Support	\$ 773,253	\$ 897,481	\$ (124,228)	-14%	Direct Institutional Support was lower in 2019 due to a reduction in net operating losses. Therefore, the support required from other sources was less than in the prior fiscal year.
Coaching Salaries, Benefits, and Bonuses	\$ 677,544	\$ 754,893	\$ (77,349)	-10%	The Men's head basketball coach resigned and this position wasn't filled until April 2019. There was also a change in the assistant coaching staff for volleyball resulting in a decrease in the payment of salary and benefits.
Direct Overhead and Admin Expenses	\$ 367,882	\$ 427,525	\$ (59,643)	-14%	Reduction in utility costs and various maintenance and operating expenditures.

BUDGET TO ACTUAL COMPARISON OF MAJOR REVENUES AND EXPENSES

Amounts for each major revenue and expense account over 10% of the total revenues and expenses were compared to budget estimate amounts. There were no variations greater than 10%, so further disclosure is not required.

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

**UNIVERSITY OF ARKANSAS AT MONTICELLO
INTERCOLLEGIATE ATHLETICS PROGRAM**

**STATEMENT OF REVENUES AND
EXPENSES (UNAUDITED)
AND
INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF
AGREED-UPON PROCEDURES**

YEAR ENDED JUNE 30, 2019

**UNIVERSITY OF ARKANSAS AT MONTICELLO
INTERCOLLEGIATE ATHLETICS PROGRAM**

JUNE 30, 2019

CONTENTS

	Page
STATEMENT OF REVENUES AND EXPENSES (UNAUDITED)	1
INDEPENDENT ACCOUNTANT'S REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES	3
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES	4
SUPPLEMENTAL SCHEDULE TO THE REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES (UNAUDITED).....	14

UNIVERSITY OF ARKANSAS AT MONTICELLO
INTERCOLLEGIATE ATHLETICS PROGRAM
STATEMENT OF REVENUES AND EXPENSES (UNAUDITED)
YEAR ENDED JUNE 30, 2019

	Football	Men's Basketball	Women's Basketball	Other Sports	Non- Program Specific	Total
REVENUES						
Ticket sales	\$ 32,730	\$ 4,270	\$ 4,396	\$ -	\$ -	\$ 41,396
Direct state or other government support	-	-	-	-	-	-
Student fees	-	-	-	-	1,127,970	1,127,970
Direct institutional support	1,077,854	376,495	283,164	1,137,207	(161,037)	2,713,683
Less - transfers to institution	-	-	-	-	-	-
Indirect institutional support	-	-	-	-	-	-
Indirect institutional support - athletic facilities debt service, lease and rental fees	-	-	-	-	35,171	35,171
Guarantees	-	-	-	-	-	-
Contributions	32,984	6,000 5,100	5,000 1,037	89,239	163,419	11,000 291,779
In-kind	-	-	-	-	-	-
Compensation and benefits provided by a third party	-	-	-	-	-	-
Media rights	-	-	-	-	-	-
NCAA distributions	-	-	-	-	8,778	8,778
Conference distributions (non-media and non-bowl)	-	-	-	-	-	-
Conference distributions of bowl generated revenue	-	-	-	-	-	-
Program, novelty, parking and concession sales	-	-	-	-	-	-
Royalties, licensing, advertisement and sponsorships	-	-	-	-	-	-
Sports camp revenues	-	-	-	-	-	-
Athletics restricted endowment and investments income	68	110	55	1,210	2,255	3,698
Other operating revenue	-	-	-	-	-	-
Bowl revenues	-	-	-	-	-	-
Total Revenues	1,143,636	391,975	293,652	1,227,656	1,176,556	4,233,475

Prepared by University Management

UNIVERSITY OF ARKANSAS AT MONTICELLO
INTERCOLLEGIATE ATHLETICS PROGRAM
STATEMENT OF REVENUES AND EXPENSES (UNAUDITED)
YEAR ENDED JUNE 30, 2019

	Football	Men's Basketball	Women's Basketball	Other Sports	Non- Program Specific	Total
EXPENSES						
Athletic student aid	531,455	157,414	139,210	520,193	17,616	1,365,888
Guarantees	-	7,000	-	-	-	7,000
Coaching salaries, benefits and bonuses paid by the University and related entities	345,357	123,746	79,835	305,655	-	854,593
Coaching salaries, benefits and bonuses paid by a third party	-	-	-	-	-	-
Support staff/administrative compensation, benefits and bonuses paid by the University and related entities	55,597	23,002	14,532	26,357	415,171	534,659
Support staff/administrative compensation, benefits and bonuses paid by a third party	-	-	-	-	-	-
Severance payments	-	-	-	-	-	-
Recruiting	19,524	4,544	2,001	6,555	6,152	38,776
Team travel	74,275	38,735	33,957	151,131	2,053	300,151
Sports equipment, uniforms and supplies	75,354	14,714	12,450	62,570	37,137	202,225
Game expenses	14,815	20,626	9,377	39,006	424	84,248
Fund raising, marketing and promotion	820	-	-	3,733	10,992	15,545
Sports camp expenses	-	-	-	-	-	-
Spirit groups	-	-	-	-	54,037	54,037
Athletic facilities debt service, leases and rental fee	-	-	-	-	119,881	119,881
Direct overhead and administrative expenses	-	-	-	-	100,964	100,964
Indirect institutional support	-	-	-	-	35,171	35,171
Medical expenses and insurance	-	-	-	-	150,264	150,264
Membership and dues	-	-	-	-	25,900	25,900
Student-athlete meals (non-travel)	-	-	-	-	-	-
Other operating expenses	26,371	2,084	2,235	111,246	198,539	340,475
Bowl expenses	-	-	-	-	-	-
Bowl expenses - coaching compensation/bonuses	-	-	-	-	-	-
Total Operating Expenses	1,143,568	391,865	293,597	1,226,446	1,174,301	4,229,777
EXCESS OF REVENUES OVER EXPENSE	\$ 68	\$ 110	\$ 55	\$ 1,210	\$ 2,255	\$ 3,698

Prepared by University Management



INDEPENDENT ACCOUNTANT'S REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES

Audit Committee of the Board of Trustees
University of Arkansas System
Monticello, Arkansas

We have performed the procedures detailed in the attachment to this report, which were agreed to by the Board of Trustees of the University of Arkansas System and management of the University of Arkansas at Monticello Intercollegiate Athletics Program (the Program) solely to assist you in evaluating whether the accompanying Statement of Revenues and Expenses (unaudited) (the Statement) of the Program is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 6.2.3.1 for the year ended June 30, 2019. The management of the Program is responsible for the Statement and the Statement's compliance with those 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 those parties specified in this report. 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.

The procedures that we performed and our findings are described in the attachment to this report. We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the compliance of the accompanying Statement of Revenues and Expenses (unaudited) of the Program with NCAA Bylaw 6.2.3.1. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above, and is not intended to be and should not be used by anyone other than these specified parties.

Landmark PLC

LANDMARK PLC
CERTIFIED PUBLIC ACCOUNTANTS

Fort Smith, Arkansas
January 8, 2020

**UNIVERSITY OF ARKANSAS AT MONTICELLO
INTERCOLLEGIATE ATHLETICS PROGRAM
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2019**

The agreed-upon procedures performed and our findings are enumerated below. Unless otherwise stated, no exceptions resulted from the performance of the agreed-upon procedures.

INTERNAL CONTROL

We obtained an understanding of specific elements of the control environment and accounting system that are unique to intercollegiate athletics and obtained an understanding of procedures for gathering information on the nature and extent of affiliated and outside organization activity for or on behalf of the intercollegiate athletics program.

AFFILIATED AND OUTSIDE ORGANIZATIONS

We obtained the audited financial statements for all intercollegiate athletics-related affiliated and outside organizations as of and for the year ended June 30, 2019, and confirmed the amounts reported in the Statement of Revenues and Expenses (Unaudited) (the Statement) directly with the affiliated organizations.

We reviewed the audited financial statements of the affiliated organizations as of and for the year ended June 30, 2019, and noted no reported internal control matters requiring corrective action.

REVENUES

We compared and agreed each operating revenue category reported in the statement during the reporting period to supporting schedules. No procedures were performed for categories with balances less than 4% of total revenues.

We compared and agreed a sample of operating revenue receipts obtained from the above operating revenue supporting schedules to adequate supporting documentation.

We compared revenues reported in the Statement for the year ended June 30, 2019 to the budgeted and prior year amounts and obtained and documented management's explanation for any difference greater than 10%.

Ticket Sales

Ticket sales were not significant during the reporting period.

**UNIVERSITY OF ARKANSAS AT MONTICELLO
INTERCOLLEGIATE ATHLETICS PROGRAM
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2019**

Direct State or Other Government Support

There were no revenues from direct state or other government support during the reporting period.

Student Fees

We obtained the methodology for allocating student fees to intercollegiate athletics programs.

We compared and agreed student fees reported by the institution in the Statement to student enrollments during the reporting period and recalculated totals.

Direct Institutional Support

We compared direct institutional support recorded during the reporting period with state appropriations, institutional authorizations and other corroborative supporting documentation and recalculated totals.

Transfers to Institution

There were no transfers to the institution during the reporting period.

Indirect Institutional Support

Indirect institutional support was not significant during the reporting period.

Indirect Institutional Support – Athletic Facilities Debt Service, Lease, and Rental Fees

There was no indirect institutional support – athletic facilities debt service, lease, and rental fees during the reporting period.

Guarantees

Guarantees were not significant during the reporting period.

**UNIVERSITY OF ARKANSAS AT MONTICELLO
INTERCOLLEGIATE ATHLETICS PROGRAM
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2019**

Contributions

We obtained and reviewed the contribution detail noting no contributions constituted 10% or more in the aggregate for the reporting year of all contributions received by the Program. We recalculated the totals.

In-Kind

There were no in-kind revenues during the reporting period.

Compensation and Benefits Provided by a Third Party

There were no compensation and benefits provided by a third party during the reporting period.

Media Rights

There were no media rights revenues during the reporting period.

NCAA Distributions

NCAA distributions were not significant during the reporting period.

Conference Distributions (non-media and non-bowl)

There were no conference distributions (non-media and non-bowl) during the reporting period.

Conference Distributions of Bowl Generated Revenue

There were no conference distributions of bowl generated revenue during the reporting period.

Program, Novelty, Parking and Concession Sales

There were no program, novelty, parking and concession sales revenues during the reporting period.

**UNIVERSITY OF ARKANSAS AT MONTICELLO
INTERCOLLEGIATE ATHLETICS PROGRAM
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2019**

Royalties, Licensing, Advertisement and Sponsorships

There were no royalties, licensing, advertisement and sponsorships revenues during the reporting period.

Sports Camp Revenues

There were no sports camp revenues during the reporting period.

Athletics Restricted Endowment and Investments Income

Athletics restricted endowment and investments income was not significant during the reporting period.

Other Operating Revenues

There were no other operating revenues during the reporting period.

Bowl Revenues

There were no bowl revenues during the reporting period.

EXPENSES

We compared and agreed each operating expense category reported in the statement during the reporting period to supporting schedules. No procedures were performed for categories with balances less than 4% of total expenses.

We compared and agreed a sample of operating expense receipts obtained from the above operating expense supporting schedules to adequate supporting documentation.

We compared expenses reported in the Statement for the year ended June 30, 2019 to the budgeted and prior year amounts, and obtained and documented management's explanation for any difference greater than 10%.

Athletic Student Aid

We selected 25 students from the listing of athletic department student aid recipients during the reporting period (10% of the total student-athletes from the University who utilized the Compliance Assistance Software.) We obtained the individual students' account details, compared total aid in the institution's system

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

**UNIVERSITY OF ARKANSAS AT MONTICELLO
INTERCOLLEGIATE ATHLETICS PROGRAM
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2019**

to the students' detail in the Compliance Assistance Software, and ensured their information was reported accurately to the NCAA. We recalculated totals for each sport and overall.

Guarantees

Guarantees expenses were not significant during the reporting period.

Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities

We obtained and inspected a listing of coaches employed by the University and related entities during the reporting period. From the listing, we selected three coaches' contracts that included football and men's and women's basketball. We compared the coaches' contracts and agreed the financial terms and conditions of each selection to the related payroll summary registers for the coaching salaries, benefits, and bonuses recorded by the University in the Statement during the reporting period.

Coaching Salaries, Benefits and Bonuses Paid by a Third Party

There were no coaching salaries, benefits and bonuses paid by a third party during the reporting period.

Support Staff/Administrative Compensation, Benefits and Bonuses Paid by the University and Related Entities

We selected four administrative personnel employed by the University during the reporting period. We compared the payroll register for each selection to the general ledger.

Support Staff/Administrative Compensation, Benefits and Bonuses Paid by a Third Party

There were no support staff/administrative compensation, benefits and bonuses paid by a third party during the reporting period.

Severance Payments

There were no severance payment expenses during the reporting period.

**UNIVERSITY OF ARKANSAS AT MONTICELLO
INTERCOLLEGIATE ATHLETICS PROGRAM
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2019**

Recruiting

Recruiting expenses were not significant during the reporting period.

Team Travel

We obtained and documented an understanding of the University's team travel policies and compared and agreed it to the NCAA's related policies as stated in the NCAA Division II Manual.

We obtained the general ledger detail and compared to the total expenses reported for team travel. We selected seven team travel expenditures and compared and agreed the transactions to supporting documentation.

Sports Equipment, Uniforms and Supplies

We obtained the general ledger detail and compared to the total expenses reported for sports equipment, uniforms and supplies. We selected one sports equipment, uniforms and supplies expenditure and compared and agreed the transaction to supporting documentation.

Game Expenses

Game expenses were not significant during the reporting period.

Fund Raising, Marketing and Promotion

Fund raising, marketing and promotion expenses were not significant during the reporting period.

Sports Camp Expenses

There were no sports camp expenses during the reporting period.

Spirit Groups

Spirit group expenses were not significant during the reporting period.

Athletic Facilities Debt Service, Leases, and Rental Fees

Athletic facilities debt service, leases, and rental fees were not significant during the reporting period.

**UNIVERSITY OF ARKANSAS AT MONTICELLO
INTERCOLLEGIATE ATHLETICS PROGRAM
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2019**

Direct Overhead and Administrative Expenses

Direct overhead and administrative expenses were not significant during the reporting period.

Indirect Institutional Support

Indirect institutional support was not significant during the reporting period.

Medical Expenses and Insurance

Medical expenses and insurance were not significant during the reporting period.

Membership and Dues

Membership and dues expenses were not significant during the reporting period.

Student-Athlete Meals (non-travel)

There were no student-athlete meals (non-travel) expenses during the reporting period.

Other Operating Expenses

We obtained the general ledger detail and compared to the total expenses reported for other operating expenses. We selected seven other operating expenditures and compared and agreed the transactions to supporting documentation.

Bowl Expenses

There were no bowl expenses during the reporting period.

Bowl Expenses – Coaching Compensation/Bonuses

There were no bowl expenses – coaching compensation/bonuses during the reporting period.

**UNIVERSITY OF ARKANSAS AT MONTICELLO
INTERCOLLEGIATE ATHLETICS PROGRAM
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2019**

OTHER REPORTING ITEMS

Excess Transfers to Institution and Conference Realignment Expenses

There were no excess transfers to institution and conference realignment expenses reported by the University during the reporting period.

Total Athletics Related Debt

We obtained repayment schedules for all outstanding Program and University debt at June 30, 2019. We summarized and recalculated the Program's schedule of annual maturities.

Total Institutional Debt

We agreed the University's total outstanding debt on the schedule to the University's audited financial statements as of and for the year ended June 30, 2019.

Total Athletics Dedicated Endowments

There were no athletics dedicated endowments during the reporting period.

Total Institutional Endowments

We obtained a schedule of endowments and agreed them to audited financial statements for the University and Foundations.

Total Athletics-Related Capital Expenditures

We obtained a schedule of athletics related capital expenditures. We selected a sample of additions that made up of over 10% of all athletic-related capital expenditures and agreed the amounts to supporting documentation.

We obtained written representation 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 regulations, and other information we considered necessary for the year ended June 30, 2019.

UNIVERSITY OF ARKANSAS AT MONTICELLO
INTERCOLLEGIATE ATHLETICS PROGRAM
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2019

CAPITALIZED ASSETS

The University, including intercollegiate athletics, records all purchased fixed assets at cost with a useful life of two years and \$5,000 or more and all donated fixed assets at fair market value as of the date of the gift.

The University capitalizes interest cost on borrowings used for the construction of fixed assets net of any interest earned on the proceeds of these borrowings. The interest is capitalized from the date of the borrowing until the asset is ready for its intended purpose.

Depreciation is calculated on the straight-line method over the estimated useful lives of the assets. The following depreciation rates are generally used to depreciate fixed assets:

Buildings	15-30 years
Building improvements	15-20 years
Equipment	3-10 years

A summary of changes in athletically-related property, plant, and equipment balance is as follows:

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2019</u>
Buildings	\$ 6,215,989	\$ 423,545	\$ -	\$ 6,639,534
Equipment	<u>263,345</u>	<u>-</u>	<u>-</u>	<u>263,345</u>
Total	6,479,334	423,545	-	6,902,879
Accumulated depreciation	<u>(3,771,919)</u>	<u>(204,323)</u>	<u>-</u>	<u>(3,976,242)</u>
	<u>\$ 2,707,415</u>	<u>\$ 219,222</u>	<u>\$ -</u>	<u>\$ 2,926,637</u>

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

UNIVERSITY OF ARKANSAS AT MONTICELLO
INTERCOLLEGIATE ATHLETICS PROGRAM
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES
YEAR ENDED JUNE 30, 2019

LONG-TERM DEBT

We obtained repayment schedules for all intercollegiate athletics debt outstanding at June 30, 2019. We recalculated the schedule of annual maturities (consisting of principal and interest payments).

We agreed the University's total outstanding debt on the schedule to the University's audited financial statements as of and for the year ended June 30, 2019.

The Program had the following debt service requirements as of June 30, 2019:

	Principal	Interest	Total
2020	\$ 67,771	\$ 50,809	\$ 118,580
2021	69,993	48,911	118,904
2022	72,215	46,778	118,993
2023	73,326	44,594	117,920
2024	75,548	42,361	117,909
Thereafter	1,137,664	277,604	1,415,268

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

SUPPLEMENTAL SCHEDULE

**UNIVERSITY OF ARKANSAS AT MONTICELLO
INTERCOLLEGIATE ATHLETICS PROGRAM
SUPPLEMENTAL SCHEDULE TO INDEPENDENT ACCOUNTANT'S REPORT
ON THE APPLICATION OF AGREED-UPON PROCEDURES (UNAUDITED)
YEAR ENDED JUNE 30, 2019**

PRIOR PERIOD COMPARISON OF MAJOR REVENUES AND EXPENSES

Amounts for each major revenue account over 10% of the total revenues were compared to prior period amounts. There were no variations greater than 10% compared to prior period amounts for the reporting period.

***BUDGET TO ACTUAL COMPARISON OF MAJOR REVENUES AND
EXPENSES***

Amounts for each major revenue account over 10% of the total revenues was compared to budget estimate amounts. There were no variations greater than 10% compared to budgeted amounts for the reporting period.