

OLE MISS ATHLETICS FOUNDATION

**Audited Financial Statements
and Supplementary Information**

**Years Ended
June 30, 2019 and 2018**

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INDEPENDENT AUDITORS' REPORT

Board of Governors
Ole Miss Athletics Foundation

We have audited the accompanying financial statements of the Ole Miss Athletics Foundation (a nonprofit organization) which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and related statement of functional expenses for the year ended June 30, 2019, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ole Miss Athletics Foundation as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of revenues and schedules of expenses on pages 26 through 30 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script, reading "Grantham Poole Rice".

Ridgeland, Mississippi
October 3, 2019

OLE MISS ATHLETICS FOUNDATION

Statements of Financial Position

June 30, 2019 and 2018

	2019	2018
<u>ASSETS</u>		
Current Assets		
Cash Without Donor Restrictions	\$ 4,949,641	\$ 2,874,165
Cash With Donor Restrictions	4,924,692	3,059,331
Investments	10,648,602	10,638,110
UM/UMF Receivable	1,077,361	519,188
Pledges Receivable, Current Portion	6,648,273	6,440,501
CGA Pledges Receivable, Net	142,440	180,697
Annual Fund Pledges Receivable	4,493,314	4,454,044
Other Receivables	61,023	801,985
Prepaid Expenses	106,904	83,737
Total Current Assets	33,052,250	29,051,758
Long-Term Pledges Receivable, Net	11,261,490	14,207,107
Charitable Trust	1,315,863	1,413,103
Property and Equipment, Net	25,482,409	27,237,374
Endowment	78,210	76,755
Other Assets	25,000	25,000
Cash Surrender Value of Life Insurance	455,330	415,884
Total Assets	\$ 71,670,552	\$ 72,426,981
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Current Installments of Long-Term Debt	\$ 1,499,043	\$ 18,900,665
Accounts Payable	262,172	1,733,434
Payroll and Taxes Payable	74,761	119,702
Deferred Liability	25,000	470,000
Deferred Revenue, Current Portion	577,578	-
UM Payable	13,057,886	4,854,595
Total Current Liabilities	15,496,440	26,078,396
Long-Term Debt, Net of Current Installments	23,090,682	8,189,671
Less Debt Issuance Costs, Net	(43,566)	-
Net Debt	23,047,116	8,189,671
Long-Term Deferred Revenue, Net of Current Portion	323,772	901,350
Total Liabilities	38,867,328	35,169,417
Net Assets		
Net Assets Without Donor Restrictions	21,017,761	23,217,400
Net Assets With Donor Restrictions	11,785,463	14,040,164
Total Net Assets	32,803,224	37,257,564
Total Liabilities and Net Assets	\$ 71,670,552	\$ 72,426,981

The Notes to Financial Statements are an integral part of these statements.

OLE MISS ATHLETICS FOUNDATION
Statement of Activities
Year Ended June 30, 2019

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues and Support			
Annual Fund Contributions	\$ 19,462,275	\$ -	\$ 19,462,275
Other Contributions	-	5,824,991	5,824,991
Other Revenues	1,490,366	701,511	2,191,877
Net Assets Released from Restrictions	12,760,654	(12,760,654)	-
Total Revenues and Support	33,713,295	(6,234,152)	27,479,143
Expenses			
Program Expenses			
Support for Athletics Department Administration	19,815,961	-	19,815,961
Support for Team Programs	667,685	-	667,685
Other Restricted Expenses Including Facilities	9,542,857	-	9,542,857
Fundraising Expenses	1,269,392	-	1,269,392
Management and General Expenses	637,588	-	637,588
Total Expenses	31,933,483	-	31,933,483
Increase (Decrease) in Net Assets	1,779,812	(6,234,152)	(4,454,340)
Net Assets at Beginning of Year	23,217,400	14,040,164	37,257,564
Transfers	(3,979,451)	3,979,451	-
Net Assets at End of Year	\$ 21,017,761	\$ 11,785,463	\$ 32,803,224

OLE MISS ATHLETICS FOUNDATION
Statement of Activities
Year Ended June 30, 2018

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenues and Support			
Annual Fund Contributions	\$ 20,526,827	\$ -	\$ 20,526,827
Other Contributions	-	8,416,496	8,416,496
Other Revenues	1,760,543	196,340	1,956,883
Net Assets Released from Restrictions	21,226,955	(21,226,955)	-
Total Revenues and Support	43,514,325	(12,614,119)	30,900,206
Expenses			
Program Expenses			
Support for Athletics Department Administration	20,532,272	-	20,532,272
Support for Team Programs	304,773	-	304,773
Other Restricted Expenses Including Facilities	17,803,906	-	17,803,906
Fundraising Expenses	1,402,292	-	1,402,292
Management and General Expenses	710,662	-	710,662
Total Expenses	40,753,905	-	40,753,905
Increase (Decrease) in Net Assets	2,760,420	(12,614,119)	(9,853,699)
Net Assets at Beginning of Year	20,456,980	26,654,283	47,111,263
Net Assets at End of Year	\$ 23,217,400	\$ 14,040,164	\$ 37,257,564

OLE MISS ATHLETICS FOUNDATION

Statement of Functional Expenses

Year Ended June 30, 2019

	Athletics Department Administration	Team Programs	Other Program Restricted Expenses	Fundraising	Management and General	Total
Academic Services	\$ 2,549	\$ -	\$ -	\$ -	\$ -	\$ 2,549
Accounting	-	-	-	-	40,151	40,151
Advertising	-	-	-	55,049	-	55,049
Annual Report	-	-	-	4,125	-	4,125
Athletics Director	60,092	-	-	-	-	60,092
Auto Stipends and Expenses	135,791	-	-	33,032	-	168,823
Consulting	59,200	-	-	-	-	59,200
Credit Card Fees	398,430	-	-	-	-	398,430
Depreciation	1,732,350	-	-	25,242	8,414	1,766,006
Donations and Sponsorships	-	-	-	-	43,510	43,510
Donor Gifts	-	-	-	93,980	-	93,980
Dues, Conferences, and Subscriptions	-	-	-	-	16,329	16,329
Facility Improvements	-	-	7,825,966	-	-	7,825,966
Gameday RV Parking	35,821	-	-	-	-	35,821
Gifts in Kind Expense and Credits	729,605	-	-	-	-	729,605
Grove Tent Vendors	56,558	-	-	-	-	56,558
Insurance	108,280	-	-	-	111,277	219,557
Interest Expense	-	-	773,636	-	-	773,636
Legal	195,556	-	-	-	-	195,556
Marketing	4,234	-	-	-	-	4,234
Media Relations	12,453	-	-	-	-	12,453
Off-Campus Property	9,371	-	-	-	-	9,371
Office Administration	19,507	-	-	32,816	72,248	124,571
Other	567	-	-	-	5,619	6,186
Personnel Compensation and Benefits	8,126,377	-	-	862,070	287,356	9,275,803
Philanthropic Events, Stewardship and Cultivation	-	-	-	113,543	-	113,543
Postage	-	-	-	7,206	28,822	36,028
Post Season	56,865	-	-	-	-	56,865
Priority Seating and Gameday	2,064,511	-	-	-	-	2,064,511
Provision for Uncollectible Pledges	-	-	879,582	-	-	879,582
Return of Revenue	101,769	-	208,400	-	-	310,169
Scholarships and Support	5,421,598	-	64,500	-	-	5,486,098
Team Programs	-	667,685	-	-	-	667,685
Telephone	9,703	-	-	5,966	23,862	39,531
Ticketing and Technology	193,985	-	-	-	-	193,985
Travel and Entertainment	71,562	-	-	36,363	-	107,925
Net Restricted Expenses Allocated	209,227	-	(209,227)	-	-	-
	<u>\$ 19,815,961</u>	<u>\$ 667,685</u>	<u>\$ 9,542,857</u>	<u>\$ 1,269,392</u>	<u>\$ 637,588</u>	<u>\$ 31,933,483</u>

See accompanying notes to financial statements.

OLE MISS ATHLETICS FOUNDATION
Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Change in Net Assets	\$ (4,454,340)	\$ (9,853,699)
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities		
Depreciation	1,766,006	1,767,930
Amortization of Debt Issuance Costs	1,614	-
Bad Debt Expense	847,830	(29,966)
Provision for Uncollectible Pledges Restricted for Long-Term Purposes	(284,825)	(207,833)
Amortization of Discount on Pledges Restricted for Long-Term Purposes	(33,208)	92,527
Contributions Restricted for Long-Term Purposes	(5,737,264)	(6,380,876)
Net Athletics Facilities Transferred to the University	-	6,669,084
Unrealized and Realized Gain/Loss on Sale of Investments	(285,414)	133,789
Cash Surrender Value of Life Insurance	(39,446)	21,247
(Increase) decrease in:		
UM/UMF Receivable	(558,173)	(805)
Pledges Receivable	271,979	98,650
CGA Pledge Receivable	(8,861)	(23,247)
Annual Fund Pledges Receivable	(39,270)	1,013,965
Prepaid and Other Assets	717,795	(764,242)
Increase (decrease) in:		
Accounts Payable	(1,471,262)	461,222
Other Current Liabilities	(44,941)	15,130
Deferred Liabilities	(445,000)	100,000
Deferred Revenue	-	901,350
UM Payable	8,203,291	4,162,776
Net Cash Used in Operating Activities	<u>(1,593,489)</u>	<u>(1,822,998)</u>
Cash Flows From Investing Activities		
Proceeds from Sale of Investments	617,179	2,335,032
Purchases of Property and Equipment and Construction in Progress	(11,041)	(8,447,583)
Purchase of Investments	(246,472)	(4,540,612)
Net Cash Provided by (Used in) Investing Activities	<u>359,666</u>	<u>(10,653,163)</u>
Cash Flows From Financing Activities		
Contributions Restricted for Long-Term Purposes	7,720,451	9,329,454
Proceeds from Long-Term Debt	-	4,019,717
Payments on Long-Term Debt	(2,545,791)	(3,171,555)
Net Cash Provided by Financing Activities	<u>5,174,660</u>	<u>10,177,616</u>
Net Change in Cash and Cash Equivalents	<u>3,940,837</u>	<u>(2,298,545)</u>
Cash and Cash Equivalents, at Beginning of Year	<u>5,933,496</u>	<u>8,232,041</u>
Cash and Cash Equivalents, at End of Year	<u>\$ 9,874,333</u>	<u>\$ 5,933,496</u>

The Notes to Financial Statements are an integral part of these statements.

OLE MISS ATHLETICS FOUNDATION
Statements of Cash Flows
Years Ended June 30, 2019 and 2018

	2019	2018
Cash and Cash Equivalents, at End of Year		
Cash Without Donor Restrictions	\$ 4,949,641	\$ 2,874,165
Cash With Donor Restrictions	4,924,692	3,059,331
	\$ 9,874,333	\$ 5,933,496
Supplemental Disclosures of Cash Flow Information		
Cash Paid For		
Interest, Including Capitalized Interest; 2019, \$0; 2018, \$130,433	\$ 772,022	\$ 3,263,050
Non-Cash Financing Activities		
Note Paid Off by Refinancing with Another Bank	\$ 16,483,181	\$ -
Debt Issuance Costs	45,180	
Principal Amount of New Note	\$ 16,528,361	\$ -
Athletics Facilities Transferred to the University	\$ -	\$ 14,669,084
Notes Payable Transferred to the University	-	(8,000,000)
Net Athletics Facilities Transferred to the University	\$ -	\$ 6,669,084

OLE MISS ATHLETICS FOUNDATION
Notes to Financial Statements
June 30, 2019 and 2018

NOTE 1 NATURE OF ORGANIZATION

The Ole Miss Athletics Foundation (the Foundation) is a Mississippi nonprofit corporation whose mission is to provide resources for the Department of Intercollegiate Athletics (the Athletics Department) at the University of Mississippi (the University). Formerly known as the Ole Miss Loyalty Foundation and the UMAA Foundation, the Foundation adopted amended and restated articles of incorporation and bylaws effective March 1, 2013, and the name was formally changed. The currently effective bylaws were amended and restated October 19, 2017. The Foundation has an affiliation agreement with the University that defines arrangements between the two organizations concerning services, facilities, premises, activities, and other miscellaneous provisions. The agreement currently in effect commenced on January 1, 2018 and is set to expire on December 31, 2023. Among other terms, the affiliation agreement calls for the Foundation and the Athletics Department to agree on an amount of financial support for scholarships, facilities, compensation, and other support provided by the Foundation each year.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of Accounting Pronouncement

During the year ended June 30, 2019, the Foundation adopted the provisions of Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which changed certain financial statement requirements for not-for-profit (NFP) entities within the scope of Accounting Standards Codification Topic 958. Under the new requirements, NFPs are no longer required to distinguish between resources with temporary and permanent restrictions on the face of their financial statements, rather they present two classes of net assets – those without donor restrictions and those with donor restrictions. Additionally, all NFPs are now required to present expenses by their natural and functional classification and required to present investment returns net of external and direct internal investment expenses. NFPs are now also required to provide more information about their available resources and liquidity. Finally, under the provisions of the ASU, the option to release restrictions on donated long-lived assets or cash donated to purchase or construct long-lived assets over the estimated useful life of long-lived assets has been eliminated, thus requiring all NFPs to use the placed-in-service method of recognizing the expiration of such restrictions. The impact of the adoption of this new standard on the Foundation's financial statements is disclosed through the footnotes to the financial statements as the affected areas are discussed.

Net Assets

In accordance with ASU 2016-14, the Foundation reports net assets in two categories as follows:

Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. Contributions gifted for recurring programs are generally not considered “restricted” under accounting principles generally accepted in the United States of America (GAAP). Net assets restricted solely through the actions of the Board, if any, are reported as net assets without donor restrictions, board designated.

OLE MISS ATHLETICS FOUNDATION
Notes to Financial Statements
June 30, 2019 and 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

With Donor Restrictions – Net assets subject to donor-imposed stipulations that are more restrictive than the Foundation’s general purpose. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenditures are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as release from restriction between the two classes of net assets.

Income and realized and unrealized gains and losses on investments of net assets with donor restrictions are reported as follows:

- as increases in net assets with donor restrictions if the terms of the gift or the Foundation’s interpretation of relevant state law require that gains be added to the principal of a permanent endowment fund;
- as increases or decreases in net assets with donor restrictions if the terms of the gift impose restrictions on their use;
- as increases or decreases in net assets without donor restrictions in all other cases.

Net assets with donor restrictions as of June 30, 2019 and 2018, are available for the following purposes:

	2019	2018
Forward Together Campaign	\$ 9,951,637	\$ 11,850,079
Team Programs	439,753	699,720
Other	-	507
Total Time and Purpose Restrictions	10,391,390	12,550,306
Investments in Perpetuity		
The Income From Which is Expendable to Support:		
Football, Basketball, Women's Athletics	78,210	76,755
Scholarships	1,315,863	1,413,103
Total Perpetual Restrictions	1,394,073	1,489,858
Total Net Assets With Donor Restrictions	\$ 11,785,463	\$ 14,040,164

OLE MISS ATHLETICS FOUNDATION
Notes to Financial Statements
June 30, 2019 and 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Such estimates include the present value discount rates applied to pledges receivable, the allowance for uncollectible pledges and estimated useful lives and salvage values of property and equipment. Accordingly, actual results could differ significantly from those estimates.

Fixed Assets

The Foundation records equipment, furniture and fixtures, buildings, improvements and land at cost if purchased or at fair market value if donated. The Foundation capitalizes all fixed asset acquisitions. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Cash and Cash Equivalents

In general, for purposes of the statement of cash flows, the Foundation considers all highly-liquid investments available for current use with maturities of three months or less to be cash equivalents.

Income Tax Status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except for taxes on income from activities unrelated to its exempt purpose. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

GAAP outlines the accounting for uncertainty in income taxes in an entity's financial statements and prescribes a recognition threshold and measurement attribute for tax positions taken or expected to be taken on a tax return including the entity's status as a tax-exempt entity. Additionally, GAAP provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, and disclosure. The Foundation had no significant uncertain tax positions at June 30, 2019 and 2018, respectively. If interest and penalties are incurred related to uncertain tax positions, such amounts are recognized as income tax expense in the statement of activities. As of June 30, 2019, periods for tax years 2018, 2017, and 2016 remain open to examination by the federal and state taxing jurisdictions to which the Foundation is subject.

Fair Value Measurements

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the

OLE MISS ATHLETICS FOUNDATION
Notes to Financial Statements
June 30, 2019 and 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

lowest priority to measurements that involve significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- a) Level 1: Unadjusted quoted prices for identical assets or liabilities in active markets that are observable at the measurement date;
- b) Level 2: Significant observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in inactive markets, or other inputs that are observable or can be corroborated by observable market data: and
- c) Level 3: Significant unobservable inputs for the asset or liability that reflects the reporting entity's own estimates about the assumptions that market participants would use in pricing the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based upon the lowest level input that is significant to the fair value measurement in its entirety. In accordance with Accounting Standards Update (ASU) 2009-12, *Investments that can be redeemed at Net Asset Value on the Measurement Date or in the Near Term*, such investments may be classified as Level 2. NAV is used as a practical expedient to estimate the fair value of such investments unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of June 30, 2019, the Foundation had no plans or intentions to sell investments at amounts different from NAV.

Investments

Investments are recorded at fair value. The fair values of all investments and trusts are based on quoted market prices and other observable inputs such as quoted prices for similar assets, quoted prices in inactive markets, or inputs corroborated by observable market data. Both realized and unrealized gains and losses are included in the change in net assets. Real estate and other properties donated to the Foundation and held by the University of Mississippi Foundation (the UM Foundation) are also carried at fair value based on appraisal values at the date of receipt and as subsequently updated.

The Foundation's investments include commodities, a charitable trust, equity securities, fixed income and pooled accounts. These investments are exposed to several risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the fair value of these investments will occur in the near term and such changes could materially affect the amounts reported in the Foundation's financial statements.

Revenue Recognition

Priority seats in the football stadium, basketball arena and baseball stadium require annual donations separate from the cost of the tickets. The donation amounts are set by the Foundation. This unconditional revenue is unrestricted and used for operations. Capital gift

OLE MISS ATHLETICS FOUNDATION
Notes to Financial Statements
June 30, 2019 and 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

agreements may be signed to secure priority seats for football and basketball seasons. This unconditional revenue is restricted for the Forward Together capital campaign. A portion of the seating annual donation and capital gift agreement revenue is recognized in the period the pledge is made and the remainder is recognized when the payments are received. For annual donation revenue, the amount recognized when received often corresponds with the year in which the sport season occurs. Unconditional contributions not tied to seating are recognized in full when the pledge is made. Other unpledged revenue is recognized in the period received.

The Tax Cuts and Jobs Acts amended Internal Revenue Code Section 170(l) that previously allowed for up to an 80% charitable deduction for donations to or for the benefit of an institution of higher learning that resulted, directly or indirectly, in the right to purchase tickets for seating in an athletic venue of such institution, to no longer allow such a deduction. This amendment was signed into law in December 2017 and went into effect January 1, 2018. The Foundation implemented the change as of January 1, 2018, and began receipting the total amount of donations of this type as non-charitable.

Unconditional promises to give that are expected to be collected in future years are reported at the present value of their future cash flows. The discounts on these amounts are computed using risk-free interest rates applicable to the years in which the promises are scheduled to be received. Accretion of the discounts is included in contribution revenues. The Foundation uses the allowance method to determine uncollectible pledges receivable. The allowance is based on management's judgment, including such factors as prior collection history, the nature of the fund-raising activity, and the type of contributions made.

Donated Property and Services

Donations of real property received are recorded as gift-in-kind contributions at their estimated fair values at the date of donation. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. All real property donations to the Foundation are held by the UM Foundation until such properties are sold. Proceeds are subsequently transferred to the Foundation. The Foundation did not receive donated real property during the years ended June 30, 2019 or 2018.

Donations of personal property received, such as automobiles, equipment and apparel are recorded as gift-in-kind contributions at estimated fair value at the date of donation. For the years ended June 30, 2019 and 2018, \$657,759 and \$350,880, respectively, were recognized as contributions from donated personal property.

Donated services received are recognized as contributions if the services either (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people or entities with those skills, and would otherwise be purchased by the Foundation. For the years ended June 30, 2019 and 2018, \$320,890 and \$253,891, respectively, were recognized as donated services.

OLE MISS ATHLETICS FOUNDATION
Notes to Financial Statements
June 30, 2019 and 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Charitable Trust

The Foundation is the beneficiary under an irrevocable charitable remainder unitrust with a local bank as trustee. Under the terms of the trust agreement, the Foundation receives distributions from the trust based on a formula using the lesser of the net income of the trust or 7% of the fair market value of the trust assets at the beginning of the trust taxable year. The trustee performs this calculation and makes the distribution. Expenses of the trust, such as taxes and administrative fees, are paid from the trust assets. The remaining principal of the trust is reported as a net asset with donor restrictions, perpetual in nature, per the terms of the trust agreement. Assets of the trust are reported at fair market value in the statements of financial position at \$1,315,863 and \$1,413,103, as of June 30, 2019 and 2018, respectively.

Advertising

Advertising costs are expensed as incurred and include annual priority seating information, promotional items for members, listings in gameday programs, and other marketing material related to Foundation memberships and donations. Advertising expenses for 2019 and 2018, were \$55,049 and \$64,546, respectively.

Debt Issuance Costs

The Foundation incurred debt issuance costs pursuant to a financial agreement in 2019. Such costs will be amortized based on the straight-line method which is not materially different from the effective interest method over the seven-year life of the debt. The total cost was \$45,180. Amortization expense included in interest expense for the year ended June 30, 2019 was \$1,614. Future amortization expense for the next five years is noted to be:

<u>Year Ending June 30,</u>	
2020	\$ 6,454
2021	6,454
2022	6,454
2023	6,454
2024	6,454
	<u>6,454</u>
	<u>\$ 32,270</u>

Functional Allocation of Expenses

The financial statements present expenses by functional classification in accordance with the overall mission and activities of the Foundation. Each functional classification displays all expenses related to the underlying operations by natural classification. Accordingly, certain costs have been allocated among program, fundraising and management and general services.

OLE MISS ATHLETICS FOUNDATION
Notes to Financial Statements
June 30, 2019 and 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Management has evaluated subsequent events through October 3, 2019, the date the financial statements were available to be issued.

Reclassifications

Certain prior year amounts have been reclassified to conform with the current year presentation.

NOTE 3 ACCOUNTS RECEIVABLE

UM and UM Foundation Receivable

Cash contributions are received directly by the Foundation with the UM Foundation maintaining donor records for tax receipt purposes. Contributions to the Foundation in the form of securities are received directly by the UM Foundation. Funds associated with contributions in the form of securities are transferred to the Foundation immediately after being processed and recorded. Receivable balances from the University and the UM Foundation of \$572,491 and \$14,328 at June 30, 2019 and 2018, respectively, represent amounts to be received in the beginning of fiscal years 2020 and 2019, respectively.

The remaining receivable balance of \$504,870 and \$504,860 at June 30, 2019 and 2018, from the UM Foundation, represents land and other interests contributed to the Foundation to be sold.

Other Receivables

The Foundation has included in other income and other receivables at June 30, 2018, \$754,836 as the net proceeds of the settlement the Foundation was awarded from the Deepwater Horizon Economic and Property Damages Class Action case stemming from the BP/Deepwater Horizon disaster in 2010. The settlement payment was received in April 2019.

NOTE 4 PLEDGES RECEIVABLE

The Foundation obtains pledges through fundraising programs in support of various activities. At June 30, 2019, pledges for the Vaught Society are scheduled to mature at various dates through 2027. The Capital Gift Agreements receipts are due primarily in the next year.

OLE MISS ATHLETICS FOUNDATION
Notes to Financial Statements
June 30, 2019 and 2018

NOTE 4 PLEDGES RECEIVABLE (CONTINUED)

A summary of the pledges receivable as of June 30, 2019 and 2018, is as follows:

	<u>2019</u>	<u>2018</u>
Receivable in one year	\$ 6,790,713	\$ 6,623,023
Receivable in two to five years	12,064,836	14,008,099
Receivable in more than five years	1,286,937	2,605,500
	<u>\$ 20,142,486</u>	<u>\$ 23,236,622</u>
Pledges Receivable Without Donor Restrictions	\$ 115,000	\$ 215,000
Pledges Receivable With Donor Restrictions	20,027,486	23,021,622
	20,142,486	23,236,622
Less: Allowance for Doubtful Pledges Receivable	<u>(1,561,327)</u>	<u>(1,846,153)</u>
	18,581,159	21,390,469
Less: Unamortized Discount (2.00% and 2.73% at June 30, 2019 and 2018, respectively)	<u>(528,956)</u>	<u>(562,164)</u>
Net Pledges Receivable	<u>\$ 18,052,203</u>	<u>\$ 20,828,305</u>

NOTE 5 INVESTMENTS AND CHARITABLE TRUST

The following table presents the financial assets carried at fair value within the valuation hierarchy as of June 30, 2019 and 2018:

<u>2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity and Futures	\$ 376,681	\$ -	\$ -	\$ 376,681
Fixed Income	10,194,693	-	-	10,194,693
Other Investments	77,228	-	-	77,228
Total Investments	<u>10,648,602</u>	<u>-</u>	<u>-</u>	<u>10,648,602</u>
Pooled Investments -				
UM Foundation	78,210	-	-	78,210
Charitable Trust	1,315,863	-	-	1,315,863
	<u>\$ 12,042,675</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,042,675</u>
<u>2018</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equity and Futures	\$ 364,520	\$ -	\$ -	\$ 364,520
Fixed Income	10,190,203	-	-	10,190,203
Other Investments	82,878	-	509	83,387
Total Investments	<u>10,637,601</u>	<u>-</u>	<u>509</u>	<u>10,638,110</u>
Pooled Investments -				
UM Foundation	76,755	-	-	76,755
Charitable Trust	1,413,103	-	-	1,413,103
	<u>\$ 12,127,459</u>	<u>\$ -</u>	<u>\$ 509</u>	<u>\$ 12,127,968</u>

OLE MISS ATHLETICS FOUNDATION
Notes to Financial Statements
June 30, 2019 and 2018

NOTE 5 INVESTMENTS AND CHARITABLE TRUST (CONTINUED)

Investment return is summarized as follows for each year:

June 30, 2019	Without Donor Restrictions	With Donor Restrictions
Interest and Dividend Income From Marketable Securities, Cash and Cash Equivalents	\$ 246,085	\$ 13,674
Net Realized and Unrealized Gains (Losses)	228,646	56,768
Investment Expenses	<u>(16,352)</u>	<u>(166,735)</u>
Total Investment Income, Net	<u>\$ 458,379</u>	<u>\$ (96,293)</u>
June 30, 2018	Without Donor Restrictions	With Donor Restrictions
Interest and Dividend Income From Marketable Securities, Cash and Cash Equivalents	\$ 218,929	\$ 87,038
Net Realized and Unrealized Gains (Losses)	(162,850)	28,906
Investment Expenses	<u>(24,387)</u>	<u>(85,911)</u>
Total Investment Income, Net	<u>\$ 31,692</u>	<u>\$ 30,033</u>

NOTE 6 PROPERTY AND EQUIPMENT

A summary of property and equipment at June 30, 2019 and 2018 is as follows:

	2019	2018
Office Equipment and Furniture	\$ 57,619	\$ 52,574
Automobiles	180,180	180,180
Manning Center	30,778,778	30,778,778
Video Boards and Audio	10,925,403	10,925,403
Condominium	<u>160,881</u>	<u>154,885</u>
	42,102,861	42,091,820
Less Accumulated Depreciation	<u>(16,620,452)</u>	<u>(14,854,446)</u>
Property and Equipment	<u>\$ 25,482,409</u>	<u>\$ 27,237,374</u>

Depreciation expense for the years 2019 and 2018 totaled \$1,766,006 and \$1,767,930, respectively. The Manning Center, video boards, and audio systems are currently pledged as collateral on indebtedness.

OLE MISS ATHLETICS FOUNDATION
Notes to Financial Statements
June 30, 2019 and 2018

NOTE 7 UM ATHLETICS DEPARTMENT PAYABLE

In addition to support throughout the year for Athletics Department activities and team programs, the Foundation is committed to providing a year-end supplement for scholarships and other operating needs of the Athletics Department. For the fiscal year ended June 30, 2019, the year-end support amount payable is \$4,540,826. For the fiscal year ended June 30, 2018, the planned year-end support amount of \$3,062,244 was not requested by the Athletics Department and was not accrued, but was placed in a reserve account held by the Foundation.

As a supplement for facilities improvements, the Foundation had an additional payable of \$8,517,060 and \$4,854,595 at June 30, 2019 and 2018, respectively, to the Athletics Department.

NOTE 8 LONG-TERM DEBT

	2019	2018
<p>On March 25, 2019, the Foundation refinanced a loan for capital facilities in the amount of \$16,528,361. The original loan amount was \$30,000,000 and was obtained on October 30, 2012, with interest amortized over thirteen years and a maturity date of March 30, 2019. The refinanced loan bears interest of 4.80% and is payable in quarterly installments of \$324,512 of principal and interest. Interest is amortized over a period of twenty years, and the loan has a maturity date of March 25, 2026. The loan is collateralized by a deed of trust on the Manning Center.</p>	\$ 16,404,393	\$ 17,973,990
<p>On November 15, 2015, the Foundation obtained a loan to finance improvements to various athletics facilities including Vaught-Hemingway Stadium in the amount of \$11,500,000. The first twelve months of the loan term were a non-revolving line of credit phase. The line of credit became a permanent term loan on November 5, 2016, with a maturity date of November 5, 2025, and with an interest rate equal to 30 day Libor plus 100 basis points floating. The interest rate was 3.4% at June 30, 2019. Collateral for the loan includes all equipment and property purchased with loan proceeds and a pledge of revenues.</p>	8,185,332	9,116,346
Gross Notes Payable	24,589,725	27,090,336
Debt Issuance Costs, Net	(43,566)	-
	24,546,159	27,090,336
Current Installments of Long-Term Debt	(1,499,043)	(18,900,665)
Net Long-Term Debt Excluding Current Installments	\$ 23,047,116	\$ 8,189,671

OLE MISS ATHLETICS FOUNDATION
Notes to Financial Statements
June 30, 2019 and 2018

NOTE 8 LONG-TERM DEBT (CONTINUED)

A summary of the debt maturities is as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2020	\$ 1,499,043
2021	1,559,007
2022	1,619,222
2023	1,681,861
2024	1,745,147
Thereafter	16,485,445
	<u>\$ 24,589,725</u>

There are debt covenants that include a requirement to issue financials, audited by a certified public accountant, no later than 120 days after the end of the fiscal year and to maintain a debt to asset ratio less than 1.0, which is required to be tested annually. As of June 30, 2019, the Foundation has complied with these covenants.

NOTE 9 ENDOWMENTS

The UM Foundation holds certain funds that are considered permanent endowments and scholarship funds. These endowments are created for the benefit of the Athletics Department, and any contributions to the Foundation that are designated for these funds are transferred to the UM Foundation. Funds that amounted to \$4,213,789 and \$4,141,078 at June 30, 2019 and 2018, respectively, are managed by the UM Foundation and are not included in these financial statements. Funds that amounted to \$78,210 and \$76,755 at June 30, 2019 and 2018, respectively, are managed by the UM Foundation and are included in investments. These endowments were created for the benefit of the Foundation.

NOTE 10 LIFE INSURANCE POLICIES

The Foundation has been gifted life insurance policies for which it has been named owner and beneficiary. The face amounts of life insurance policies in excess of cash surrender values held by the Foundation are recognized as revenue only when collected. The cash surrender values of such policies at June 30, 2019 and 2018 were \$455,330 and \$415,884, respectively.

NOTE 11 CONCENTRATIONS OF CREDIT RISK

The total cash held by the Foundation at June 30, 2019 and 2018 included \$8,844,512 and \$5,092,525, respectively in monies that were not covered by insurance provided by the Federal Deposit Insurance Corporation. The risk is minimized by the fact that cash is held in high quality financial institutions.

NOTE 12 LEASES

The Foundation leases office space from the University at no cost, in accordance with the affiliation agreement. The Foundation leases from the University the land upon which the

OLE MISS ATHLETICS FOUNDATION
Notes to Financial Statements
June 30, 2019 and 2018

NOTE 12 LEASES (CONTINUED)

Manning Center is located, and the Foundation subleases the Manning Center back to the University for operations at a net cost of zero.

In August 2016, the Foundation entered into two thirty-six-month automobile leases for the benefit of the Athletics Department. These leases contain options to purchase at the end of the lease and require the Foundation to pay all executory costs such as taxes, maintenance, and insurance.

The Foundation leased a copier in March 2015 under a sixty-month cost per copy lease agreement. This agreement provided for a stated cost per copy over the life of the lease with an established monthly minimum payment.

In June 2014, the Foundation entered into a lease agreement for retail and office space off campus. The lease term is for eleven years and is payable monthly at \$18,682 per month.

In April 2017, the Foundation entered into a dry lease agreement for private airplane usage. The initial term was for one year, and thereafter went to a month-to-month basis. Lease payments are based on hourly usage, and there is no minimum requirement other than the days the aircraft is occupied by the Foundation, at which time the minimum is two hours per day.

Rental expenses for these leases amounted to \$260,191 in fiscal year 2019 and \$341,163 in fiscal year 2018.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of June 30, 2019 are:

<u>Year Ending June 30,</u>	
2020	\$ 240,140
2021	236,420
2022	236,420
2023	224,179
2024	<u>224,179</u>
	<u>\$ 1,161,338</u>

NOTE 13 COMMITMENTS

Pursuant to its affiliation agreement with the University, the Foundation and the Athletics Department agree on an amount of support provided by the Foundation each year. In the absence of an agreed upon amount in any given year, the Foundation will provide a minimum of \$8 million, per the terms of the affiliation agreement.

As part of annual support, the Foundation has agreed to supplement the compensation paid to several employees of the University's Athletics Department under their state employment contracts with the University. The University and Board of Trustees of Mississippi Institutions of Higher Learning have no obligations under the terms of these

OLE MISS ATHLETICS FOUNDATION
Notes to Financial Statements
June 30, 2019 and 2018

NOTE 13 COMMITMENTS (CONTINUED)

supplemental compensation agreements. The amount paid for these supplemental compensation and incentive packages for the years ending June 30, 2019 and 2018, was \$7,785,650 and \$6,622,780, respectively. The amount expected to be paid in fiscal year 2020 exceeds \$9,379,000. The Foundation has also agreed to support severance and separation agreements with former Athletics Department personnel. The amount paid for these agreements for the fiscal years ended June 30, 2019 and 2018, was \$983,727 and \$4,702,826, respectively. The amount expected to be paid in fiscal year 2020 is \$1,098,333.

The Foundation has committed to provide a year-end supplement for scholarships and other operating needs of the Athletics Department in the amount of \$5,379,102 for the fiscal year ending June 30, 2020. The Foundation has also committed to provide financial support for specific projects undertaken for constructing and improving Athletics facilities.

NOTE 14 CONTINGENT LIABILITY

The University of Mississippi Educational Building Corporation (UMEBC) and Foundation are co-obligors on indebtedness on the Pavilion at Ole Miss and a parking facility, both of which are owned by the UMEBC. Construction of these facilities and the related bond financing were arranged and subsidized by the Foundation. In July 2016, ownership of the facilities transferred to the UMEBC. The capital leases that were in place between the Foundation and the University were terminated at the time of transfer. As the assets for the indebtedness belong to the UMEBC and are recorded on its financial statements, the indebtedness is similarly recorded on the UMEBC's financial statements and not on the Foundation's. Should the UMEBC fail to make the required debt service payments, the Foundation would be obligated to satisfy the indebtedness. At June 30, 2019, the outstanding debt on the Pavilion at Ole Miss was \$66,754,674 and the outstanding debt on the parking facility was \$9,450,000. As part of the Foundation's mission for the Athletics Department, the Foundation provides funds to the University for the debt service payments on this indebtedness. Such payments are expensed in the accompanying statements of activities as other restricted expenses.

NOTE 15 RESTRICTED EXPENSES ALLOCATED

Administration and fundraising costs for the capital campaign are paid from Foundation operating funds. To cover these costs and other needs in operating funds as a result of the campaign, Forward Together funds of \$2,782,436 and \$2,899,796 were used for the years ended June 30, 2019 and 2018, respectively. A portion of annual seating donations in newly constructed areas goes toward paying for the cost of the facility construction. That amount for the year ended June 30, 2019 was \$2,586,239. These allocations combined with other internal transfers form the net restricted expenses allocated of \$209,227 for the year ended June 30, 2019.

OLE MISS ATHLETICS FOUNDATION
Notes to Financial Statements
June 30, 2019 and 2018

NOTE 16 RELATED PARTY

In June 2014, the Foundation entered into a lease for commercial office space with a third-party landlord, a company in which a member of the board of governors of the Foundation has an interest. The term of the lease is for eleven years and commenced on July 1, 2014. The agreement calls for monthly payments of \$18,682. The total amounts paid to the related party for the lease and related expenses for the years ending June 30, 2019 and 2018 respectively were \$229,080 and \$223,699. The board member excused himself from all proceedings and did not participate in the decision in any way.

NOTE 17 NET ASSETS RELEASED FROM RESTRICTIONS

For the years ended June 30, 2019 and 2018, net assets with donor restrictions were released from restrictions for the following purposes:

	<u>2019</u>	<u>2018</u>
Support for team programs and other	\$ 710,595	\$ 316,315
Facility improvements	7,827,580	14,730,921
Interest expense	772,022	3,132,617
Net restricted expenses allocated	(209,227)	(186,443)
Return of restricted revenue	208,400	-
Provision for uncollectible pledges	879,582	61,990
Principal payments on capital debt	2,571,702	3,171,555
Total Net Assets Released From Restrictions	<u>\$ 12,760,654</u>	<u>\$ 21,226,955</u>

NOTE 18 RETIREMENT PLAN

The Foundation sponsors a SEP IRA plan for all employees. The Foundation makes a contribution to the Plan each year equal to 15.75% of each employee's compensation up to the maximum prescribed by the Internal Revenue Service. For fiscal year 2020, the contribution will increase to 17.4%. The expense incurred by the Foundation for the years ended June 30, 2019 and 2018 was \$137,483 and \$148,320, respectively.

The Foundation also sponsors a 403b Plan for employee deferrals only.

NOTE 19 NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions as of June 30, 2019 and 2018, are detailed as shown:

	<u>2019</u>	<u>2018</u>
Net Assets Designated by Board as a Reserve	\$ 593,448	\$ 558,345
Net Assets Without Board Designation	20,424,313	22,659,055
Total Net Assets Without Donor Restrictions	<u>\$ 21,017,761</u>	<u>\$ 23,217,400</u>

OLE MISS ATHLETICS FOUNDATION
Notes to Financial Statements
June 30, 2019 and 2018

NOTE 20 DEFERRED REVENUE

As discussed in Note 2, the passage of the Tax Cuts and Jobs Acts eliminated the charitable deduction for contributions made for priority seating beginning January 1, 2018. The Foundation allowed members to make donations for priority seating for future years before January 1, 2018, and the payments are shown as deferred revenue at June 30, 2019 and 2018 to be recognized as revenue per the following schedule.

<u>Year Ending June 30,</u>	
2020	\$ 577,578
2021	164,818
2022	73,205
2023	44,549
2024	20,600
2025	20,600
Total Deferred Revenue	<u>\$ • 901,350</u>

NOTE 21 LIQUIDITY AND AVAILABILITY OF RESOURCES

The table that follows presents the Foundation's financial assets at June 30, 2019 that are available to meet obligations for general expenditures that may arise within one year of the balance sheet date.

Current assets, excluding non-financial assets, at June 30, 2019	\$ 32,440,477
Less those unavailable for general expenditures within one year, due to:	
Donor-imposed restrictions:	
Restricted cash and cash equivalents	(4,924,692)
Restricted pledges receivable, current portion	(6,790,713)
Board-designated restrictions	<u>(593,448)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 20,131,624</u>

In addition to the assets shown above, at June 30, 2019, the Foundation had \$4,924,692 of cash and \$6,790,713 of pledges receivable within one year with restrictions as to their use. These funds may not be used to cover general expenditures of the Foundation. The Foundation also had at year end \$593,448 of short-term investments that have been designated by the board of governors to be held in reserve for contractual purposes. These funds could be drawn upon for immediate liquidity following approval by the board.

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations come due. The Foundation's cash flows vary throughout the year due to the timing of receipt of pledge receivables and contributions from donors. To assist in managing liquidity, the Foundation obtained a line of credit with a commercial bank in August 2019 with borrowing limits of \$5 million in the aggregate that can be drawn upon as needed to manage cash flow.

OLE MISS ATHLETICS FOUNDATION
Notes to Financial Statements
June 30, 2019 and 2018

NOTE 22 RECENT ACCOUNTING PRONOUNCEMENTS

In May 2014, the Financial Accounting Standards Board (FASB) issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which clarifies the principles for recognizing revenue. This guidance requires an entity to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. It further requires revenue for memberships to be recognized over the period covered by the payment. The Foundation will be required to adopt ASU 2014-09 as of July 1, 2019. The Foundation is currently evaluating the impact of ASU 2014-09 on the Foundation's financial condition and results of operations.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases and operating leases. The standard is effective on July 1, 2020, with early adoption permitted. The Foundation is in the process of evaluating the impact of this new guidance.

NOTE 23 SUBSEQUENT EVENTS

On August 5, 2019, the Foundation entered into a loan agreement for a revolving line of credit not to exceed \$5,000,000 with a variable interest rate equal to LIBOR plus 174 basis points and a maturity date of December 31, 2022. The purpose of the line of credit is to assist with operating needs that may arise. As of the date of this report, no advances had been made on the loan.

On October 30, 2019, the UMEBC will issue revenue refunding bonds through Series 2019 for the outstanding debt on the Pavilion at Ole Miss and the parking facility. The municipal bonds will be issued at a premium with an average coupon rate of 4.15%, all in true interest cost of 2.14%, and a final maturity date of October 1, 2035. The Foundation will continue to provide funds to the University for this debt service, and these payments will continue to be expensed and reflected on the statements of activities.

Supplementary Information

OLE MISS ATHLETICS FOUNDATION
Schedules of Revenues
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Donor Contributions Without Restrictions		
Baseball Annual Fund	\$ 2,624,222	\$ 2,492,000
Basketball Annual Fund	2,095,794	2,316,614
Football Annual Fund	14,386,760	15,385,692
General Annual Fund	355,499	332,521
Total Donor Contributions Without Restrictions	<u>19,462,275</u>	<u>20,526,827</u>
Contributions Restricted by Donor		
Baseball	88,545	89,246
Capital Gift Agreements	374,124	553,231
Facility and Capital Improvements - Other	26,813	1,374,991
Football	74,064	65,789
Football Fantasy Camp	67,236	71,025
Forward Together - Other	31,101	129,402
Forward Together - Vaught Society	4,705,449	6,027,802
Men's Basketball	256,461	4,480
Men's Golf	46,000	25,968
Men's and Women's Tennis	50	10,000
Men's and Women's Track	21,400	-
Student-Athlete Development	25,000	-
Women's Athletics	3,000	-
Women's Basketball	61,897	13,850
Women's Golf	19,600	100
Women's Rifle	4,906	5,237
Women's Soccer	7,935	36,800
Women's Softball	2,910	3,575
Women's Volleyball	8,500	5,000
Total Contributions Restricted by Donor	<u>5,824,991</u>	<u>8,416,496</u>

OLE MISS ATHLECTICS FOUNDATION
Schedules of Revenues
Years Ended June 30, 2019 and 2018

	2019	2018
Other Revenue Without Donor Restrictions		
Investment Income, Net of Investment Expenses	229,733	\$ 194,388
Gameday RV Parking	123,654	94,566
Grove Tent Vendors	83,650	83,939
Media/Website	188,823	-
Realized/Unrealized Gains (Losses)	228,646	(162,696)
Other Income	390,007	1,045,575
Gifts in Kind	245,853	504,771
Total Other Revenue Without Donor Restrictions	1,490,366	1,760,543
Other Revenue with Donor Restrictions		
Gifts in Kind	732,796	100,000
Investment Income, Net of Investment Expenses	(153,061)	1,127
Endowment Gifts	508	1,486
Potts Trust	64,500	64,821
Realized/Unrealized Gains (Losses)	56,768	28,906
Total Other Revenue With Donor Restrictions	701,511	196,340
 Total Revenue	 \$ 27,479,143	 \$ 30,900,206

OLE MISS ATHLECTICS FOUNDATION
Schedules of Expenses
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
General and Administrative Expenses		
Accounting	\$ 40,151	\$ 38,433
Advertising	55,049	64,546
Annual Report	4,125	7,137
Auto Stipends and Maintenance	33,032	32,650
Consulting	-	15,333
Depreciation	33,656	36,304
Donations and Sponsorships	43,510	96,400
Donor Gifts	93,980	85,117
Dues, Conferences, and Subscriptions	16,329	20,794
Insurance	111,277	106,009
Office Administration	105,064	93,429
Other	5,619	5,520
Personnel Benefits	178,028	190,824
Personnel Compensation and Tax	971,398	1,115,900
Philanthropic Events, Stewardship and Cultivation	113,543	98,179
Postage	36,028	30,786
Telephone	29,828	28,955
Travel	36,363	46,638
Total General and Administrative Expenses	<u>1,906,980</u>	<u>2,112,954</u>
Support for Athletics Department Administration		
Academic Services	2,549	4,058
Athletics Director	60,092	60,761
Auto Stipends and Leases	135,791	104,060
Consulting	59,200	37,100
Credit Card Fees	398,430	416,222
Depreciation	1,732,350	1,731,626
Gameday RV Parking	35,821	26,987
Gifts in Kind Expense and Credits	729,605	504,771
Grove Tent Vendors	56,558	30,660
Insurance	108,280	112,775

OLE MISS ATHLECTICS FOUNDATION
Schedules of Expenses
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Support for Athletics Department Administration (Continued)		
Legal	195,556	1,416,597
Marketing	4,234	4,618
Media Relations	12,453	63,314
Off-Campus Property	9,371	10,204
Office Administration	19,507	18,442
Other	567	603
Personnel Compensation and Tax	8,126,377	10,842,207
Post Season	56,865	20,043
Priority Seating and Gameday	2,064,511	1,882,634
Return of Revenue	101,769	-
Scholarships and Support	5,421,598	2,576,825
Special Events	-	696
Telephone	9,703	3,181
Ticketing and Technology	193,985	215,607
Travel and Entertainment	71,562	261,838
Net Restricted Expenses Allocated	209,227	186,443
Total Support for Athletics Department Administration	<u>19,815,961</u>	<u>20,532,272</u>
Support for Team Programs		
Baseball	54,493	84,142
Football	54,564	69,234
Football Fantasy Camp	76,591	93,945
Gifts in Kind	132,796	-
Men's Basketball	203,689	7,705
Men's Golf	26,922	7,854
Men's Tennis	12,911	-
Men's and Women's Track	9,777	20
Student-Athlete Development	2,530	-
Women's Athletics	1,000	129
Women's Basketball	9,408	7,450
Women's Golf	24,046	1,347
Women's Rifle	2,857	4,796
Women's Soccer	32,320	25,220
Women's Softball	1,155	1,521
Women's Tennis	3,302	544
Women's Volleyball	19,324	866
Total Support for Team Programs	<u>667,685</u>	<u>304,773</u>

OLE MISS ATHLECTICS FOUNDATION
Schedules of Expenses
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Other Restricted Expenses		
Facility Improvements	7,825,966	14,730,921
Interest Expense	773,636	3,132,617
Net Restricted Expenses Allocated	(209,227)	(186,443)
Return of Restricted Revenue	208,400	-
Scholarships	64,500	64,821
Provision for Uncollectible Pledges	879,582	61,990
Total Other Restricted Expenses	<u>9,542,857</u>	<u>17,803,906</u>
 Net Assets Released from Restrictions for Expenses	 <u>10,210,542</u>	 <u>18,108,679</u>
 Total Expenses	 <u><u>\$ 31,933,483</u></u>	 <u><u>\$ 40,753,905</u></u>