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GRAMBLING STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
AGREED-UPON PROCEDURES ENGAGEMENT
FOR THE YEAR ENDED JUNE 30, 2004

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

Release Date 3-9-05

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Member
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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
TO THE ACCOUNTING RECORDS**

Dr. Horace A. Judson, President
Grambling State University
Grambling, Louisiana 71245

At your request, we have performed the agreed-upon procedures, as enumerated below, which were agreed to by management of the **Grambling State University (the University)**, to the accounting records of the **Intercollegiate Athletics Program** as of the year ended June 30, 2004, solely to assist the University in complying with NCAA Bylaw 6.2.3.1. **The University** is responsible for the accounting records of the Intercollegiate Athletics Program. The State of Louisiana Legislative Auditor audited the general purpose financial statements of **the University** for the year ended June 30, 2004. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the 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. Our procedures and findings were as follows:

- A. We agreed the revenue and expenditure amounts per the Schedule of Revenues and Expenditures for the year ended June 30, 2004 to the audited general ledger and noted no exceptions.

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
TO THE ACCOUNTING RECORDS**

(CONTINUED)

Dr. Horace A. Judson, President
Grambling State University
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- B. We verified amounts reported as ticket sales by reviewing appropriate documentation (i.e. sales, reports, receipts, etc.), recalculating the number of tickets sold by reference to the ticket price and comparing amounts calculated to the final box office statements and we vouched supporting cash receipts. As a result of the procedures performed, we noted no exceptions.
- C. We agreed the amounts reported as game guarantee revenues and expenditures to **the University's** contract with other Universities and additionally, we vouched supporting cash receipts and cash disbursements accordingly. We noted no exceptions as a result of this procedure.
- D. We agreed NCAA distributions and other miscellaneous revenue to applicable supporting documentation and noted no exceptions.
- E. We reviewed the general ledger noting that **the University** does not assess the students an athletic fee.
- F. We performed analytical procedures of expenditure balances by comparing current amounts to budgeted and prior period amounts and noted no significant or unusual fluctuations.
- G. We compared current payroll amounts to the prior year's amount and reconciled all variances greater than a pre-determined amount. We also reviewed supporting personnel action forms noting appropriate approval for the related wages and fringe benefits increases and/or decreases. We noted no exceptions as a result of these procedures.

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
TO THE ACCOUNTING RECORDS**

(CONTINUED)

Dr. Horace A. Judson, President
Grambling State University
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- H. We vouched a random sample of expenditure amounts and reviewed the related purchasing documents, invoices and cancelled checks. We noted no exceptions as a result of this procedures.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. 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 acting President, her designees and authorized representatives of the National Collegiate Athletic Association and is not intended to be and should not be used by anyone other than these specified parties.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2004

GRAMBLING STATE UNIVERSITY
 INTERCOLLEGIATE ATHLETICS PROGRAMS
 SCHEDULE OF REVENUES AND EXPENDITURES
 FOR THE YEAR ENDED JUNE 30, 2004

	Football	Bayou Classic Activity	Sub-total Football	Basketball	Other Sports	Non-Program Specific	Total
Operating Revenues:							
Ticket sales	\$ 641,256	\$ 801,717	\$ 1,442,973	\$ 6,646	\$ 1,702	\$ -	\$ 1,451,321
Guarantees	366,000	-	366,000	323,493	1,000	-	690,493
State Appropriations (NOTE 3)	175,260	-	175,260	394,000	1,404,913	504,666	2,478,839
NCAA revenue distribution (NOTE 8)	-	-	-	-	-	343,407	343,407
Other revenue	91,387	-	91,387	30,040	100	422,097	543,624
Total operating revenues	1,273,903	801,717	2,075,620	754,179	1,407,715	1,270,170	5,507,684
Operating Expenditures:							
Personal services	585,500	9,545	595,046	290,808	344,929	719,770	1,950,552
Professional services	18,500	-	18,500	-	44,763	266,114	329,376
Operating services	56,777	10,702	67,479	1,608	3,702	113,757	186,546
Travel	337,761	115,886	453,647	209,543	358,596	35,531	1,057,317
Supplies	150,754	-	150,754	45,012	103,680	131,939	431,385
Game Guarantees	20,000	-	20,000	10,500	-	(597)	29,903
Other charges	187,532	-	187,532	40,360	23,623	3,657	255,172
Scholarships	209,221	-	209,221	156,349	528,422	-	893,992
Total operating expenditures	1,566,045	136,133	1,702,179	754,179	1,407,715	1,270,171	5,134,244
Excess revenues over (expenditures)	\$ (292,142)	\$ 665,583	\$ 373,441	\$ 0	\$ 0	\$ 0	\$ 373,440

The accompanying notes are an integral part of this schedule.

**GRAMBLING STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
AGREED-UPON PROCEDURES ENGAGEMENT
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2004**

NOTE 1 - Organization

Grambling State University (GSU) which is located in Grambling, Louisiana is an institution of higher education founded in 1901.

The University is a component unit of the State of Louisiana within the executive branch of government and is governed by the University of Louisiana Board of Supervisors under the direction of the Board of Regents. The annual budget of **the University** and any proposed changes to degree programs, or departments of instruction, etc., require the recommendations of the University of Louisiana Board of Supervisors and the approval of the Louisiana Board of Regents.

The University has an enrollment of approximately 4,673 students and is accredited by the Southern Association of Colleges and Schools and the National Council for Accreditation of Teachers Education .

The University operates the following Intercollegiate Athletics Programs:

- Football;
- Basketball (men and women);
- Baseball;
- Tennis (men and women);
- Golf (men and women);
- Track (men and women);
- Volleyball (women);
- Softball (women);
- Bowling (women); and
- Soccer.

**GRAMBLING STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
AGREED-UPON PROCEDURES ENGAGEMENT
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2004**

NOTE 2 - Summary of Significant Accounting Policies:

Basis of Reporting

In June 1999, the Governmental Accounting Standards Board (GASB) issued *Statement Nos. 34, Basic Financial Statement - and Management Discussion and Analysis - for State and Local Governments* and *35, Basic Financial Statement - and Management Discussion and Analysis - for State and Local Governments*. The financial statement presentation required by GASB 34 and 35 replaces the fund-group perspective previously required and provides a comprehensive, entity-wide perspective of the institution's assets, liabilities, net assets, revenues, expenses, and changes in net assets, and cash flows.

The accompanying Schedule of Revenues and Expenditures (the Schedule) for the Intercollegiate Athletics Program has been prepared in the format set forth in the NCAA Audit Guide. The purpose of the Schedule is to present a *summary of those activities of Grambling State University for the year ended June 30, 2004* which relate to intercollegiate athletics.

Because the Schedule presents only a selected portion of the activities of **the University**, it is not intended to and does not present either the financial position, changes in fund balances or the current fund's revenues, expenditures and other changes of the University.

The component unit general purpose financial statements were audited by the State of Louisiana Legislative auditors for the year ended June 30, 2003.

GRAMBLING STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
AGREED-UPON PROCEDURES ENGAGEMENT
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Basis of Reporting, Continued

The accounting principles followed by **the University** in preparing the accompanying Schedule are as follows:

o Fund Accounting

For financial reporting purposes, **the University** is considered a special-purpose government engaged only in business-type activities. All activities of **the University** are accounted for within a single propriety (enterprise) fund. Accordingly, **Grambling State University's** financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. All significant intra-agency transactions have been eliminated.

The Schedule of Revenues and Expenditures for the Intercollegiate Athletics Program has been prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles.

The preparation of the Schedule of Revenues and Expenditures in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as expenditures.

GRAMBLING STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
AGREED-UPON PROCEDURES ENGAGEMENT
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 3 - Capital Outlays:

Capital assets are recorded as additions to capital assets on the Statement on Net Assets and as a fund addition to Net Assets Invested in Capital Assets, net of related debt.

NOTE 4 - State Appropriation:

Grambling State University is a publicly supported institution of higher education. As a state university, operations of **the University's** programs are funded through annual lapsing appropriations made by the Louisiana Legislature.

State appropriations as shown on the Schedule of Revenues and Expenditures for Intercollegiate Athletics represents the State appropriation budgeted for **the University's** intercollegiate athletic program for the year ended June 30, 2004.

NOTE 5 - Ticket Sales:

Ticket sale revenues include the net proceeds received for participating in the Classics, and the gross revenue for all home games.

NOTE 6 - Bayou Classic:

Ticket sales revenue included the net proceeds from the Bayou Classic. Revenues and direct expenditures are recorded in **the University's** Statement of Revenues, Expenses and Other Changes as auxiliary enterprises for intercollegiate athletic.

GRAMBLING STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
AGREED-UPON PROCEDURES ENGAGEMENT
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES, CONTINUED
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 7 - Outside Organizations:

Grambling State University's Intercollegiate Athletics Program is the recipient of contributions to or on behalf of the program by the Grambling University Athletic Foundation (the Athletic Foundation) and other affiliated outside organization. The financial activities of the Athletic Foundation for the year ended June 30, 2004 were provided to **the University**, but are not included in the Schedule of Revenues and Expenditures.

NOTE 8 - NCAA Revenue Distribution:

The Intercollegiate Athletics Program received revenues during the year from the NCAA for certain intercollegiate athletic activities. The amount received was calculated by the NCAA in accordance with a distribution formula which is utilized to determine the amount to be remitted to all participating institutions.



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**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES -
INTERNAL CONTROL OVER FINANCIAL REPORTING
FOR THE INTERCOLLEGIATE ATHLETICS PROGRAM**

Dr. Horace A. Judson, President
Grambling State University
Grambling, Louisiana 71245

We have performed the procedures enumerated below, which were agreed to by the management of **Grambling State University**. They were performed solely to assist the users in evaluating whether **Grambling State University** maintained an effective internal controls over financial reporting for the Intercollegiate Athletics Program as of June 30, 2004. The management of the **University** is responsible for **Grambling State University's Intercollegiate Athletics Program's** internal control over financial reporting. 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.

Our procedures and findings are as follows:

- A. We reviewed the athletic department's organization and the use of internal auditors in the department to ensure adherence to established policies and procedures. We noted no exceptions as a result of this procedure.
- B. We reviewed the flow of information through the accounting system for randomly selected revenue, cash receipts and cash disbursement transactions. We noted no exceptions as a result of this procedure.

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES -
INTERNAL CONTROL OVER FINANCIAL REPORTING
FOR THE INTERCOLLEGIATE ATHLETICS PROGRAM
(CONTINUED)

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the effectiveness of internal control over financial reporting. 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 acting President, her designees and authorized representatives of the NCAA and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor for the State of Louisiana as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2004



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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES -
COMPLIANCE WITH STATE LAWS AND REGULATIONS**

**Dr. Horace A. Judson, President
Grambling State University
Grambling, Louisiana 71245**

We have performed the procedures enumerated below, which were agreed to by the management of **Grambling State University (the University)**. They were performed solely to assist the users in evaluating the effectiveness about **Grambling State University's Intercollegiate Athletics Program's** internal control over compliance with state laws and regulations as of June 30, 2004. 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.

Our procedures and findings were as follows:

- A. We reviewed and tested certain representations made by management in the Louisiana Compliance Questionnaire (the Questionnaire) which related to the operations of the Intercollegiate Athletics Program. We noted no exceptions as a result of this procedure.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES -
COMPLIANCE WITH STATE LAWS AND REGULATIONS
(CONTINUED)

- B. We reviewed the Athletic Department's compliance with state travel regulations and competitive bid requirements by randomly testing expenditure transactions. We noted no exceptions as a result of this procedure.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the effectiveness of internal controls over compliance. 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 acting President, her designees and authorized representatives of the NCAA and is not intended to be and should not be used by anyone other than these specified parties.

Bruno & Tervalon LLP
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CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2004



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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES -
TO THE FINANCIAL STATEMENTS OF AN OUTSIDE ORGANIZATION

Dr. Horace A. Judson, President
Grambling State University
Grambling, Louisiana 71245

At your request, we have performed the agreed-upon procedures, as enumerated below, which were agreed to by management of **Grambling State University (the University)**, solely to assist you with respect to activities of the Intercollegiate Athletics Program and the Grambling Athletic Foundation (an outside organization).

This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures below either for the purpose for which this report has been requested or for any other purpose. Our procedures and findings were as follows:

- A. We obtained the statements of financial position and cash flows and the accompanying statements of activities of the **Grambling University Athletic Foundation (the Foundation)** for the year ended June 30, 2004, which had been audited by other independent auditors who expressed an unqualified opinion on those statements.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES -
TO THE FINANCIAL STATEMENTS OF AN OUTSIDE ORGANIZATION

Dr. Horace A. Judson, President
Grambling State University
Page 3

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. 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 acting President, her designees and authorized representatives of the National Collegiate Athletic Association and is not intended to be and should not be used by anyone other than these specified users.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2004

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION
Statement of Activities and Changes in Net Assets
For the Year Ended
June 30, 2004

	Unrestricted	Temporarily Restricted	Total
Support and Revenue:			
Contributions	\$ 7,173	\$ 141,147	\$ 148,320
Fundraisers	22,331	70,312	92,643
Membership Dues (Tiger Club)	25,514	-	25,514
Other Revenue			
Interest	753	3,255	4,008
Dividends	2,468	-	2,468
Gains (Losses) on Investments	8,948	-	8,948
Distribution of Gains on Investments	367	-	367
Reclassifications of Net Assets:			
Net Assets Released from Restrictions:			
Restrictions Satisfied by Payments	257,251	(257,251)	-
Other Reclassifications	6,441	(6,441)	-
Total Support, Revenue, Reclassifications, and Releases from Restrictions	331,246	(48,978)	282,268
Expenses			
General and Administrative Expenses	3,320	-	3,320
Fundraiser Expenses	16,931	-	16,931
Program Expenses	292,363	-	292,363
Total Expenses	312,614	-	312,614
Changes in Net Assets	18,632	(48,978)	(30,346)
Other Changes in Net Assets			
Transfer In (Out)	(32,978)	32,978	-
Prior Period Adjustments	(5,317)	6,831	1,514
Total Other Changes in Net Assets	(38,295)	39,809	1,514
Total Change in Net Assets	(19,663)	(9,169)	(28,832)
Net Assets as of Beginning of Year	153,575	374,446	528,021
Net Assets as of End of Year	\$ 133,912	\$ 365,277	\$ 499,189

See Accompanying Auditors' Report and Notes to Financial Statements.

**GRAMBLING STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
AGREED-UPON PROCEDURES ENGAGEMENT
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2004**

There were no prior year findings.

**GRAMBLING STATE UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
AGREED-UPON PROCEDURES ENGAGEMENT**

EXIT CONFERENCE

An exit conference was held with representatives of **the University**. Those individuals participating were as follows:

GRAMBLING STATE UNIVERSITY

Mr. Billy R. Owens, CPA	--	Vice President of Finance
Mr. Norman E. Jones	--	Associate Vice President of Finance and Controller

BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Michael B. Bruno, CPA	--	Managing Partner
Mr. Sean Bruno, CPA	--	Manager