

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Northwestern State University
State of Louisiana
Natchitoches, Louisiana

December 15, 1997



Financial and Compliance Audit Division

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor

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**NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
Natchitoches, Louisiana**

**General Purpose Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 1997
With Supplemental Information Schedules**

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge and Shreveport offices of the Legislative Auditor and at the office of the parish clerk of court.

December 15, 1997

NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
Natchitoches, Louisiana

General Purpose Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended June 30, 1987
With Supplemental Information Schedules

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October 21, 1997

Independent Auditor's Report
on the Financial Statements

NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
Natchitoches, Louisiana

We have audited the accompanying general purpose financial statements of Northwestern State University, a component unit of the State of Louisiana, as of and for the year ended June 30, 1997, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of Northwestern State University's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Northwestern State University, as of June 30, 1997, and the changes in fund balances, and the current funds' revenues, expenditures, and other changes for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 21, 1997 on our consideration of Northwestern State University's compliance with certain provisions of laws, regulations, contracts, and grants and on its internal control over financial reporting.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of Northwestern State University, taken as a whole. The accompanying supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the procedures applied in the audit of

LEGISLATIVE AUDITOR

NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
Audit Report, June 30, 1997

The general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Respectfully submitted,



Daniel C. Kyle, CPA, CFE
Legislative Auditor

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**NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
BALANCE SHEET - ALL FUNDS**

For the Year Ended June 30, 1997

	CURRENT FUNDS			STUDENT	ENDOWMENT
	GENERAL	UNAPPORTIONED	RESERVED	FUNDS	FUNDS
ASSETS					
Cash and cash equivalents	\$1,871,548	\$1,283,712	\$1,753,284	\$48,000	\$1,800,000
Accounts receivable	7,871		35,748	144,111	101,205
Accounts receivable	1,173,589	802,857	1,348,580		120,000
Notes receivable				1,243,787	
Due from university foundations					180,000
Deferred charges and prepaid expenses	23,871	880	18,428		
Investments	600,000				
Other assets	500				
Institutional plan					
TOTAL ASSETS	\$4,280,344	\$3,087,359	\$4,956,024	\$2,535,914	\$2,101,205
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$401,870	\$108,787	\$155,048		
Accounts payable and other liabilities	1,808,218	87,275	24,848		
Deposits held for others	8,880	179,810	8,880		
Deferred revenues	2,128,838	618,000	280,850		
Compensated absences payable	1,487,887	188,201	78,207		
Bonds payable					
Other liabilities					
Total liabilities	5,835,683	892,073	747,833	\$0.00	\$0.00
Fund equity:					
Net investment in plant					
Fund balances					
Reserved for debt service					
Reserved for investments	888,232				
Reserved for contingencies		100,229	101,713		
Current operations - unrestricted (deficit)	(1,487,887)				
Current operations - restricted		802,128	1,213,187		
Noncurrent operations:					
Retained				\$1,938,294	
Endowment					\$1,163,111
Total fund equity (deficit)	(715,885)	1,902,354	1,805,430	2,938,294	1,163,111
Total (Liabilities) and FUND EQUITY	\$4,284,344	\$3,084,440	\$4,956,024	\$2,535,914	\$2,101,205

The accompanying notes are an integral part of this statement.

PLANT FUND					
UNEXPENDED	REVENUES	REVENUES	INVESTMENT	AGENCY	TOTAL
	AND	OF			
	REPLACEMENTS)	INVESTMENTS)		FUND	ONLY)
\$50,176	\$200,200	\$227,000		\$548,100	\$1,025,867
25,171	25,848	47,311		1,121	262,849
				10,179	3,767,889
					5,045,767
					100,000
					25,000
					666,333
					600
			\$400,445,112		100,145,112
<u>\$50,176</u>	<u>\$200,211</u>	<u>\$227,167</u>	<u>\$400,445,112</u>	<u>\$549,279</u>	<u>\$7,111,895,751</u>
	100,400			200,800	200,800
	4,400			727	1,121,230
\$50,200				484,000	686,000
					2,888,888
					1,000,000
			23,874,888		5,876,000
		\$18,200			18,200
<u>49,500</u>	<u>50,000</u>	<u>18,200</u>	<u>23,874,888</u>	<u>281,000</u>	<u>11,797,227</u>
			204,271,112		100,271,112
	200,100	600,000			1,701,000
33,107					600,000
					484,100
					(1,481,000)
					3,000,000
700,000					3,000,000
					1,173,333
<u>\$50,180</u>	<u>\$21,100</u>	<u>\$50,000</u>	<u>\$23,211,112</u>	<u>None</u>	<u>114,395,001</u>
<u>\$50,176</u>	<u>\$200,211</u>	<u>\$227,167</u>	<u>\$400,445,112</u>	<u>\$549,279</u>	<u>\$7,111,895,751</u>

**NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA**

**Statement of Changes in Fund Balances
For the Year Ended June 30, 1997**

	CURRENT FUNDS			STUDENT LEARN FUNDS
	GENERAL	UNIVERSITY ENTERPRISES	RESTRICTED	
Revenues and other additions:				
Unexpended current fund revenues	140,723,777			
Tuition and fees - restricted		9,100,000		
State appropriations - restricted		147,818		
Federal grants and contracts - restricted		8,428,500		1,100,000
State grants and contracts - restricted		2,270,000		
Private gifts, grants, and contracts		200,000		
Salaries and services of educational departments		27,268		
Investment income - restricted		37,268		1,000
State funded endowments				
Faculty retirement revenues		24,771,000		
Interest on loans receivable				60,000
Retirement of indebtedness				
Additions to plant facilities				
Other sources			370,000	28,000
Total revenues and other additions	140,723,777	4,374,836	14,808,268	200,000
Expenditures and other deductions:				
Education and general	24,071,283	588,248	14,848,218	
Auxiliary enterprises		2,380,000		
Expended for plant facilities				
INVEST COSTS INCURRED			140,204	
Loan cancellations and refunds				17,000
Retirement of indebtedness				
Interest on indebtedness				
Returned to grantor			1,280	43,400
Deprival of plant facilities				
Compensated absences	148,170	28,800	28,288	
Other				
Total expenditures and other deductions	24,219,453	2,995,848	14,997,708	60,400
Transfers among funds - additions (deductions):				
Inventory:				
Principal and interest		(886,747)		
Loan fund matching grants	27,000			27,000
Renewals and replacements		(80,000)		
Other	(77,447)	(200)	77,448	
Noninventory:				
Renewals and replacements	1,838,084	(886,487)		
Other	(1,838,084)	1,838,084		
Total transfers among funds	2,022,513	(1,773,347)	77,448	27,000
Inventory increase	78,188	8048	8048	8048
Net increase (decrease) for the year	116,524,412	6,606,739	(96,642)	200,600
Fund balances (28400-01 July 1, 1996, related)	(808,000)	1,800,000	2,800,000	2,000,000
Fund balances (deficit) at June 30, 1997	\$115,716,412	\$8,406,739	\$2,703,358	\$2,200,600

The accompanying notes are an integral part of this statement.

Statement B

EMPLOYMENT (FTE)	IN COST CLASS				TOTAL (ATTACHMENT ONLY)
	REPLACEMENTS	AND REPLACEMENTS	RETIREMENT OR INCIDENTALS	REPLACEMENT IN COST	
	328,480				\$40,191,877
					1,800,800
					141,000
					3,870,000
					1,271,400
\$480,000					580,000
					271,940
14,000	22,000	228,480	141,000		176,470
126,000					120,000
					4,771,040
					60,000
					571,400
					6,881,900
16,000	13,000				489,000
141,000	177,000	16,000	41,000	1,316,000	16,881,340
					10,280,000
					5,000,000
	15,000	838,000			888,000
					180,250
					17,000
					870,000
					171,000
					68,000
					870,000
					180,250
					17,000
16,000	17,000	838,000	150,000	1,013,000	17,180,270
					700,000
					128,000
					4,500
					970,000
16,000	17,000	838,000	150,000	1,013,000	18,070
16,000	17,000	838,000	150,000	1,013,000	18,100
288,000	276,000	587,000	303,470	4,887,000	4,488,700
824,270	878,000	770,000	884,280	188,578,500	188,118,970
\$1,370,000	\$917,180	\$587,000	\$884,280	\$188,578,500	\$188,118,970

**NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
CURRENT FUNDS**

**Statement of Revenues, Expenditures,
and Other Changes
For the Year Ended June 30, 1987**

	GENERAL	AUXILIARY ENTERTAINMENT	RESTRICTED
Revenues:			
Tuition and fees	\$17,219,880	\$ 179,560	\$ 659,560
State contributions	21,268,887		187,010
Federal grants and contracts			9,869,867
State grants and contracts	61,848		2,200,969
Private gifts, grants, and contracts			479,418
Fees and services of various departments	488,828		175,148
Auxiliary enterprises-revenue		1,620,170	
Investment income			57,569
Administrative auxiliary revenue	187,828		
Other revenues	\$19,847	178,843	570,424
Total revenues	<u>40,185,207</u>	<u>4,177,973</u>	<u>14,584,938</u>
Expenditures and transfers:			
Educational and general:			
Instruction	35,088,478		4,794,808
Research	674,121		263,887
Public service	18,978		868,814
Academic support	2,664,276		528,258
Student services	5,718,982		679,718
Institutional support	3,673,333		23,840
Operations and maintenance of plant	2,623,282		184,278
Scholarships and fellowships	5,897,998	888,368	2,602,101
Compensated absences	148,178	28,827	28,750
Other	75,636		18,888
Total educational and general expenditures	<u>58,123,122</u>	<u>945,183</u>	<u>10,889,985</u>
Mandatory transfers for:			
Loan fund matching grants	21,700		
Other	11,441		(77,497)
Nonmandatory transfers for:			
Other	1,888,184		
Total expenditures and transfers	<u>60,044,447</u>	<u>945,183</u>	<u>(77,497)</u>
Auxiliary enterprises:			
Expenses		3,288,871	
Mandatory transfers for:			
Principal and interest		199,747	
Other		61,808	
Nonmandatory transfers for:			
Revenues and investments		481,473	
Other		(1,857,544)	
Total auxiliary enterprises	<u>60,000</u>	<u>4,171,554</u>	<u>60,000</u>
Total expenditures and transfers	<u>60,000,000</u>	<u>8,116,737</u>	<u>14,529,588</u>
Other additions (deductions):			
Excess of restricted receipts over transfers to revenues			(77,478)
Inventory increase (decrease)	16,188		(7,562)
Other			(7,562)
Net increase (decrease) in fund balances	<u>(\$128,843)</u>	<u>(\$344,764)</u>	<u>(\$19,650)</u>

The accompanying notes are an integral part of this statement.

**NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA**

**Notes to the Financial Statements
As of and for the Year Ended June 30, 1987**

INTRODUCTION

Northwestern State University is a publicly supported institution of higher education. The university is a component unit of the State of Louisiana, within the executive branch of government. The university is under the management and supervision of the University of Louisiana System Board of Trustees; however, the annual budget of the university and changes to the degree programs, departments of instruction, et cetera, require the approval of the Louisiana Board of Regents. As a state university, operations of the university's instructional programs are funded through annual biennial appropriations made by the Louisiana Legislature.

Northwestern State University is located in Natchitoches, Louisiana, and serves as a cultural and educational center for central and northwest Louisiana. As an open admissions institution, with the Louisiana Scholars' College selective admissions component, Northwestern State University attracts students with a wide range of backgrounds. The university offers associate, baccalaureate, and selected masters and specialists degrees in the areas of liberal arts, education, music, the sciences, and science-related technologies. In addition, the university offers off-campus program activities at the Hurling Education Center in Shreveport, the Fort Polk Center in Leesville, and England Industrial Park and Louisiana State University at Alexandria. Enrollment on all campuses of the university was 9,037, 8,943 and 4,197, respectively, during the fall, spring, and summer semesters of the 1986-87 fiscal year. The university has 328 full-time faculty, 215 part-time faculty, and 400 staff members.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The Governmental Accounting Standards Board (GASB) recognizes two models for college and university accounting and financial reporting in GASB Statement No. 15: the American Institute of Certified Public Accountants (AICPA) College Guide model, and the Governmental model, established by the National Council on Governmental Accounting. The accompanying financial statements have been prepared in accordance with the AICPA College Guide model principles.

NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

B. REPORTING ENTITY

The GASB, Code Section 2106, has defined the governmental reporting entity to be the State of Louisiana. Therefore, the accompanying financial statements of the university contain sub-account information of the various funds of the State of Louisiana. The university is considered a component unit of the State of Louisiana because the state exercises oversight responsibility and has accountability for fiscal matters as follows: (1) a majority of the members of the governing boards are appointed by the governor; (2) the state has control and exercises authority over budget matters; (3) state appropriations provide the largest percentage of total revenues; (4) the state issues bonds to finance certain construction; and (5) the university primarily serves state residents. The accompanying financial statements present information only as to the transactions of the programs of Northwestern State University as authorized by Louisiana statutes and administrative regulations.

Northwestern State University is a publicly supported institution of higher education. GASB Statement 14, *The Financial Reporting Entity*, establishes the institution as blended as part of the primary government, since it is a component unit, and the State of Louisiana is financially accountable.

Annually, the State of Louisiana issues general purpose financial statements, which include the activity contained in the accompanying financial statements. The general purpose financial statements are audited by the Louisiana Legislative Auditor.

C. FUND ACCOUNTING

To observe the limitations and restrictions placed on the use of available resources, the accounts of the university are maintained in accordance with the principles of fund accounting. Such principles prescribe the manner in which resources for various purposes are classified, for accounting and reporting purposes, into funds that are in accordance with specified activities or objectives. Accounts are separately maintained for each fund; however, in the accompanying financial statements, funds having similar characteristics have been combined into fund groups. Accordingly, all financial statements have been reported by fund groups. A brief description of each fund group follows:

Current Funds

Current funds are operating funds that will be expended in the near term. Such funds have two basic sub-groups, unrestricted and restricted.

Unrestricted current funds include all funds for operating purposes on which there are no restrictions, except the budgetary control provisions included in the annual legislative appropriation act, and include the General Fund. Restricted

**NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)**

current funds represent those operating funds on which restrictions have been imposed that limit the purposes for which such funds can be used and include auxiliary enterprise funds and gifts, grants, or contracts from governmental or private agencies.

Student Loan Funds

The student loan funds group accounts for resources available for loans to students.

Endowment Funds

Endowment funds are funds with respect to which donors or other outside agencies have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income that may either be expended or added to principal.

Plant Funds

The plant funds group contains four self-balancing subgroups. Unexpended plant funds are used for the acquisition of long-lived assets for institutional purposes. Funds for renewals and replacements are set aside from current operating revenues for the renewal and replacement of auxiliary enterprise properties. Funds for retirement of indebtedness are to service plant indebtedness of the university. Investment in plant includes all long-lived assets of the university. Certain plant assets are provided directly by the state and are funded by general obligation bonds of the state. While the plant assets are included in the financial statements, the general obligation bonds are not since they are funded by the state treasurer.

Agency Funds

Agency funds are deposits in which the university acts as custodian or fiscal agent on behalf of others, such as student or faculty organizations and workshops.

D. BASIS OF ACCOUNTING

The financial statements of the university have been prepared on the accrual basis of accounting, except that (1) depreciation is not recognized; (2) summer school tuition and fees and faculty salaries and related benefits for June are not granted but are deferred to the succeeding year; and (3) inventories of the General Fund are recorded as expenditures at the time of purchase.

NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

The statement of current funds' revenues, expenditures, and other charges is a statement of financial activities of current funds relating to the current reporting period. It does not purport to present the results of operations (net income or loss) for the period as would a statement of revenues and expenses.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as expenditures in the case of normal acquisitions, repairs and renovations; mandatory transfers in the case of required provisions for debt amortization and interest; and as transfers of a nonrecurring nature for all other cases.

E. BUDGET PRACTICES

The appropriation made for the General Fund of the university is an annual lapping appropriation established by legislative action and by Title 39 of the Louisiana Revised Statutes. The statute requires that the budget be approved by the Louisiana Board of Regents and certain legislative and executive branches of state government. Budget revisions are granted by the Joint Legislative Committee on the Budget. In compliance with these legal restrictions, budgets are adopted on the accrual basis of accounting, except that (1) depreciation is not recognized, (2) leave costs are treated as budgeted expenditures to the extent that they are expected to be paid; (3) summer school tuition and fees and summer school faculty salaries and related benefits for June are not accrued but are recognized in the succeeding year; and (4) inventories in the General Fund are recorded as expenditures at the time of purchase.

The budget amounts include the original approved budget and subsequent amendments approved as follows:

Original approved budget	\$38,523,491
Amendments:	
Section 15 B.(1) of Act 17 of 1998	854,441
Board of Regents faculty salary increases	<u>1,279,288</u>
Total budgeted amounts	<u>\$40,657,219</u>

The following is an appropriation budgetary comparison for the current year General Fund appropriation:

NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
 Notes to the Financial Statements (Continued)

	Actual	Adjustment to Budget	Actual vs. Budget	Budget	Variances Favorable (Adverse)
Revenues					
Appropriated by legislation:					
State General Fund (Direct)	\$24,388,687		\$24,388,687	\$21,288,987	
State General Fund by					
all general revenues	18,885,838		18,885,838	19,897,231	(241,899)
State General Fund by					
Managers' salaries	41,845		41,845	54,000	(12,155)
Federal funds					5,000
Interest-free	46,128,217	6,000	46,134,217	46,137,242	(3,025)
					(241,799)
Expenditures					
Program expenditures	46,131,467	(248,175)	46,131,211	46,527,242	495,741
Unexpended appropriation -					
current year	(248,175)	(248,175)	5,000	5,000	5,000

The other funds of the university, although subject to internal budgeting, are not required to submit budgets for approval through the legislative budget process and, therefore, are not presented.

F. CASH AND CASH EQUIVALENTS

Cash includes cash on hand, demand deposits, and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and United States Treasury Bills. Under state law, Northwestern State University may deposit funds within fiscal agent banks organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. Furthermore, the university may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

In accordance with Louisiana Revised Statute (R.S.) 48:327 (C) (3), the university is authorized to invest funds in direct United States Treasury obligations. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

G. INVENTORIES

Inventories are valued at the lower of cost or market. The university uses both perpetual and periodic inventory systems and values its inventory using the first-in, first-out (FIFO) valuation method, except for the warehouse inventory, which uses the weighted average method. Inventories in the General Fund are recorded as expenditures at the time of purchase. Year-end balances are offset by a fund balance

NORTHEASTERN STATE UNIVERSITY
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

means that indicates this portion of the fund balance does not constitute available spendable resources.

H. DEFERRED REVENUES

Tuition and fees collected at June 30, 1997, but applicable to the 1997 summer session, are reported as deferred revenues. Expenses relating to this session are reported in the period the tuition and fees are recognized as revenues.

I. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve fund balances, is employed by the university. Encumbrances outstanding at year-end in all funds, except for the General Fund, are reported as reservations of fund balance since they do not constitute expenditures or liabilities in the year encumbered. Encumbrances of the General Fund are not included in the financial statements because the university does not have the ability to finance the liquidation of encumbrances after June 30, 1997, as provided by R.S. 38:602.

J. PLANT ASSETS

Physical plant and equipment are stated at cost at the date of acquisition, estimated cost if actual cost is not known, fair market value at date of donation in the case of gifts, or market value for livestock. Public domain or infrastructures are not capitalized. No depreciation has been provided on plant assets. Construction in progress is capitalized during construction.

K. COMPENSATED ABSENCES

Employees accrue and accumulate annual and sick leave in accordance with state law and administrative regulations. The leave is accumulated without limitation; however, nine-month faculty members do not accrue annual leave but are granted faculty leave during holiday periods when students are not in classes. Employees who are considered having non-existent status according to the guidelines contained in the Fair Labor Standards Act may be paid for compensatory leave earned.

Upon separation of employment, both classified and non-classified personnel or their heirs are compensated for accumulated annual leave not to exceed 360 hours. In addition, academic and non-classified personnel or their heirs are compensated for accumulated sick leave not to exceed 25 days upon retirement or death. Act 342 of 1993 allows members of the Louisiana State Employees' Retirement System, upon application for retirement, the option of receiving an actuarially determined lump sum payment for annual and sick leave which would otherwise have been used to compute

NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

years of service for retirement. Unused annual leave in excess of 300 hours plus accrued sick leave are used to compute retirement benefits.

Upon termination or transfer, a classified employee will be paid for any one and one-half hour compensatory leave earned and they or may not be paid for any straight hour-for-hour compensatory leave earned. Compensation paid will be based on the classified employees' hourly rate of pay at termination or transfer.

L. TOTAL COLUMNS ON STATEMENTS

Total columns on the statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations. Neither is such data comparable to a consolidation.

2. CASH AND CASH EQUIVALENTS

At June 30, 1997, the university has cash and cash equivalents (book balances) totaling \$9,459,947 as follows:

Cash on hand	\$28,631
Demand deposits	1,837,420
Time deposits	3,098,731
United States Treasury bills	4,491,467
Cash in state treasury	16,306
Cash with fiscal agent	<u>18,388</u>
Total	<u>\$9,459,947</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1997, the university has \$7,987,159 in deposits (collected bank balances). These deposits are secured from risk by \$230,596 of federal deposit insurance (GASB Category 1) and \$7,836,663 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Also included in cash equivalents are United States Treasury Bills totaling \$4,491,467. These treasury bills are reported in Statement A at cost, which approximates market. Securities pledged for the treasury bills are not included in the above computations as these amounts are

NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
 Notes to the Financial Statements (Continued)

secured by the United States Government. These treasury bills are not in the name of the university but are held in the bank's customer account for Northwestern State University (GA5B Category 7).

Included in cash is cash available to the university within the state treasury totaling \$15,300. Securities pledged for cash in the state treasury are not included in the above computations as these amounts are secured by fiscal agent banks established by the state treasury independent of the university.

3. ACCOUNTS RECEIVABLE

Accounts receivable are shown on Statement A net of an allowance for doubtful accounts as follows:

Fund	Allowance		Net
	Accounts Receivable	for Doubtful Accounts	
General	\$1,210,000		\$1,210,000
Auxiliary Enterprises	800,000	\$40,788	822,807
Restricted	1,848,000		1,848,000
Endowment	130,000		130,000
Unexpended Plant	35,171		35,171
Agency	39,778		39,778
Total	<u>\$3,803,054</u>	<u>\$40,788</u>	<u>\$3,787,809</u>

4. NOTES RECEIVABLE

Notes receivable within the student loan funds are shown on Statement A net of an allowance for uncollectibles as follows:

	Allowance		Net
	Notes Receivable	for Uncollectibles	
Perkins Loan	\$2,573,211	\$383,700	\$2,189,479
Nursing Student Loans	188,471	32,150	156,318
Total	<u>\$2,761,682</u>	<u>\$415,850</u>	<u>\$2,345,790</u>

NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

8. PENSION PLANS

Plan Description. Substantially all employees of the university are members of two statewide, public employee retirement systems. Academic employees are generally members of the Louisiana Teachers Retirement System (TRS), and classified/unclassified state employees are members of the Louisiana State Employees Retirement System (LASERS). Both plans are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. TRS and LASERS provide retirement, disability, and survivors' benefits to plan members and beneficiaries. Benefits granted by the retirement systems are guaranteed by the State of Louisiana by provisions of the Louisiana Constitution of 1974. Generally, all full-time employees are eligible to participate in the systems, with employee benefits vesting after 10 years of service. Article 10, Section 29 of the Louisiana Constitution of 1974 assigns the authority to establish and amend benefit provisions to the state legislature. The systems issue annual publicly available financial reports that include financial statements and required supplementary information for the systems. The reports may be obtained by writing to the Teachers Retirement System of Louisiana, Post Office Box 94123, Baton Rouge, Louisiana 70804-0123, or by calling (504) 382-6448 and/or the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804, or by calling (504) 522-5900.

Funding Policy. The contribution requirements of plan members and the university are established and may be amended by the state legislature. The legislature annually sets the required employer contribution rate equal to the actuarially required employer contribution as set forth in R.S. 11:102. Employees contribute 8 percent (TRS) and 7.5 percent (LASERS) of covered salaries. The state is required to contribute 18.3 percent of covered salaries to TRS and 12.4 percent of covered salaries to LASERS. The university's employer contribution is funded by the State of Louisiana through the annual appropriation to the university. The university's employer contributions to TRS for the years ended June 30, 1997, 1996, 1995, were \$2,821,803, \$2,460,206, and \$2,374,870, respectively, and to LASERS for the years ended June 30, 1997, 1996, 1995, were \$873,148, \$925,874, and \$925,981, respectively, equal to the required contributions for each year.

9. OPTIONAL RETIREMENT SYSTEM

R.S. 11:901 created an optional retirement plan for academic and administrative employees of public institutions of higher education. This program was designed to aid universities in recruiting employees who may not be expected to remain in the TRS for 10 or more years. The purpose of the optional retirement plan is to provide retirement and death benefits to the participants while affording the maximum portability of these benefits to the participants.

The optional retirement plan is a defined contribution plan that provides for full and immediate vesting of all contributions remitted to the participating companies on behalf of the participants. Eligible employees make an irrevocable election to participate in the optional retirement plan rather than the TRS and purchase retirement and death benefits through contracts provided by designated companies.

NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

Total contributions by the university are 16.3 percent of the covered payroll. The participants' contribution (8 percent), less any monthly fee required to cover the cost of administration and maintenance of the optional retirement plan, is remitted to the designated company or companies. Upon receipt of the employer's contribution, the TRS pays over to the appropriate company or companies, on behalf of the participant, an amount equal to the employer's portion of the normal cost contribution as determined annually by an actuarial committee. The TRS retains the balance of the employer contribution for application to the unfunded accrued liability of the system. Benefits payable to participants are not the obligations of the State of Louisiana or the Teachers' Retirement System of Louisiana. Such benefits and other rights of the optional retirement plan are the liability and responsibility solely of the designated company or companies to whom contributions have been made. Employer contributions to the optional retirement plan totaled \$1,050,119 for the year ended June 30, 1997.

**7. POSTRETIREMENT HEALTH CARE
AND LIFE INSURANCE BENEFITS**

The university provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the university's employees become eligible for these benefits if they reach normal retirement age while working for the university. These benefits for retirees and similar benefits for active employees are provided through a state-operated group insurance program and various insurance companies whose monthly premiums are paid jointly by the employee and the university. The university recognizes the cost of providing these benefits to retirees (university's portion of premiums) as an expenditure when paid during the year. These retiree benefits totaled \$715,771 for 300 retirees for the year ended June 30, 1997.

8. RISK MANAGEMENT

Losses arising from judgments, claims, and similar contingencies are paid through the state's self-insurance fund or by General Fund appropriation and are not reflected in the university's financial statements. The university is involved in 16 lawsuits at June 30, 1997. In the opinion of legal counsel for the university, these lawsuits have not progressed to a point where the likelihood of the outcome or any estimate of the amount or range of potential loss can be determined.

9. COMPENSATED ABSENCES

At June 30, 1997, employees of the university have accumulated and vested annual leave and sick leave of \$1,243,871 and \$416,404, respectively, which was computed in accordance with GASS Codification Section C50. The leave payable is recorded in the accompanying financial statements.

NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

10. COMPENSATORY LEAVE

At June 30, 1997, unclassified employees of the university have accumulated compensatory leave of \$365,857. In accordance with the University of Louisiana System Board of Trustees policy, compensatory leave is hours accrued and used by unclassified employees (12-month) for work and duties performed in excess of the normal 40-hour work week. No more than 240 hours of compensatory leave may be carried forward to the new fiscal year. Upon separation of employment, the unclassified employee is not compensated for these hours.

Classified employees of the university have accumulated compensatory leave of \$18,505 at June 30, 1997. For classified employees, all unused compensatory leave earned at the time and one-half rate and credited to an employee shall be paid upon separation or transfer from the university. All unused compensatory leave earned hour for hour and credited to an employee may be paid upon separation or transfer. If such compensatory leave earned hour for hour is not paid upon separation or transfer, it is forfeited. Caps on accumulation of compensatory leave for classified employees are covered by Civil Service Rule 9.25.

11. LEASE OBLIGATIONS

On November 1, 1993, the University of Louisiana System Board of Trustees (Board) entered into an operating lease agreement with the City of Natchitoches, Louisiana, for airport space. This was done on behalf of Northwestern State University for use by its Aviation Science Department. This lease is for the period November 1, 1993 through October 31, 1998.

On January 8, 1995, the Board entered into an operating sub-lease agreement with the Board of Supervisors of Louisiana State University and Agricultural and Mechanical College for classroom space. This was done on behalf of Northwestern State University for purposes of higher education only. This sub-lease has been renewed for the period July 1, 1996, through June 30, 1999.

On January 8, 1995, the Board entered into an operating sub-lease agreement with England Economic and Industrial Development District. This was done on behalf of Northwestern State University for space to be used as a Child Development Center. This sub-lease has been renewed for the period February 1, 1997, through January 31, 1999.

On March 21, 1997, the Board entered into an operating sub-lease agreement with the England Economic and Industrial Development District. This was done on behalf of Northwestern State University for use by its Aviation Science Department. This lease is for the period March 1, 1997, through February 8, 1999.

Lease agreements have non-appropriation expulsiatory clauses that allow lease cancellation if the legislature does not make an appropriation for its continuation during any future fiscal period. Operating lease expenditures for fiscal year 1998-97 totaled \$194,001. Operating leases are all leases that do not meet the criteria of a capital lease. Operating leases are

NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
 Notes to the Financial Statements (Continued)

grouped by nature (i.e., office space, equipment, etc.) and the annual rental payments for the years following June 30, 1987, are as follows:

<u>Nature of Operating Lease</u>	<u>1987-1988</u>	<u>1988-1989</u>	<u>Total</u>
Airport space	\$8,000	\$8,000	\$8,000
Classroom space	120,000		120,000
Child Development Center	32,850		32,850
Total	<u>\$160,850</u>	<u>\$8,000</u>	<u>\$168,850</u>

The university does not have any other material operating or capital leases at June 30, 1987.

12. LONG-TERM DEBT

The following is a summary of bond transactions of the university for the year ended June 30, 1987:

Bonds payable at July 1, 1986	\$4,484,583
Bonds retired	<u>(212,583)</u>
Bonds payable at June 30, 1987	<u>\$4,272,000</u>

A detailed summary of all debt outstanding at June 30, 1987, including interest payments of \$770,154, follows:

NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

Issue	Date of Issue	Original Issue	Outstanding June 30, 1997	Estimated (Amount)
Student Housing:				
Series A of 1990	Oct. 1, 1990	\$1,294,000	\$709,000	\$64,000
Series B of 1990	Oct. 1, 1990	624,000	123,000	23,000
Series C of 1991	Oct. 1, 1991	600,000	193,000	24,000
Series A of 1994	Apr. 1, 1994	2,000,000	700,000	75,000
Revenue Bonds of 1995	Apr. 1, 1995	6,100,000	2,775,000	200,000
Series 1976-B, Recreational Complex Bonds	Jan. 1, 1976	640,000	216,563	216,563
General Obligation Bonds, Series 1993-B	Feb. 1, 1993	400,000	400,000	15,000
Total		\$11,658,000	\$4,484,563	\$610,563

The annual requirements to amortize all bonds outstanding at June 30, 1997, including interest of \$770,951, are as follows:

Issue	1998	1999	2000	2001
Student Housing Systems				
Revenue Bonds:				
Series A of 1990	\$25,730			
Series B of 1990	27,734	\$26,953	\$26,172	\$25,391
Series C of 1991	28,089	29,320	28,210	26,955
Series A of 1994	67,487	94,637	91,787	89,936
Revenue Bonds of 1995	294,080	360,025	348,575	343,650
General Obligation Bonds, Series 1993-B	36,284	35,571	34,870	34,136
Total	\$538,374	\$546,406	\$538,714	\$541,493

Outstanding June 30, 1997	Maturity	Interest Rates	Interest Outstanding June 30, 1997
\$55,000	1997-1998	3.750%	\$758
100,000	1997-2000	3.125%	8,250
128,000	1997-2001	3.500%	11,428
625,000	1997-2003	3.800-3.850%	50,587
2,678,000	1997-2004	3.800%	443,175
<u>380,000</u>	1997-2014	4.5-7.000%	<u>215,051</u>
<u>\$5,074,000</u>			<u>\$775,151</u>

2002	Subsequent Years	Total
		\$58,750
		108,250
\$35,438		140,428
113,580	\$234,144	717,881
575,775	1,274,180	3,018,175
<u>38,294</u>	<u>428,863</u>	<u>605,881</u>
<u>\$581,896</u>	<u>\$1,038,127</u>	<u>\$4,644,151</u>

NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
 Notes to the Financial Statements (Continued)

The following is a summary of the debt service requirements of the various bond issues outstanding at June 30, 1997:

<u>Bond Issue</u>	<u>Cash Reserves Available</u>	<u>Reserve Requirements</u>
Housing System Revenue Bonds	\$225,529	\$225,529
General Obligation Bonds	15,300	15,300
Total	<u>\$240,829</u>	<u>\$240,829</u>

The housing system revenue bond agreements provide that, after all required deposits have been made to the Housing System Revenue Bonds Retirement or Indebtedness Fund, a sum of \$2,000 or such portion thereof that is available, be deposited in a Housing System Repairs and Replacement Reserve Fund until that reserve totals \$1,050,000. During the year ended June 30, 1997, required deposits totaling \$1,499 were made to the Housing System Revenue Bonds Retirement or Indebtedness Fund. In addition, \$128,577 was deposited in the Housing System Repairs and Replacement Reserve Fund.

The fund balance of the System Revenue Fund, included under the auxiliary enterprise fund group, is dedicated to payment of the housing system revenue bonds.

The General Obligation Bonds, Series 1993-D, dated February 1, 1993, are general obligation bonds of the state serviced by the state treasury that are reimbursed by the university from vehicle registration fees. The reimbursement contract requires that the university deposit \$3,025 in a reserve account with the state treasurer, annually, until the deposits total \$30,250. At June 30, 1997, the reserve totals \$15,300.

13. GENERAL FUND

The General Fund contributed or provided general support to the athletic department totaling \$1,558,184 for the year ended June 30, 1997.

14. FUND EQUITY (Deficit)

Fund balances (deficit) at June 30, 1997, as shown on Statement A, are as follows:

NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
 Notes to the Financial Statements (Continued)

	<u>Unrestricted</u>	<u>Internally Designated</u>	<u>Internally Restricted</u>	<u>Externally Restricted</u>	<u>Total</u>
Current Funds:					
General	\$(1,461,887)		899,222		(\$562,665)
Auxiliary Enterprises				\$1,852,334	1,852,334
Restricted			2,219,281	895,189	3,114,470
Noncurrent Funds:					
Student Loan Funds				2,580,254	2,580,254
Endowment Funds				1,315,500	1,315,500
Plant Funds:					
Unexpended Plant				892,185	892,185
Renovate and Replacements				891,180	891,180
Retirement of Indebtedness				892,829	892,829
Total	<u>\$(1,461,887)</u>	<u>None</u>	<u>\$2,889,503</u>	<u>\$3,676,283</u>	<u>\$3,219,479</u>

As shown on Statement A, as of June 30, 1997, the General Fund has a deficit of \$735,500 as a result of a prior year adjustment for compensated absences that had not previously been booked. This deficit will be liquidated with future financial resources.

15. STUDENT LOAN FUNDS

The fund balances of the student loan funds at June 30, 1997, are as follows:

Perkins Loans	\$2,353,403
Nursing Student Loans	178,791
Total	<u>\$2,532,254</u>

16. PLANT FUNDS

The restricted fund balances of the unexpended plant funds at June 30, 1997, are as follows:

Building Use Fee Fund	\$840,616
Vehicle Registration Fund	181,570
Total	<u>\$822,105</u>

In August 1997, the Financial Accounting Standards Board (FASB) issued Statement No. 93, Recognition of Depreciation by Not-for-Profit Organizations, which requires not-for-profit organizations, including colleges and universities, to recognize depreciation of their long-lived tangible assets in their financial statements. In January 1998, the GASB issued Statement No. 8, which addresses the implementation of FASB Statement No. 93. Codification of Governmental Accounting and Financial Reporting Standards Section C05.102 states that

NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)

"Colleges and universities that follow the AICPA Industry Audit Guide, Audits of Colleges and Universities, should not change their accounting and reporting for depreciation of capital assets as a result of FASB Statement No. 90; the GASB has several projects under way that may affect that reporting." As reflected in note 1-D, depreciation is not currently recognized by the university.

As of June 30, 1997, the university has work-in-progress totaling \$29,747, which is reported by Facility Planning and Control and not included in the university's financial statements.

A summary of investment in plant follows:

	Balance July 1, 1996	Adjustments	Balance July 1, 1997
Land	\$2,665,500	(\$1,481,489)	\$1,124,070
Improvements	7,687,817	1,481,489	9,259,109
Buildings	69,622,745		69,622,745
Equipment	18,303,184		18,303,184
Library books	6,468,644		6,468,644
Livestock	43,300		43,300
	<u>105,131,049</u>	<u>NO485</u>	<u>105,131,049</u>
Total	<u>105,131,049</u>	NO485	<u>105,131,049</u>

In accordance with R.S. 50:501-532, the university has complied with the Louisiana movable property statutes.

12. AUXILIARY ENTERPRISES

The university maintains various auxiliary enterprise funds that provide services to the university community. Segment information for the year ended June 30, 1997, follows:

	Food Services	Housing	Bookstore
Net increase (decrease) in fund balances	\$278,142	(\$827,116)	\$191,962
Net income (loss)	389,751	(216,156)	194,962
Net assets	3,488,333	(2,324,272)	1,289,491
Outstanding principal and interest on debt		3,320,609	
Annual principal and interest on debt		413,324	

The present accounting system does not provide for individual accounting of balance sheet and fixed assets accounts for each auxiliary enterprise.

<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1997</u>
\$191,000		\$1,336,070
100,091		9,551,197
979,143	\$7,000	79,793,999
3,019,719	549,167	29,773,730
273,742	37,742	9,714,944
3,290	40,000	9,590
<u>\$4,657,932</u>	<u>\$623,909</u>	<u>\$109,140,112</u>

<u>Recreation</u>	<u>Student Center</u>	<u>Others</u>	<u>Total</u>
(\$197,920)	\$495,258	(\$764,582)	(\$544,170)
111,310	490,224	(702,582)	98,952
224,940	2,792,408	(3,787,590)	1,002,554
	717,981		4,036,199
90,791	300,338		594,443

**NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

18. FOUNDATIONS

The accompanying financial statements do not include the accounts of the Northwestern State University Foundation, Incorporated, or the Northwestern State University Alumni Association. The foundation is a separate corporation, and the alumni association is a branch of the foundation whose financial statements are subject to audit by independent certified public accountants. The foundation and alumni association were last audited for the fiscal year ended June 30, 1999.

Operating expenses of the Northwestern State University Foundation, Incorporated, for the year (incurred by Northwestern State University and included in the General Fund expenditures) are summarized as follows:

Salaries and related benefits	\$180,318
Travel	3,633
Operating services	30,974
Supplies	667
Capital outlay	<u>5,654</u>
Total	<u>\$221,618</u>

**19. LOUISIANA STATE UNIVERSITY
AGRICULTURAL CENTER**

For the year ended June 30, 1997, funds were appropriated to the Louisiana State University Agricultural Center, of which \$147,510 was used at Northwestern State University for the operation of a River Water Research Station in Louisiana. This amount is included in the Restricted Funds' revenues and expenditures.

20. RED RIVER WATERWAY COMMISSION

On November 3, 1994, the university entered into a cooperative endeavor with the Red River Waterway Commission to construct, maintain, and operate the Red River Water Research Station in Louisiana to conduct research on the feasibility of using water for aquaculture, agriculture, and related endeavors such as sport fishing and conservation of wildlife. The terms of occupancy of the property by the university shall be for a period of 99 years from the date of the agreement.

**NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA**

Notes to the Financial Statements (Continued)

**21. CONSULTANT FEES FOR FEASIBILITY
STUDIES AND OTHER SPECIAL REPORTS**

The university made no payments for professional services for consultant fees for feasibility studies and other special reports, in compliance with Senate Concurrent Resolution No. 35 of the Extraordinary Session of 1974.

22. NATIONAL PARK SERVICE

Under Section 4022 of exp. of Public Law 100-575, the Department of the Interior established the National Center for Preservation Technology and Training at Northwestern State University. The center was created for the purpose of (1) developing and distributing preservation and conservation skills and technologies for the identification, evaluation, treatment, monitoring, and interpretation of prehistoric and cultural resources; (2) developing and facilitating training for federal, state, tribal, and local cultural resource professionals, cultural resource managers, technicians, and others working in the preservation field; (3) applying technology benefits from research by other agencies and institutions to the preservation field; (4) facilitating the transfer of preservation technology among federal agencies, state, tribal, and local governments, universities, international organizations, and the private sector; and (5) cooperating with related international organizations. Cooperative activities require substantial involvement by both parties, including collaboration on, and joint participation in, the management of individual projects in connection with the National Center for Preservation Technology and Training.

23. DEFERRED COMPENSATION PLAN

Certain employees of the university participate in the Louisiana Deferred Compensation Plan adopted under the provisions of Internal Revenue Code Section 457. Complete disclosures relating to this statewide plan are available in the financial statements of the State of Louisiana.

24. HOUSING FACILITY AGREEMENT

The university entered into a Ground Lease Agreement for 6.50 acres of university property with Housing Partnership I, LTD. The purpose of this lease is to develop and construct a Student Housing Facility for Northwestern students. The housing facility will consist of 10 buildings, which include approximately 180 apartment units and related facilities. The cost of construction along with maintenance and management of the Student Housing Facility is the responsibility of Housing Partnership I, LTD. The term of the lease is 40 years and will expire at midnight September 1, 2024. Construction of the Student Housing Facility began during the spring of 1994 and was completed by August 1994. The housing facility was available to students for the 1994 fall semester. Compensation for the land lease will be based upon section 3.01 and 3.02 of the lease agreement described as follows:

**NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
Notes to the Financial Statements (Continued)**

1. **Base Rent (section 3.07)** - Lessee will pay an annual base rent of \$1,500 payable to the university on September 1, 1994, and like installment due on each anniversary thereafter during the term of the lease.
2. **Percentage Rent (section 3.02)** - Lessee will pay to the university commencing with the academic year ending August 31, 1995, and for each academic year thereafter during the term of the lease, a percentage rent in an amount equal to the product of (a) 25 percent and (b) net cash flow less an amount equal to the 5 percent of net cash flow payable to the improvements owner pursuant to the Improvement Lease. By way of example, if net cash flow during an academic year was \$100,000, the percentage rent would be \$25,750 [$25\% \times (\$100,000 - 5\%) = 25\% \times \$95,000 = \$23,750$]. Percentage rent shall be paid to the university no later than 45 days after the close of each academic year. If there is no percentage rent due for any such academic year, any net loss shall be borne solely by lessee and shall not be carried forward in determining percentage rent for the next academic year.

**25. ON-BEHALF PAYMENTS FOR
FRINGE BENEFITS AND SALARIES**

On-behalf payments for fringe benefits and salaries are direct payments made by one entity to a third-party recipient for the employees of another legally separate entity. On-behalf payments include pension plan contributions, employee health and life insurance premiums, and salary supplements or stipends. For example, a non-governmental fund-raising foundation affiliated with a governmental university may supplement salaries of certain university faculty. Those payments constitute on-behalf payments for purposes of reporting by the university if they are made to the faculty members in their capacity as employees of the university (GAO 88-24). There were no on-behalf payments for fringe benefits and salaries included in the accompanying financial statements for fiscal year 1997.

26. FEDERAL GRANTS

The university participates in a number of federally assisted grant programs reported in the Restricted Fund. These programs are subject to program compliance audits by the grantors, but all such audits for 1997 have not been conducted. The amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time. Based on prior experience, the university's management feels such disallowance, if any, will be immaterial.

**NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended June 30, 1997**

The following supplemental information schedules present the Schedule of Individual Agency Fund Balances and Schedule of Individual Endowment Fund Balances for amounts included in the totals presented on Statement A for the Agency Funds and Endowment Funds, respectively.

**NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
AGENCY FUNDS**

**Schedule of Individual Agency Fund Balances
For the Year Ended June 30, 1997**

Agua	\$0,000
Artist Series Fee	1,313
Club Sports Fee	60,743
Current Sauce	30,763
Drama	1,684
KNWE	20,837
Polygram	26,408
Rowing Team	2,137
Rowing Team	3,598
Shreveport - Student Government Association	60,984
Student Government Association	36,837
SOA - Speaker Program	309
Student Union Programs	61,276
Student Internships	0,597
Student Trust Fund	78,710
Union Based Drama	21,072
Warrington Campus Council	22,837
SOA Loan Fund	60,296
Total	<u>\$484,692</u>

**NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
ENDOWMENT FUNDS**

**Schedule of Individual Endowment Fund Balances
For the Year Ended June 30, 1997**

Moise Morison Endowed Professorship in Applied Management Fund	\$108,581
MSU-Coughlin-Saunders Endowed Professorship for Nursing and Allied Health Fund	108,087
Joyana Magale Endowed Professorship of Music	111,128
Carlynn-Cole-Saunders Endowed Professorship for Nursing and Allied Health	104,360
Richard Levensley Foundation Endowed Professorship of Chemistry Fund	103,908
Glyde M. Bostick, Jr. Endowed Professorship of Social Studies	102,214
David Morgan United Teacher Associates Insurance Company Endowed Professorship in Business	101,242
NSU-Coughlin-Saunders Endowed Professorship for Nursing and Allied Health #2 Fund	101,242
NSU-Coughlin-Saunders Endowed Professorship for Nursing and Allied Health #3 Fund	101,242
Fresport McMeffer Endowed Professorship in Pluralistic Education	100,000
Donald F. Darby Endowed Professorship for Creative and Performing Arts	100,000
Ann Spohn Coughlin Endowed Professorship for Nursing and Allied Health	100,000
Library Trust Fund	<u>76,410</u>
Total	<u>\$1,343,332</u>

**OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

The following pages contain a report on compliance with laws and regulations and on internal controls as required by Government Auditing Standards, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses in internal control or compliance matters that would be material to the presented financial statements.



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October 21, 1997

Report on Compliance and on Internal Control Over Financial
Reporting Based on an Audit of the Financial Statements
Performed in Accordance With Government Auditing Standards

**NORTHWESTERN STATE UNIVERSITY
STATE OF LOUISIANA
Natchitoches, Louisiana**

We have audited the financial statements of Northwestern State University, a component unit of the State of Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated October 21, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Northwestern State University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance that, although not material to the financial statements, are required to be reported under Government Auditing Standards.

Payroll and Personnel Control Weaknesses

Northwestern State University does not have adequate internal controls to ensure compliance with applicable payroll and personnel policies and procedures. An adequate system of internal controls should ensure that the university is in compliance with established policies and procedures of the university and the University of Louisiana System Board of Trustees (ULS). Our audit of the payroll expenditures disclosed the following:

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ULS Chapter III Section 300 (C)(3), (F) requires that:

- Attendance and leave records shall be maintained for all faculty and unclassified employees. These records shall be signed by the employee and the supervisor and reported to the appropriate office at the end of each pay period. Time sheets were not submitted by 127 unclassified employees that were paid \$208,450 for the fall semester of 1996.

University Staff Handbook Chapter II requires that:

- Employees wanting compensatory time must submit the Request for Overtime Work Form for approval from his supervisor. Once approved by the supervisor the form must be approved by the employee's vice president at least 48 hours prior to the work being performed. Seven of 11 employees tested worked from 2 1/2 to 8 1/2 hours of overtime without receiving prior approval. The appropriate form was approved for two of the seven up to 10 working days after the overtime was worked. The remaining two never obtained the required approval on the appropriate form.
- Employees request annual and compensatory leave in advance, except in emergency situations. In an emergency situation, employees are to receive verbal approval and complete the appropriate leave form immediately upon returning to work. Eight of 17 employees tested took leave and received approval from 4 to 14 days after the leave was taken instead of receiving prior approval or receiving approval immediately after returning to work.
- Continuing probationary and tenure contract faculty shall be provided contracts of employment for the ensuing academic or fiscal year after ULS approval of the fiscal year budget. Thirteen AS&S Department personnel with combined salaries of \$458,360 were employed from 2 to 6 months before a contract or appointment letter was signed. In addition, as of June 2, 1997, 3 of the 13 did not have a contract to continue their employment when their existing contract ended during the 1996-97 fiscal year.

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Good business practices require that

- Detailed documentation supporting payroll expenditures be maintained. Student time cards and sign-in and out sheets were destroyed by student supervisors in the Creative and Performing Arts and Institutional Research departments.
- Employee supervisors should never certify an employee's time and attendance in advance. Five of 49 employees listed revealed that the supervisor certified the time sheet from one to seven days before the last day that the employee worked in the pay period.

Management has not emphasized to its employees the consequences of not complying with these policies and procedures. As a result, established policies and procedures were circumvented and public assets may have been disbursed improperly.

Northwestern State University should take the steps necessary to ensure that employees and management personnel comply with existing policies and procedures. Management should also review existing controls to determine if these controls need to be revised or additional controls implemented. Appropriate disciplinary action should be considered against employees or management personnel that repeatedly circumvent established policies and procedures. In a letter dated June 17, 1997, Dr. Ronald J. Wobbs, President, stated that he concurred with the finding and has already taken action to correct these hours.

**Inadequate Controls Over Camps
and Other Events**

Northwestern State University is not adequately accounting for activities related to camps and other events promoted as university events. In addition, controls are not in place to ensure that facility use fees are properly and consistently charged for all non-university facilities. A good internal control system requires that controls be in place to ensure that all activities promoted as university programs are recorded, summarized, and reported in the records of the university. The Louisiana Constitution of 1974, Article VII, Section 14 provides that the funds, credit, property, or things of value shall not be loaned, pledged, donated to or for any person, association, or corporation, public or private. We reviewed the controls over 21 camps and events and noted the following weaknesses:

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- We tested six of nine accounts maintained in the Northwestern State University Foundation (NSU Foundation) that used university assets to generate income of \$47,621 during the current fiscal year. The income was from pool rental fees, band camp fees, instructor fees, and the sale of various items. These funds are collected by university employees and deposited in the foundation to be used at the discretion of the employees for their departments. The university is not reimbursed for the use of its facilities by the NSU Foundation.
- Persons responsible for collecting registration fees for the camps are not reconciling the number of campers registered to the budget unit's monthly financial account statements to ensure that all receipts are being accounted for and coded to the proper account.
- The person responsible for recording the transactions for the Greentender Camp was not sufficiently trained and failed to properly defer \$15,635 of revenues received in 1995. This resulted in an understatement of revenues for the 1997 fiscal year and an overstatement for the 1996 fiscal year. The university should match the revenues generated for a camp with its corresponding expenditures.
- The university processed its Camp Discovery charge card receipts through the NSU Foundation for all of the July 1999 camps. As a result, the revenues for the 1999 fiscal year were overstated by \$10,190 and the 1997 fiscal year revenues are understated by the same amount. In addition, the foundation charged the university a \$790 administrative fee for this service.
- The university solicited and received \$9,625 in donations for its Camp Discovery between April and July 1996 to be used as scholarships. The donations were deposited in the NSU Foundation. The foundation remitted \$9,025 of this to the university in August 1996, but the balance of \$3,400 was not remitted until November 1996, which is not considered timely.
- Projected proceeds of \$37,079 from five sports camps tested were deposited into the NSU Athletic Association, a nonprofit entity, even though those camps were advertised as university camps. The university was only paid \$190 for each of the camps for the use of its facilities.

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- Twelve of the 29 university athletic staff members that participated in the sports camps were paid \$5,125 by the NSU Athletic Association in addition to being paid their regular salary by the university. These employees did not take any type of leave while conducting these camps.
- The university allowed out-of-state sponsors to use university facilities for a quit bowl camp from July 19 through 21, 1996, without charging a facility use fee. The registration fees of \$110 per camper were mailed directly to the sponsors. In addition, the sponsors paid the expenses (housing and meals, etc.) connected with the camp directly without involving the university. University records did not indicate that the university operated any funds for this camp. However, we noted that the university paid the printing and postage amounting to \$109 to mail the brochures out to the prospective campers for the camp scheduled to be held from July 19 through 21, 1997.
- The university does not have a mechanism in place to ensure that it will recover all of its direct cost when leasing its facilities to outside organizations. At the present time, the university is not recovering its direct cost and there is no consistent application of facility use fees. In addition, the university does not have a formal written policy that defines or provides guidance on what is an outside organization.

Management personnel responsible for these areas have not placed the emphasis necessary on developing controls to ensure that all transactions are properly recorded, summarized, reported, and comply with applicable laws and regulations. As a result, transactions relating to the university were not recorded in the proper period, if at all. The donation of university assets violates Article VII, Section 14 of the Louisiana Constitution of 1974.

Northwestern State University should develop and implement an internal control system to ensure that all revenues and expenditures from camps and other activities promoted as university events are recorded, summarized, and reported in the books of the university. These controls should also ensure that revenues are recorded to supporting documentation and that the university is in compliance with all applicable laws. Finally, the university should develop a mechanism that captures the information necessary to ensure that it will recover all of its direct cost when leasing facilities to outside organizations. There should also be a formal written policy that defines or provides guidance on what is to be considered an outside organization. Once the policy is adopted it should be consistently applied to all organizations leasing university facilities. In a letter dated August 29, 1997, Dr. Ronald J. Webb, President, concurred

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with the finding and recommendations. Dr. Webb also provided an outline of actions taken or to be taken to correct the issues discussed in the finding.

Lease to Foundation

The Northwestern State University Foundation (Foundation) is subleasing property that it has leased from the university for a nominal amount to generate revenues. This property was subleased without the prior written consent and approval of the University of Louisiana System Board of Trustees (board). Louisiana Revised Statute 17:3305 provides that such consent and approval be obtained, in writing, before any portion of leased property or improvements thereon may be assigned or subleased. The statute further states that the terms and conditions of any assignment or sublease are to be authorized by the board.

On September 1, 1990, Northwestern State University and the foundation entered into a lease agreement for 1.77 acres with all buildings and improvements. The lease is for 50 years with annual payments of \$10 to the university. In November 1991, the foundation advertised the property for lease and on January 1, 1992, subleased the properties to a local veterinarian for five years with an option for an additional 5 years. This veterinarian is the son of a university employee, the present Director of Alumni Affairs and Development. The foundation receives \$300 a month or \$3,600 a year for the sublease. The sublease agreement states that the lessee (foundation) is responsible for maintaining the roof and exterior walls. During the current fiscal year, the Division of Administration, Office of Facility Planning and Control, re-roofed one of the leased buildings at a cost of \$11,835. The foundation has not reimbursed the Division of Administration for the cost of re-roofing the building.

The board did not provide prior written consent and approval for the sublease nor was the president of the university aware of the sublease agreement. The Director of Alumni Affairs and Development is of the opinion that since the building belongs to the state then it is the state's responsibility to repair the roof. Management's lack of knowledge of the sublease and failure to properly monitor the lease has resulted in the possible misuse of the property and the loss of state assets.

Northwestern State University should inform the foundation that it did not have the authority to sublease the properties without prior written consent and approval of the board. In addition, the university should contact the board to determine whether the lease with the foundation should be renegotiated. In addition, the university should seek reimbursement from the foundation for the re-roofing of the building and forward the reimbursement to the Division of Administration. In a letter dated July 14, 1997, Dr. Randall J. Webb, President, stated that the university concurred with the finding

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and has notified the University of Louisiana System office attorney and requested he review the finding and propose recommended action.

Additional Comments: In our exit conference on October 21, 1997, we were informed by management that plans were underway to terminate the lease with the foundation and place the sublease directly with the university. In addition, the foundation has agreed to reimburse the Division of Administration, Office of Facility Planning and Control, for a portion of the re-roofing costs.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Northwestern State University's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Northwestern State University's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Electronic Data Processing Control Weaknesses

For the second consecutive audit, Northwestern State University has deficiencies relating to access to its electronic data processing (EDP) system and data files. An adequate internal control structure requires that individuals be permitted access only to the data files and programs necessary to perform their duties. Copies should be segregated so that no one employee is in a position to both initiate and conceal errors or irregularities. During our review of the EDP controls, we noted the following types of control deficiencies that were identified in the last audit and still have not been resolved:

- The Director of Student Financial Aid has write access to data files that is incompatible with his job responsibilities.
- Eleven of 22 employees tested had access to the system from 2 to 56 days after they were terminated or transferred.
- Two employees went on extended leave until their effective dates of resignation. Access to the system was not denied these two employees.

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until their effective dates of resignation, which allowed them to have access to the system, and data files for 11 and 20 days while they were on leave before their resignation.

Management feels that since the Director of Student Financial Aid works directly with students he should have write access to the data files. The personnel department failed to notify the Security Administrator in a timely manner of employees that were terminating as required by university policy. Furthermore, the policy does not address who is required to notify the Security Administrator when an employee is going on leave before termination or transfer. Inadequate segregation of duties and failure to restrict access to the system in a timely manner places the information in the system at risk of unauthorized access and/or the alteration of information that may not be detected in a timely manner, if at all.

Management of Northwestern State University should review the security reports periodically to ensure that access is compatible with job responsibilities and that access is being denied promptly upon separation from the university. Furthermore, management should amend its current policy to ensure that it addresses who is responsible for notifying the Security Administrator when an employee is going on leave before actual termination or transfer. In a letter dated May 10, 1987, Dr. Kendall J. Webb, President, stated he concurred with the portion of the finding concerning employees having access to the system after they were terminated or transferred or went on extended leave until their effective dates of resignation. On May 18, 1987, the university revised its policy to require the budget unit heads/supervisor to notify Business Affairs and the Computer Center Director immediately after the employee officially notifies the university that he will leave. However, the university believes it is necessary for the Director of Student Financial Aid to have write access to data files even though he works directly with students. The university is currently reviewing its operations in the Financial Aid Office to determine if the director should continue to have write access. This evaluation will be completed before July 1, 1987.

Additional Comments: Our audit of the records in the Student Financial Aid Office disclosed several adjustments and/or changes to student records that were made by the director without the required supporting documentation. The entries made by the director increased the total cost of education for certain students, which allows those students to apply for and receive additional financial aid. Because the documentation was not available, we cannot determine whether the entries were appropriate. The entries appear to be questionable, and, in some cases, resulted in overawards or questioned costs as covered in a separate finding.

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During our exit conference held on October 21, 1997, we were informed by management that the Director of Student Financial Aid had been restricted to read address only, effective July 1, 1997.

**Weaknesses in Controls Over Scholarships
 and Other Awards**

For the second consecutive year, Northwestern State University does not have adequate controls in place to ensure that scholarships and fee exemptions/waivers are awarded to eligible students in accordance with applicable criteria. An adequate internal control system would provide formal written policies and procedures to ensure that only eligible students meeting university and other governing entities' established criteria receive financial assistance. The control system should also ensure that all assistance is properly recorded, reported, and reconciled. The Rules of the University of Louisiana System Board of Trustees Chapter IV, Section V, Part M outlines the requirements students must meet to receive an out-of-state fee waiver. It also requires the institution to request System office approval for each student approved for an out-of-state waiver. Moreover, this rule states that the university shall submit to the board a report of waivers granted and excluded. Our tests of scholarships and fee exemptions/waivers disclosed the following control weaknesses and policy violations:

- The university did not formally adopt the specific guidelines of the Louisiana Tuition Assistance Plan and the Louisiana Honors Scholarship Program.
- The university did not have scholarship applications or current award letters on file for 4, or 18.6 percent, of the 24 recipients tested. The four scholarships were awarded for the debate team and the university newspaper.
- Three, or 12.5 percent, of the 24 recipients' files did not indicate that students met the requirements necessary to receive the debate team or NSU scholarship.

Our examination identified additional control weaknesses and noncompliance issues in the current year as follows:

- The university did not reconcile the financial awards reported in the financial aid subsidiary records to the general ledger accounts.

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- The university does not coordinate all scholarships and fee exemption/waiver awards through the financial aid office. The university provided a list of 11 such awards totaling \$408,134.
- The university awarded 3 students, who were not athletes, football scholarships totaling \$7,657.
- The university awarded 253 out-of-state Tuition Performance Waivers totaling \$291,624 without obtaining the required approval from the University of Louisiana System office. Furthermore, there is no documentation in the files to indicate that the students granted these waivers met the established criteria.
- The university awarded 363 out-of-state Academic and Performance Waivers totaling \$814,638 as of April 30, 1997, that were not reported each semester, including the summer sessions, to the University of Louisiana System Board of Trustees, as required by board policy.
- The university does not have adequate controls in place to ensure that National Guard Exemptions are accurately posted to student records. Two, or 40 percent, of the 5 students tested were each charged \$50 more than the amount authorized.

Management has implemented some controls relating to certain awards, but not always in a consistent and uniform manner. Management has not reviewed and evaluated the controls over all awards, nor is there one office where all awards are required to be reported to ensure that the award meets established criteria. As a result, management has violated applicable rules and regulations and some students receiving awards may not have been qualified recipients.

Northwestern State University should review the controls over all scholarships and fee exemptions/waivers awarded by the university. It should then establish the formal written policies and procedures necessary to ensure that only qualified students receive awards and that the university complies with all applicable rules and regulations. These policies and procedures should be strictly adhered to and consistently applied. In a letter dated August 28, 1997, Dr. Randall J. Webb, President, stated that the university concurred with the finding and has provided information relating to steps taken or to be taken to correct these matters.

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Accounts Not Reconciled

Northwestern State University has not reconciled its employee state group health and life insurance payable accounts or its third party scholarship receivable account for several years. A good internal control system requires that all account balances be periodically reconciled to ensure that errors and/or fraud are detected timely and for the fair presentation of financial information. Management did not assure that the necessary records were maintained and the reconciliations were properly prepared in a timely manner. Our audit revealed the following:

- The university did not reconcile state group health and life insurance premiums to employee deductions in the payroll subsidiary records or to the state group insurance payable account in the general ledger. As a result, the university has overpaid the group insurance program by \$87,552. The group insurance program requires that any discrepancies be cleared within six months to be refunded for overpayments. Because the reconciliations were not done timely, the university has incurred expenditures totaling \$87,552 for which there is no record of premiums collected.
- The university did not reconcile its third party scholarship receivable account because it did not maintain subsidiary records, in all cases, identifying the parties. The term "third party scholarships" refers to scholarships sponsored and paid for by individuals, groups, or organizations outside the university. The receivable is recorded based upon a letter or other documentation from third party donors stating their intention to provide a scholarship to a particular student. At the same time, the university records the revenue (fees) and gives the student credit for paying the fees. As of June 30, 1997, the third party scholarship receivable account included \$27,142 for which no collections had been received. Of that amount, the university had given credit to students for \$21,001 for fees. As a result, the university has funded private scholarships with public funds and incurred unauthorized expenditures for the \$21,001 for which there is no record of the third parties' payments.

Management's failure to closely monitor the maintenance of records and the reconciliation process resulted in additional expenditures totaling \$105,553 that should have been reimbursed through premiums or donations.

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Management should require periodic reconciliation of all asset and liability accounts. Policies and procedures should be developed and implemented detailing what subsidiary records need to be maintained for each of these accounts. In a letter dated October 5, 1997, Dr. Randall J. Webb, President, concurred with the finding and outlined steps taken to ensure the timely reconciliation of these accounts.

Controls Over Athletic Revenues and Expenditures

Northwestern State University has a lack of control over accountability of athletic revenues and expenditures. An adequate internal control structure requires these revenues to be deposited in the proper account and expenditures to be made in accordance with applicable laws and regulations. During our audit, we noted the following:

- \$36,871 of football guarantee funds were received and deposited into the NSU Athletic Association, a nonprofit organization, instead of the university's account, although the check was made payable to and originally intended for deposit to Northwestern State University. This amount represents the balance remaining from a \$75,000 guarantee agreement between Boise State University and Northwestern State University. The game guarantee was reduced by the cost of Northwestern's airfare to the game, which was paid by Boise State University. The NSU Athletic Association deposited the \$36,871 in its account and used these funds to pay for the university's air charter services to another football game in Youngstown, Ohio. Because the expenditures for university travel were handled through the NSU Athletic Association and by Boise State University, we cannot ensure that state purchasing and travel regulations were followed.
- Ticket proceeds from the sale of 8 "VIP" football tickets at \$42 each, totaling \$336, were deposited into the NSU Athletic Association, a nonprofit organization. These tickets were purchased by persons making donations to the NSU Athletic Association. We were not provided with supporting documentation to determine that these ticket proceeds were sent back to the university.

There has been a high turnover in key personnel in the athletic department and a lack of supervision from upper management. As a result, the former business manager and the former assistant athletic director decided to deposit \$36,871 of guarantee funds into the NSU Athletic Association and to use the funds to pay for air charter services that were not bid as required by state purchasing regulations. Also, the ticket manager

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failed to bill the NSU Athletic Association for \$338 of football ticket proceeds deposited into its account. In addition, the university's total intercollegiate athletic revenues and expenditures are not properly reflected in the university's financial statements.

Management of Northwestern State University should develop and implement policies and procedures to ensure that all athletic revenues and expenditures of the university are accounted for. The procedures should include reconciling game guarantee contract amounts to deposits and accounting for any differences. In addition, these procedures should require the depositing of all ticket proceeds into university accounts. In a letter dated October 23, 1997, Dr. Randall J. Wells, President, stated that the university concurred with the finding and has implemented controls to resolve deficiencies noted in our finding.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described previously are material weaknesses.

Other Reports Issued by the Legislative Auditor

In an investigative report dated July 29, 1997, the Legislative Auditor reported that the Coordinator for the Academic Advising Center at Northwestern State University was paid at least \$1,148 as a result of falsified student time sheets. She was also paid \$3,400 for classes she did not teach, and at least \$408 for mileage she did not drive. Of this amount, she paid \$370 to other individuals to teach these classes for her, thereby retaining \$3,118 to which she was not entitled. She has resigned and the appropriate authorities have been notified.

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Our comments on compliance with laws and regulations and internal control structure are intended for the information and use of management of the university. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

WJL:MAN:d
