

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Athletic Department
University of Southeastern Louisiana
State of Louisiana
Lafayette, Louisiana

June 2, 1999



Financial and Compliance Audit Division

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

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**ATHLETIC DEPARTMENT
UNIVERSITY OF SOUTHWESTERN LOUISIANA
STATE OF LOUISIANA
Lafayette, Louisiana**

**Financial Statement and
Independent Auditor's Report
For the Year Ended June 30, 1999
With Supplemental Information Schedule**

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 office of the Legislative Auditor and at the office of the parish clerk of court.

June 2, 1999

ATHLETIC DEPARTMENT
UNIVERSITY OF SOUTHWESTERN LOUISIANA
STATE OF LOUISIANA

Financial Statement and
Independent Auditor's Report
For the Year Ended June 30, 1988

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March 4, 1999

**Independent Auditor's Report on
Agreed-Upon Procedures**

DR. RAY P. AUTHEMENT, PRESIDENT
UNIVERSITY OF SOUTHWESTERN LOUISIANA
STATE OF LOUISIANA
Lafayette, Louisiana

We have audited the general purpose financial statements of the University of Southwestern Louisiana, a component unit of the State of Louisiana reporting entity, as of and for the year ended June 30, 1998, and have issued our report thereon dated October 21, 1998. As requested by the university, we have also performed the procedures, as enumerated below, which were agreed to by management of the university. These procedures were applied to the accounting records and internal controls of the University of Southwestern Louisiana Athletic Department and to the related outside organizations created for or in behalf of the university's intercollegiate athletic programs for the year ended June 30, 1998, solely to assist the university in complying with NCAA, Bylaw 8.2.3.1. 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 management of the University of Southwestern Louisiana. 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 associated findings are as follows:

STATEMENT OF REVENUES AND EXPENDITURES

1. We obtained written representations from management as to the fair presentation of the statement of revenues and expenditures of the intercollegiate athletic programs for the year ended June 30, 1998, as shown on Statement A. We also verified the mathematical accuracy of the amounts on the statement and agreed the amounts to the university's general ledger.

We found no exceptions as a result of these procedures.

2. We compared the statements of revenues and expenditures of the intercollegiate athletic programs for June 30, 1997, and June 30, 1998, to identify variances of 20% or greater in individual revenue and expenditure accounts (line items) that are 5% or more of the total.

LEGISLATIVE AUDITOR

DR. RAY P. AUTHERMENT, PRESIDENT
UNIVERSITY OF SOUTHWESTERN LOUISIANA
STATE OF LOUISIANA
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As a result of our procedure, we identified variances of 20% or greater in line items that are 5% or more of the total in the following accounts:

Revenues	Expenditures
Guarantees	Professional Services
Outside Funds	Guarantees
Other Income	

3. We compared the budgeted revenues and expenditures to actual revenues and expenditures for the year ended June 30, 1998, to identify any variances of 20% or greater in individual revenue and expenditure accounts (line item) that are 5% or more of the total.

As a result of our procedure, we identified variances between budget and actual amounts that are 20% or greater in line items that are 5% or more of the total in the following accounts:

Other Revenue
Professional Services

4. We obtained from university management a list of contributions received by the athletic department to identify any individual contributions that constituted more than 10% of the total contributions.

There were no individual contributions received by the athletic department that exceeded 10% (\$60,000) of the total contributions.

**INTERNAL CONTROL - POLICIES AND PROCEDURES
RELATING TO INTERCOLLEGIATE ATHLETICS -
AGREED-UPON PROCEDURES**

5. We made inquiries of management and obtained the university's organization chart, employee job descriptions, and written athletic department policies and procedures to identify aspects of internal control unique to the university's intercollegiate athletics department and to detect deficiencies in the components of these controls.

We detected no deficiencies in the components of the internal controls unique to the university's intercollegiate athletics department.

LEGISLATIVE ACTION

DR. RAY P. ALTHEMENT, PRESIDENT
UNIVERSITY OF SOUTHWESTERN LOUISIANA
STATE OF LOUISIANA
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6. We performed tests of controls unique to the university's intercollegiate athletics department to determine adherence to established policies and procedures related to revenues and expenditures:
- a. We randomly selected one cash receipt batch sheet of ticket sales and followed it through the university's cash control system to determine adherence to established policies and procedures.

We found no exceptions as a result of this procedure.
 - b. We selected the ten largest athletic department cash disbursement transactions and followed them through the university's accounting system to determine adherence to established policies and procedures.

We found no exceptions as a result of this procedure.
 - c. We conducted inquiries of the athletic department personnel to determine their compliance with policies and procedures relating to the control and safeguarding of unsold tickets.

We found no exceptions as a result of this procedure.
7. We inquired of management about the involvement of the university's internal auditor in the intercollegiate athletics programs and requested any work paper documentation and reports issued by the internal auditor to support the auditor's involvement.

There were no reports issued by the internal auditor during fiscal year 1995.
8. We obtained the university's procedures for gathering information on the nature and extent of booster group activity for or in behalf of the university's intercollegiate athletics program to identify deficiencies in the design of those procedures.

We found no deficiencies in the design of the university's procedures for gathering information on the nature and extent of booster group activity for or in behalf of the university's Intercollegiate Athletics Program.

LEGISLATIVE AUDITOR

DR. RAY P. AUTHREMENT, PRESIDENT
UNIVERSITY OF SOUTHWESTERN LOUISIANA
STATE OF LOUISIANA
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**EXPENDITURES OF OUTSIDE ORGANIZATIONS MADE
FOR OR IN BEHALF OF THE UNIVERSITY OF
SOUTHWESTERN LOUISIANA INTERCOLLEGIATE
ATHLETICS PROGRAM**

9. We obtained a list of outside organizations (Schedule I) and written representation from management of the university that these were the only outside organizations created for or in behalf of the athletic department.

We found no exceptions as a result of this procedure.

10. We obtained from representatives of the outside organizations statements of cash receipts and disbursements (Schedule I) and agreed this to the organization's accounting records.

We found no exceptions as a result of this procedure.

11. We compared the cash disbursements made by outside organizations for or in behalf of the athletic department to the revenues reported on the university's Statement of Revenues and Expenditures (Statement A) and identified any reconciling items.

There were no reconciling items.

12. For all outside organizations that had an independent audit, we obtained the independent auditor's reports to identify any reportable conditions relating to the outside organizations' internal controls and made inquiries of management to document any corrective action taken in response to the reportable conditions.

The financial statements of the University of Southwestern Louisiana Foundation, Inc., were audited by an independent certified public accounting firm for the year ended June 30, 1998. The audit report is dated November 11, 1998, and included no reportable conditions relating to the outside organization's internal control.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the statement of revenues and expenditures of the intercollegiate athletic programs. Accordingly, we do not express such an opinion. Also, we express no opinion on the University of Southwestern Louisiana's internal controls over financial reporting or any part thereof. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

LEGISLATIVE AUDITOR

DR. RAY P. ALTHEMENT, PRESIDENT
UNIVERSITY OF SOUTHWESTERN LOUISIANA
STATE OF LOUISIANA
Audit Report, June 30, 1995

This report is intended solely for the information and use of management of the University of Southwestern Louisiana and is not intended to be and should not be used by anyone other than 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

KD:DLH/PCP:dl

200-2000

UNAUDITED

Statement A

**ATHLETIC DEPARTMENT
UNIVERSITY OF SOUTHWESTERN LOUISIANA
STATE OF LOUISIANA**

**Statement of Revenues and Expenditures
For the Year Ended June 30, 1998**

	CURRENT FUNDS		
	(PERCENT OF)		
	UNRESTRICTED - ALLEGHANY ENTERPRISE FUND	RESTRICTED - ATHLETIC DEVELOPMENT FUND	TOTAL MEMORANDUM (DOLL.)
REVENUES			
Student fees	\$1,025,000		\$1,025,000
Gate receipts	871,301		871,301
Donations	837,500		837,500
Program sales	27,328		27,328
Concessions	81,104		81,104
Outside funds (booster clubs, etc.)	821,883		821,883
In-kind contributions (food, etc.)		\$714,324	714,324
Rentals of facilities	46,822		46,822
Other	1,389,403		1,389,403
Total revenues	<u>5,500,238</u>	<u>714,324</u>	<u>6,214,562</u>
EXPENDITURES			
Personal services:			
Casualties' salaries	1,576,583		1,576,583
Other salaries	77,373		77,373
Fringe benefits	298,083		298,083
Travel	893,028	847	893,875
Operating services	482,588	36,870	488,458
Supplies	384,435	64,836	423,471
Professional services	375,495	9,750	385,245
Conferences	777,270		777,270
Scholarships	893,380		893,380
Other charges	34,887		34,887
Equipment	33,287	3,850	37,137
Total expenditures	<u>5,501,241</u>	<u>114,324</u>	<u>5,700,565</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$1,000</u>	<u>NONE</u>	<u>\$1,000</u>

The accompanying notes are an integral part of this statement.

UNAUDITED

ATHLETIC DEPARTMENT
UNIVERSITY OF SOUTHWESTERN LOUISIANA
STATE OF LOUISIANA

Notes to the Financial Statement
For the Year Ended June 30, 1988

INTRODUCTION

The University of Southwestern Louisiana 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 of Southwestern Louisiana Athletic Department is a part of the University of Southwestern Louisiana. The accompanying financial statement presents information only as to the transactions of the University of Southwestern Louisiana Athletic Department.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FUND ACCOUNTING

To observe limitations and restrictions placed on the use of available resources, the accounts of the University of Southwestern Louisiana 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 the activities or objectives specified. Accounts are maintained for the transactions of the athletic department as follows:

Current Funds

Current funds are operating funds that will be expended in the near future. Such funds have two basic subgroups, 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 Auxiliary Enterprise Fund. The Auxiliary Enterprise Fund includes the operating accounts of the athletic department. Restricted current funds represent those operating funds on which restrictions have been imposed to limit the purposes for which such funds can be used.

B. BASIS OF ACCOUNTING

The accounts of the athletic department are maintained on the accrual basis of accounting as follows:

Revenues

Substantially all revenues are recognized when earned.

**ATHLETIC DEPARTMENT
UNIVERSITY OF SOUTHWESTERN LOUISIANA
STATE OF LOUISIANA**

Notes to the Financial Statement (Continued)

Expenditures

Expenditures are recognized under the accrual basis of accounting when incurred, except that (1) depreciation is not recognized, (2) annual and sick leave are recognized when paid, (3) summer school fees and salaries and related benefits for June are not provided but are deferred to the succeeding year; and (4) inventories of the General Fund are recorded as expenditures at the time of purchase.

C. EMPLOYEE COMPENSATED ABSENCES

Employees of the university working in the athletic department earn annual and sick leave in accordance with state law and administrative regulations. Leave benefits are reflected in the accompanying financial statement when paid.

D. TOTAL COLUMN ON STATEMENT

The total column on Statement A is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**2. CONTRIBUTIONS (GIFTS-IN-KIND) FROM
OUTSIDE ORGANIZATIONS**

Expenditures totaling \$114,324 on Statement A reflect gifts in the form of goods, services, and benefits paid for or in behalf of the athletic department.

**3. OUTSIDE ORGANIZATIONS CREATED FOR OR IN
BEHALF OF THE UNIVERSITY OF SOUTHWESTERN
LOUISIANA INTERCOLLEGIATE ATHLETICS PROGRAM**

The funds on the statement of cash receipts and disbursements of outside organizations, as reported on Schedule L, are the only outside organizations created for or in behalf of the University of Southwestern Louisiana Intercollegiate Athletics Program. The accounts are maintained within the University of Southwestern Louisiana Foundation, Inc., which is a separate corporation.

UNAUDITED

Schedule 1

**ATHLETIC DEPARTMENT
UNIVERSITY OF SOUTHWESTERN LOUISIANA**
**Schedule of Cash Receipts and Disbursements of
Outside Organizations Made for or in Behalf of
Southwestern Louisiana Intercollegiate
Athletics Program
For the Year Ended June 30, 1988**

University of Southwestern Louisiana Foundation, Inc.	BEGINNING BALANCE (AUG 1, 1987)	RECEIPTS	DISBURSEMENTS		ENDING BALANCE (JUNE 30, 1988)
			TO ATHLETIC DEPARTMENT	FOR ATHLETIC DEPARTMENT	
Restricted funds:					
Regin' Cajun Track Scholarship Fund	\$9,715	\$1,389	\$10,103		\$939
Regin' Cajun Club - Football	4,310	3,736	7,046		300
Regin' Cajun Club - Basketball		31,689	10,680	\$225	11,634
Regin' Cajun Club - Tennis	33,670	76,696	110,000		3,366
Regin' Cajun Club - Baseball	28,880	104,807	132,687		0
Regin' Cajun Club - Tennis	\$6,488	\$1,674	\$1,178	\$,040	\$3,984
Regin' Cajun Club - Golf	25,488	33,833	30,041		29,280
Regin' Cajun Club - Training Room	8,471	31,839	18,997		\$1,313
Regin' Cajun Club - Sports Information	8,808	22,188			\$1,184
Regin' Cajun Club 1987	1,074	\$15,873	\$14,383		\$,765
Regin' Cajun Club 1988		18,836			18,836
Regin' Cajun Club - Women's Basketball	8,880	2,757	8,248		
Regin' Cajun Club - Women's Tennis	14,722	8,188	17,852		1,880
Regin' Cajun Club - Women's Volleyball	155	3,894	4,897		82
Regin' Cajun Club - Women's Softball	48,264	\$9,888	\$9,748		\$,404
Alumni:					
Alumni Assistance Service Trust	8,111	1,718	4,888		5,001
Sports Encouragement Fund	24,582	4,237	2,648	1,661	21,562
Providence	1,344	2,889		3,038	1,205
CVFA/Panel/Promiss of Pastors	5,800	77			5,877
General Account	102,663	4,864			107,527
62 Paycom Voyager		4,776		4,876	179
Athletic Training Fund	216		174		42
Racing Team	104	107			1,671
Clara Parker Stapp Scholarship	766	21			787
Cajun Hunt Runner's Trust	183		105		
Cajun Tennis and Field Officials	2,049		2,889		
Industrial Receipts Trust	5,150	87	1,880		3,457
Louisiana-Gladwin Fund	155,549	\$1,178	\$68,378		7
Regin' Stapp Scholarship	3,058	145			3,203
Doris Richmond Scholarship	1,341	37			1,378
USL Soccer Team Fund	421	21			442
Louise A. Dohr Memorial Fund	5,138	187			5,325
Endowment funds:					
Dr. Joseph Wynn, Jr.	4,338	88			4,426
Miss J. Beaman Scholarship	3,636	149			3,785
Dr. Basil Monroville Scholarship	31,173	2,624			33,797

(Continued)

Unaudited

Schedule 1

**ATHLETIC DEPARTMENT
UNIVERSITY OF SOUTHWESTERN LOUISIANA
Schedule of Cash Receipts and Disbursements of
Outside Organizations Made for or in Behalf of
Southwestern Louisiana Intercollegiate
Athletic Program, 1988**

UNIVERSITY OF SOUTHWESTERN LOUISIANA FUNDBOOK, INC.	RECEIPTS		PAYMENTS		ENDING BALANCE, JUNE 30, 1988
	BALANCE, JULY 1, 1987	RECEIPTS	TO ATHLETIC DEPARTMENT	FOR ATHLETIC DEPARTMENT (21-80)	
Endowment Funds (Cont.)					
Raymond Slater Memorial	\$13,011	\$1,188			\$14,199
J. T. H. Patton Fund	21,054	2,795			23,849
Pony and Eight Bells Scholarship	24,437	3,208			27,645
Harold Raymond Fund	26,344	3,489			29,833
Buddy Morris Fund	143,437	78,840		1,634	219,643
William H. McNeil Fund	2,864	392			3,256
Calvin Moore Memorial - Athletics	29,208	3,201			32,409
Tyler Moore Memorial Scholarship	121,846	78,128		1,717	198,257
Jim Flann Memorial Golf Fund	58,208	7,710			65,918
O. B. "Boss" Roy Memorial Scholarship	12,045	1,582			13,627
Howard O. Ray Scholarship	12,024	1,888			13,912
Harold E. Stalling, Sr.	12,000	1,581			13,581
Dwight Rogers Golf Scholarship	28,279	4,882			33,161
USL Athletic Scholarship	87,299	78,128		1,748	163,679
Total	\$1,175,846	\$948,471	\$1,818,184	\$1,840	\$1,875,293

(Continued)