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UNIVERSITY OF SOUTHWESTERN  
LOUISIANA FOUNDATION, INC.  
FINANCIAL REPORT  
JUNE 30, 1999

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C O N T E N T S

	Page
INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	1 and 2
FINANCIAL STATEMENTS	
Statements of assets, liabilities and net assets - modified cash basis	3
Statement of revenue and support, expenses and changes in net assets - modified cash basis	4 and 5
Notes to financial statements	6 - 13
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	15 and 16
Schedule of findings and questioned costs	17
Schedule of prior year findings	18



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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of  
University of Southwestern  
Louisiana Foundation, Inc.  
Lafayette, Louisiana

We have audited the accompanying statements of assets, liabilities, and net assets - modified cash basis of University of Southwestern Louisiana Foundation, Inc. (a nonprofit organization) as of June 30, 1999 and 1998, and the related statements of revenue and support, expenses and changes in net assets - modified cash basis for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those 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 audits provide a reasonable basis for our opinion.

As described in Note 1, the Foundation prepares its financial statements on the basis of cash receipts and disbursements except that the statements include certain modifications. This basis is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of University of Southwestern Louisiana Foundation, Inc. as of June 30, 1999 and 1998, and its revenue and support, expenses and the changes in its net assets for the years then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated November 10, 1999, on our consideration of University of Southwestern Louisiana Foundation, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

*Broussard, Roche, Lewis & Breault LLP*

Lafayette, Louisiana  
November 10, 1999

UNIVERSITY OF SOUTHWESTERN LOUISIANA FOUNDATION, INC.

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS -  
 MODIFIED CASH BASIS  
 JUNE 30, 1999 and 1998

ASSETS	_____1999____	_ 1998 _
Cash and cash equivalents	\$ 8,832,769	\$ 6,605,204
Investments:		
Certificates of deposit	1,515,190	712,955
U.S. Government obligations	13,499,023	19,745,204
Corporate obligations	958,680	855,870
Corporate stocks	22,490,711	10,496,518
Oil and gas royalty interests	18,750	18,750
Land	910,178	572,508
Cash surrender value of life insurance	295,752	268,619
Notes receivable	97,500	130,000
Property and equipment, net	517,944	320,066
Artwork and other non-depreciable	<u>1,891,188</u>	<u>1,776,188</u>
Total assets	<u>\$51,027,685</u>	<u>\$41,501,882</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Funds held in custody	<u>\$10,293,966</u>	<u>\$ 8,066,351</u>
Net Assets:		
Unrestricted	5,083,477	3,965,655
Temporarily restricted	12,000,362	7,833,309
Permanently restricted	<u>23,649,880</u>	<u>21,636,567</u>
Total net assets	<u>40,733,719</u>	<u>33,435,531</u>
Total liabilities and net assets	<u>\$51,027,685</u>	<u>\$41,501,882</u>

See Notes to Financial Statements.

UNIVERSITY OF SOUTHWESTERN LOUISIANA FOUNDATION, INC.

STATEMENT OF REVENUE AND SUPPORT, EXPENSES AND  
CHANGES IN NET ASSETS - MODIFIED CASH BASIS  
Year Ended June 30, 1999

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUE AND SUPPORT:</b>				
Contributions	\$ 361,327	\$ 1,078,792	\$ 1,880,031	\$ 3,320,150
Investment earnings	96,483	278,663	6,889	382,035
Gain on investments	86,842	3,943,385	1,654	4,031,881
Other income	678,861	586,089	-	1,264,950
Management fee income	449,540	-	-	449,540
Net assets released from restrictions:				
Satisfaction of program expenses	<u>1,700,220</u>	<u>(1,700,220)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>3,373,273</u>	<u>4,186,709</u>	<u>1,888,574</u>	<u>9,448,556</u>
<b>EXPENSES:</b>				
Grants paid to benefit University of South- western Louisiana Foundation, Inc. for:				
Projects specified by donors	1,700,174	-	-	1,700,174
Projects specified by the Board of Directors	58,341	-	-	58,341
Fundraising	223,828	-	-	223,828
Supporting services:				
Salaries and benefits	51,274	-	-	51,274
Insurance	9,499	-	-	9,499
Office operations	40,505	-	-	40,505
Travel	12,007	-	-	12,007
Professional services	11,920	-	-	11,920
Dues and subscriptions	606	-	-	606
Meetings and development	3,970	-	-	3,970
Depreciation and amortization	<u>22,122</u>	<u>-</u>	<u>-</u>	<u>22,122</u>
Total expenses	<u>2,134,246</u>	<u>-0-</u>	<u>-0-</u>	<u>2,134,246</u>
Change in net assets before transfers in (out)	1,239,027	4,186,709	1,888,574	7,314,310
Unrestricted	(121,205)	10,706	110,499	-
Temporarily restricted	-	(17,520)	17,520	-
Permanently restricted	<u>-</u>	<u>3,280</u>	<u>(3,280)</u>	<u>-</u>
Change in net assets	1,117,822	4,183,175	2,013,313	7,314,310
Transfer to custodial funds	-	(16,122)	-	(16,122)
Net assets at beginning of year	<u>3,965,655</u>	<u>7,833,309</u>	<u>21,636,567</u>	<u>33,435,531</u>
Net assets at end of year	<u>\$ 5,083,477</u>	<u>\$12,000,362</u>	<u>\$23,649,880</u>	<u>\$40,733,719</u>

See Notes to Financial Statements.



UNIVERSITY OF SOUTHWESTERN LOUISIANA FOUNDATION, INC.

STATEMENT OF REVENUE AND SUPPORT, EXPENSES AND  
CHANGES IN NET ASSETS - MODIFIED CASH BASIS  
Year Ended June 30, 1998

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUE AND SUPPORT:</b>				
Contributions	\$ 559,777	\$ 994,576	\$ 2,434,435	\$ 3,988,788
Investment earnings	85,523	836,429	3,704	925,656
Gain on investments	37,898	1,154,519	558	1,192,975
Other income	57,713	259,975	-	317,688
Management fee income	305,169	-	-	305,169
Net assets released from restrictions:				
Satisfaction of program expenses	<u>1,753,212</u>	<u>(1,753,212)</u>		
Total revenue and support	<u>2,799,292</u>	<u>1,492,287</u>	<u>2,438,697</u>	<u>6,730,276</u>
<b>EXPENSES:</b>				
Grants paid to benefit University of South- western Louisiana Foundation, Inc. for:				
Projects specified by donors	1,746,125	-	-	1,746,125
Projects specified by the Board of Directors	103,781	-	-	103,781
Fundraising	199,326	-	-	199,326
Supporting services:				
Salaries and benefits	49,463	-	-	49,463
Insurance	5,852	-	-	5,852
Office operations	43,596	-	-	43,596
Travel	8,620	-	-	8,620
Professional services	11,240	-	-	11,240
Dues and subscriptions	394	-	-	394
Meetings and development	5,113	-	-	5,113
Depreciation and amortization	<u>26,880</u>	<u>-</u>	<u>-</u>	<u>26,880</u>
Total expenses	<u>2,200,390</u>	<u>-0-</u>	<u>-0-</u>	<u>2,200,390</u>
Change in net assets before transfers in (out)	598,902	1,492,287	2,438,697	4,529,886
Unrestricted	(138,591)	-	138,591	-
Temporarily restricted	-	(223,167)	223,167	-
Permanently restricted	<u>3,946</u>	<u>74,100</u>	<u>(78,046)</u>	<u>-</u>
Change in net assets	464,257	1,343,220	2,722,409	4,529,886
Transfer to custodial funds	-	(299)	-	(299)
Net assets at beginning of year	<u>3,501,398</u>	<u>6,490,388</u>	<u>18,914,158</u>	<u>28,905,944</u>
Net assets at end of year	<u>\$ 3,965,655</u>	<u>\$ 7,833,309</u>	<u>\$21,636,567</u>	<u>\$33,435,531</u>

See Notes to Financial Statements.

UNIVERSITY OF SOUTHWESTERN LOUISIANA FOUNDATION, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization:

The University of Southwestern Louisiana Foundation, Inc. (the Foundation) is a nonprofit corporation organized to promote the educational, social, moral and material welfare of the University of Southwestern Louisiana and to receive scholarships, gifts, donations, devices and bequests of money and real and personal properties to become a part thereof, and to invest, care for, manage and control all monies and properties so received, and to disburse the same, and the income therefrom, as the donors may direct, or in case specific directions are not given, then to such uses as the Board of Trustees of the University of Southwestern Louisiana may determine, in aid of any of the activities, institutions, interests, purposes and objects of the University of Southwestern Louisiana.

Method of accounting:

The Foundation prepares its financial statements on the modified cash basis. Under this basis, revenues are recognized when collected rather than when earned, and expenditures are generally recognized when paid rather than incurred. The modification includes depreciation and amortization of capitalized assets, recognition of cash surrender value of life insurance policies, and material receivable amounts. Therefore, investments, receivables, accounts payable, and accrued expenses are not reflected and the financial statements are not intended to present the financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles.

The significant accounting policies followed by the Foundation are described below to enhance the usefulness of the financial statements to the reader.

Financial statement presentation:

The Foundation adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Foundation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. To ensure observance of limitations and restrictions placed on the uses of resources available to the Foundation, the accounting system is organized and operated on a fund basis. The assets, liabilities, and net assets of the Foundation are reported in the three self-balancing fund groups as follows:



## NOTES TO FINANCIAL STATEMENTS

1. Unrestricted funds represent the portion of funds available for support of Foundation supporting services and also amounts which have been expended for property acquisitions.
2. Temporarily restricted funds represent expendable funds with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when some stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are transferred to unrestricted funds and related expenses are shown as unrestricted.
3. Permanently restricted funds represent funds that are subject to restrictions of gift instruments requiring that the principal be invested in perpetuity and the income only be used. Expendable income derived from the endowment funds is accounted for as revenue in the current funds.

### Contributions and recognition of donor restricted contributions:

The Foundation also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made," whereby contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specified purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Contributions of noncash assets are recorded at their estimated fair market values at the date of the donation. Contributions of other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when some stipulated time restriction ends or purpose restricted is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from donor restrictions.

### Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## NOTES TO FINANCIAL STATEMENTS

### Cash equivalents:

Cash and cash equivalents represent demand deposits and other investments with purchased maturities of three months or less. Fair value approximates carrying amounts.

### Concentrations of credit risk:

Financial instruments which subject the Foundation to concentrations of credit risk consist primarily of investments in long-term corporate and governmental fixed income instruments; equity holdings of domestic corporations; and mutual funds which invest primarily in short-term governmental securities. The Foundation typically maintains cash and cash equivalents and temporary investments in local banks which may, at times, exceed the Federal Deposit Insurance Corporation (FDIC) limits.

### Tax status:

The Foundation is a Louisiana nonprofit corporation established in 1955. It is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Service Code; accordingly, no provision for income taxes has been made in the financial statements.

### Property, equipment and other investments:

Purchased property and equipment are stated at cost. Depreciation is computed on the straight-line method over the estimated useful lives of fifty years for the building, five years for the computer and other assets. Other investments consist of oil and gas royalty interests which are amortized based on cash payments received from the initial donated investment. Inexhaustible assets, such as artwork and other collections, are not depreciated.

Donations of property and equipment are recorded as support at their estimated fair market value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use are reported as restricted support. The Foundation reports expirations of donor restrictions when the donated assets are placed in service as instructed by the donor. The Foundation reclassifies temporarily restricted net assets to unrestricted net assets at that time.

### Charitable giving through life insurance:

In 1985, the Foundation instituted a "Charitable Giving Through Life Insurance Program" in which whole-life insurance policies are purchased on the lives of individuals, with their permission, with proceeds upon death insuring to the Foundation.

NOTES TO FINANCIAL STATEMENTS

Grant commitments:

The Foundation considers all state matching funds and unexpended income from these funds as funds held in custody.

Functional allocation of expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between the programs and supporting services benefitted.

Reclassifications:

Certain amounts in the 1998 financial statements have been reclassified to conform with the financial statement presentation for 1999 for comparability. These reclassifications had no effect on change in net assets as previously reported for the 1998 fiscal year.

Note 2. Investments

Investments are presented in the financial statements in the aggregate at the lower of cost or market and all investments received as gifts are recorded at market value at the date of donation. Realized gains and losses on sales of investments are determined using specific identification.

The book values, market values and unrealized gains and losses of investments are as follows at June 30:

	1999			Estimated Market Value
	Amortized Cost/Carrying Value	Gross Unrealized Gain	Gross Unrealized Loss	
Certificates of deposit	\$ 1,515,190	\$ -	\$ -	\$ 1,515,190
U.S. Government obligations	13,499,023	114,906	(176,915)	13,437,014
Corporate obligations	958,680	8,064	(7,912)	958,832
Corporate stocks	22,490,711	4,940,831	(559,067)	26,872,475
Oil and gas royalty interest	18,750	-	-	18,750
Land	910,178	-	-	910,178
Cash surrender value of life insurance	295,752	-	-	295,752
Notes receivable	97,500	-	-	97,500
	<u>\$39,785,784</u>	<u>\$5,063,801</u>	<u>\$ (743,894)</u>	<u>\$44,105,691</u>

NOTES TO FINANCIAL STATEMENTS

	1998			Estimated Market Value
	Amortized Cost/Carrying Value	Gross Unrealized Gain	Gross Unrealized Loss	
Certificates of deposit	\$ 712,955	\$ -	\$ -	\$ 712,955
U.S. Government obligations	19,745,204	252,662	(166,475)	19,831,391
Corporate obligations	855,870	16,568	-	872,438
Corporate stocks	10,496,518	5,248,017	(91,065)	15,653,470
Oil and gas royalty interest	18,750	-	-	18,750
Land	572,508	-	-	572,508
Cash surrender value of life insurance	268,619	-	-	268,619
Notes receivable	<u>130,000</u>	<u>-</u>	<u>-</u>	<u>130,000</u>
	<u>\$32,800,424</u>	<u>\$5,517,247</u>	<u>\$ (257,540)</u>	<u>\$38,060,131</u>

Note 3. Note Receivable

On July 19, 1991, the Foundation made a loan in the amount of \$325,000 to the University of Southwestern Louisiana Alumni Association, Inc. due on demand with variable percent interest per annum until paid. This loan is collateralized by buildings and improvements. The outstanding balance was \$97,500 and \$130,000 at June 30, 1999 and 1998, respectively. Interest received during the years amounted to \$6,448 and \$8,011, respectively.

Note 4. Property and Equipment

A summary of property and equipment at June 30 follows:

	1999	1998
Computers	\$ 8,808	\$ 8,808
Furniture and equipment	33,520	33,520
Buildings	650,912	430,912
Land	36,263	36,263
Vehicles	21,800	21,800
Other	<u>60,000</u>	<u>60,000</u>
	811,303	591,303
Less: accumulated depreciation	<u>(293,359)</u>	<u>(271,237)</u>
	<u>\$ 517,944</u>	<u>\$ 320,066</u>

The assets shown are owned by the University of Southwestern Louisiana Foundation, Inc., but the majority of these assets are used by University of Southwestern Louisiana in support of its educational activities.



NOTES TO FINANCIAL STATEMENTS

Note 5. Funds Held in Custody

The funds being held at June 30 are as follows:

	<u>1999</u>	<u>1998</u>
State Matching Funds Managed for University of Southwestern Louisiana	<u>\$10,293,966</u>	<u>\$ 8,066,351</u>

Note 6. Net Assets Released From Donor Restrictions

Net assets were released from donor restrictions by incurring the following expenses which satisfy the restricted purposes or by occurrence of other events specified by the donors for the year ended June 30:

	<u>1999</u>	<u>1998</u>
Chairs and professorship	\$ -	\$ 92,300
Scholarships	472,715	396,126
Operations and supplies	1,183,111	1,246,761
Travel	<u>44,394</u>	<u>18,025</u>
	<u>\$ 1,700,220</u>	<u>\$ 1,753,212</u>

Note 7. Net Assets

Temporarily restricted net assets are available for grants to support University of Southwestern Louisiana Foundation, Inc. in the following general areas:

- Chairs and professorships
- Scholarships
- Fundraising
- Operations and supplies
- Travel
- Capital outlay and improvements

Permanently restricted net assets are restricted to investment in perpetuity, the income from which is expendable to support the above activities.

NOTES TO FINANCIAL STATEMENTS

Note 8. Specified Projects

The following is a detail of monies paid to benefit University of Southwestern Louisiana.

	<u>1999</u>	<u>1998</u>
Scholarships	\$ 480,872	\$ 404,772
University Art Museum	22,315	10,902
Agriculture	130	5,405
Business Administration	35,644	73,582
Education	21,731	16,907
Engineering	46,608	42,981
Arts and Humanities	57,574	25,731
Science	20,638	83
Nursing	2,050	3,645
Library	3,983	6,075
Athletics	786,864	1,037,610
CIM Center	927	594
Housing	14,000	900
University Services	190,897	92,489
Marine Survival Training Center	9,521	14,195
All others	<u>64,761</u>	<u>114,035</u>
	<u>\$1,758,515</u>	<u>\$1,849,906</u>

Note 9. Board-Designated Endowment

According to policy, the University of Southwestern Louisiana Foundation, Inc.'s Board of Trustees has earmarked a portion of unrestricted as board-designated endowed (quasi-endowed) funds to be invested to provide income for a long, but unspecified period. The principal of these board designated funds, which result from internal designation, is not a donor restriction and, therefore, is not classified as permanently restricted. Below is a recap of these funds at June 30:

	<u>Unrestricted</u>	
	<u>1999</u>	<u>1998</u>
Board-designated endowed funds	<u>\$ 517,036</u>	<u>\$ 742,542</u>



NOTES TO FINANCIAL STATEMENTS

Note 10. Subsequent Events

On September 10, 1999, the University of Southwestern Louisiana officially changed its name to the University of Louisiana at Lafayette. The Foundation, in an effort to have its name coincide with the University for which it was organized to serve, has also changed its name to the University of Louisiana at Lafayette Foundation.

The Foundation plans to issue revenue bonds of approximately \$1,000,000 in November 1999 through the Lafayette Economic Development Authority (LEDA). The proceeds will be used to construct an administration building at 705 East St. Mary Boulevard. The bonds will be bank-qualified tax exempt revenue bonds; bearing a fixed interest rate of 4.6%, with a 15 year term, having principal payments due annually and interest payable semi-annually. The Foundation anticipates having a final construction contract agreement for the building prior to December 1999, with an estimated completion date of August 2000.

In addition, the Foundation plans to enter into a lease agreement with the University of Louisiana Board of Supervisors in November 1999 to lease the land at 705 East St. Mary Boulevard. The lease shall be for 99 years at a rental rate of \$10 annually.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Trustees of  
University of Southwestern  
Louisiana Foundation, Inc.  
Lafayette, Louisiana

We have audited the financial statements of University of Southwestern Louisiana Foundation, Inc. (a nonprofit organization), as of and for the year ended June 30, 1999, and have issued our report thereon dated November 10, 1999. 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 the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Foundation'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 a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. 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 the Foundation's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 99-1.

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 that the reportable condition described above is a material weakness.

This report is intended for the information of the Board of Trustees, management, others within the Foundation and officials of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

*Brunson, Pote, Lewis & Brant LLP*

Lafayette, Louisiana  
November 10, 1999

UNIVERSITY OF SOUTHWESTERN LOUISIANA FOUNDATION, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 1999

We have audited the financial statements of University of Southwestern Louisiana Foundation, Inc. as of and for the year ended June 30, 1999, and have issued our report thereon dated November 10, 1999. 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. Our audit of the financial statements as of June 30, 1999 resulted in an unqualified opinion on a comprehensive basis of accounting other than generally accepted accounting principles as described in Note 1.

Section I - Summary of Auditors' Reports

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses  Yes  No  
Reportable Conditions  Yes  None Reported

Compliance

Compliance Material to Financial Statements  Yes  No

Section II - Financial Statement Findings

99-1 Cash Receipts System

Finding: The Foundation is currently utilizing the University's Advancement Office for the collection of some Foundation receipts. When testing the cash receipts, it was noted that two of the receipt numbers chosen for testing had been used by the system twice, and four of the receipts chosen for testing had been deleted from the system, and no documentation of such receipt number could be found.

Recommendation: The Foundation should either have the Advancement Center modify its existing cash receipts system to a reliable cash receipts system with unique, sequentially numbered receipts capable of accounting for all receipt numbers used, or the Foundation should begin collecting all receipts themselves and accounting for them with an effective cash receipts system.

UNIVERSITY OF SOUTHWESTERN LOUISIANA FOUNDATION, INC.

SCHEDULE OF PRIOR YEAR FINDINGS  
Year Ended June 30, 1999

Section I. Internal Control and Compliance Material to the Financial Statements

The prior year's report did not include any internal control or compliance findings material to the financial statements.

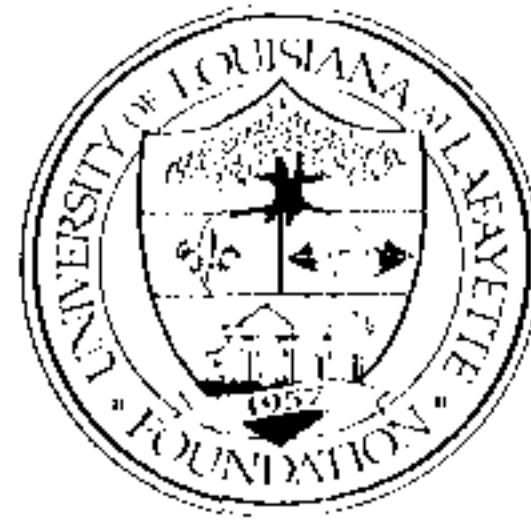
Section II. Internal Control and Compliance Material to Federal Awards

Not applicable.

Section III. Management Letter

The prior year's report did not include a management letter.





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THE UNIVERSITY OF LOUISIANA AT LAFAYETTE  
*Université des Acadiens*

December 28, 1999

Dr. Daniel Kyle  
Legislative Auditor  
State of Louisiana  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The University of Louisiana at Lafayette Foundation respectfully submits the following corrective action plan for the year ended June 30, 1999.

Name and address of independent public accounting firm:

Broussard, Poché, Lewis & Breaux, L. L. P.  
Certified Public Accountants  
P. O. Box 61400  
Lafayette, LA 70596-1400

Audit period: July 1, 1998 through June 30, 1999

The finding from the 1999 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the schedule. Section I of the schedule, Summary of Auditors' Reports, does not include findings and is not addressed.

## Section II - Financial Statement Findings

### 99-1 Cash Receipts System

**Recommendation:** The Foundation should either have the Advancement Center modify its existing cash receipts system to a reliable cash receipts system with unique, sequentially numbered receipts capable of accounting for all receipt numbers used, or the Foundation should begin collecting all receipts themselves and accounting for them with an effective cash receipts system.

**Action taken:**

The batch receipting program and on-line programs have been modified to produce unique, sequentially numbered receipts to allow the Foundation to account for all receipt numbers during the fiscal year. The Millennium database program which currently houses our gift records, will also be reprogrammed to prohibit any data-entry personnel from simply deleting a transaction, but rather will have to void it and re-enter correctly. Additionally, we have retraced the program through the beginning of this fiscal year July 1, 1999 so we will have it fully documented for next years's report.

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Dr. Kyle  
December 28, 1999  
Page 2

If you should have any questions, or need additional information, please do not hesitate to contact me at (337) 235-5206.

Sincerely,

  
Julie Bolton Falgout  
Executive Director

JB/F/jhd

Enclosures