

STATE OF LOUISIANA LEGISLATIVE AUDITOR

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

April 5, 2000



Financial and Compliance Audit Division

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

LEGISLATIVE AUDIT ADVISORY COUNCIL

MEMBERS

Representative Edwin R. Murray, Chairman
Senator J. "Tom" Schedler, Vice Chairman

Senator Robert J. Barham
Senator Foster L. Campbell, Jr.
Senator Lynn B. Dean
Senator Willie L. Mount
Representative Rick Farrar
Representative Victor T. Stelly
Representative T. Taylor Townsend
Representative Warren J. Triche, Jr.

LEGISLATIVE AUDITOR

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

DIRECTOR OF FINANCIAL AND COMPLIANCE AUDIT

Albert J. Robinson, Jr., CPA

This document is produced by the Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Twenty copies of this public document were produced at an approximate cost of \$33.00. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. A copy of this document is available on the Legislative Auditor's Web site at www.lfa.state.la.us.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Wayne "Skip" Irwin, Director of Administration, at 225/339-3800.

**ATHLETIC DEPARTMENT
UNIVERSITY OF LOUISIANA AT LAFAYETTE
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.

April 5, 2000

**ATHLETIC DEPARTMENT
UNIVERSITY OF LOUISIANA AT LAFAYETTE
STATE OF LOUISIANA**

Financial Statement and
Independent Auditor's Report
For the Year Ended June 30, 1999

CONTENTS

	Statement	Page No.
Independent Auditor's Report on Applying Agreed-Upon Procedures		2
Financial Statement - Statement of Revenues and Expenditures (Unaudited)	A	7
Notes to the Financial Statement (Unaudited)		8
	Schedule	
Schedule of Cash Receipts and Disbursements of Outside Organizations Made for or in Behalf of the University of Louisiana at Lafayette Intercollegiate Athletics Program (Unaudited)	1	10



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

DANIEL G. KYLE, PH.D., CPA, CFE
LEGISLATIVE AUDITOR

1600 NORTH THIRD STREET
POST OFFICE BOX 94397
TELEPHONE: (225) 339-3800
FACSIMILE: (225) 339-3870

February 16, 2000

Independent Auditor's Report on
Applying Agreed-Upon Procedures

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

We have audited the general purpose financial statements of the University of Louisiana at Lafayette, a component unit of the State of Louisiana reporting entity, as of and for the year ended June 30, 1999, and have issued our report thereon dated December 1, 1999. 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 Louisiana at Lafayette 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, 1999, solely to assist the university in complying with NCAA Bylaw 6.2.3.1. 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 Louisiana at Lafayette. 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, 1999, 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, 1998, and June 30, 1999, 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. AUTHEMENT, PRESIDENT
UNIVERSITY OF LOUISIANA AT LAFAYETTE
STATE OF LOUISIANA
Audit Report, June 30, 1999

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:

<u>Revenues</u>	<u>Expenditures</u>
Outside Funds	Guarantees

3. We compared the budgeted revenues and expenditures to actual revenues and expenditures for the year ended June 30, 1999, 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:

<u>Revenues</u>	<u>Expenditures</u>
Outside Funds	Operating Services
Other	Supplies

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% (\$77,746) 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 those controls.

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

LEGISLATIVE AUDITOR

DR. RAY P. AUTHEMENT, PRESIDENT
UNIVERSITY OF LOUISIANA AT LAFAYETTE
STATE OF LOUISIANA
Audit Report, June 30, 1999

6. We performed tests of controls unique to the university's intercollegiate athletics department to ensure that recorded revenues are complete and expenditures are properly authorized:

- 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.

The following exception was noted as a result of this procedure:

The university did not deposit receipts timely in accordance with Article 7, Section 9 of the Louisiana Constitution and the *Division of Administration and State Treasurer Policies and Procedures Manual*, which requires that all money received by state agencies be deposited within 24 hours of receipt. The university deposited gate receipts of \$18,159 for home football games played on October 17, 1998 and October 24, 1998 on December 3, 1998, or 47 days and 40 days, respectively, after the gate receipts were collected.

- 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 its 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 workpaper 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 1999.

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.

LEGISLATIVE AUDITOR

**DR. RAY P. AUTHEMENT, PRESIDENT
UNIVERSITY OF LOUISIANA AT LAFAYETTE
STATE OF LOUISIANA**
Audit Report, June 30, 1999

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.

**EXPENDITURES OF OUTSIDE ORGANIZATIONS MADE
FOR OR IN BEHALF OF THE UNIVERSITY OF
LOUISIANA AT LAFAYETTE INTERCOLLEGIATE
ATHLETICS PROGRAM**

9. We obtained a list of outside organizations (Schedule 1) 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 1) and agreed this to the organizations' 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 Louisiana at Lafayette Foundation, Inc., were audited by an independent certified public accounting firm for the year ended June 30, 1999. The audit report is dated November 10, 1999, and included one reportable condition relating to its cash receipts system. Management of the University of Louisiana at Lafayette Foundation stated that corrective action has been implemented in response to the reportable conditions.

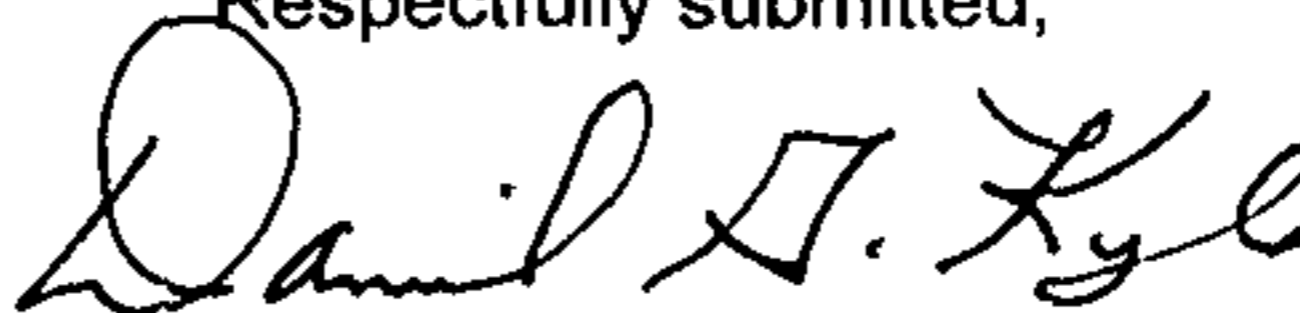
LEGISLATIVE AUDITOR

DR. RAY P. AUTHEMENT, PRESIDENT
UNIVERSITY OF LOUISIANA AT LAFAYETTE
STATE OF LOUISIANA
Audit Report, June 30, 1999

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 Louisiana at Lafayette'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.

This report is intended solely for the information and use of the University of Louisiana at Lafayette and its management and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel G. Kyle". The signature is fluid and cursive, with a large initial "D" and "K".

Daniel G. Kyle, CPA, CFE
Legislative Auditor

EPM:DLH:DSP:ss

[ULL-NCAA]

UNAUDITED

Statement A

ATHLETIC DEPARTMENT
UNIVERSITY OF LOUISIANA AT LAFAYETTE
STATE OF LOUISIANA

Statement of Revenues and Expenditures
For the Year Ended June 30, 1999

	CURRENT FUNDS		TOTAL (MEMORANDUM ONLY)
	(PORTION OF) UNRESTRICTED - AUXILIARY ENTERPRISE FUND	RESTRICTED - ATHLETIC DEVELOPMENT FUND	
REVENUES			
Student fees	\$1,875,000		\$1,875,000
Gate receipts	706,194		706,194
Guarantees	856,700		856,700
Program sales	18,284		18,284
Concessions	45,396		45,396
Outside funds (booster clubs, etc.)	546,559		546,559
In-kind contributions (note 2)		\$230,887	230,887
Rental of facilities	38,928		38,928
Other	1,512,354		1,512,354
Total revenues	<u>5,599,415</u>	<u>230,887</u>	<u>5,830,302</u>
EXPENDITURES			
Personal services:			
Coaches' salaries	1,641,175		1,641,175
Other salaries	115,397		115,397
Fringe benefits	334,367		334,367
Travel	814,645	24,068	838,713
Operating services	511,085	36,093	547,178
Supplies	377,939	62,341	440,280
Professional services	303,218	101,535	404,753
Guarantees	523,635		523,635
Scholarships	889,130		889,130
Other charges	85,459		85,459
Equipment		6,850	6,850
Total expenditures	<u>5,596,050</u>	<u>230,887</u>	<u>5,826,937</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$3,365</u>	<u>NONE</u>	<u>\$3,365</u>

The accompanying notes are an integral part of this statement.

UNAUDITED

**ATHLETIC DEPARTMENT
UNIVERSITY OF LOUISIANA AT LAFAYETTE
STATE OF LOUISIANA**

Notes to the Financial Statement
For the Year Ended June 30, 1999

INTRODUCTION

The University of Louisiana at Lafayette 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's name was changed from the University of Southwestern Louisiana by resolution of the Board of Supervisors for the University of Louisiana System on August 27, 1999. The University of Louisiana at Lafayette Athletic Department is a part of the University of Louisiana at Lafayette. The accompanying financial statement presents information only as to the transactions of the University of Louisiana at Lafayette 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 Louisiana at Lafayette 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:

UNAUDITED

**ATHLETIC DEPARTMENT
UNIVERSITY OF LOUISIANA AT LAFAYETTE
STATE OF LOUISIANA**
Notes to the Financial Statement (Concluded)

Revenues

Substantially all revenues are recognized when earned.

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 prorated 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 \$230,887 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 LOUISIANA AT
LAFAYETTE INTERCOLLEGIATE ATHLETICS PROGRAM**

The funds on the schedule of cash receipts and disbursements of outside organizations, as reported on Schedule 1, are the only outside organizations created for or in behalf of the University of Louisiana at Lafayette Intercollegiate Athletics Program. The accounts are maintained within the University of Louisiana at Lafayette Foundation, Inc., which is a separate corporation.

**ATHLETIC DEPARTMENT
UNIVERSITY OF LOUISIANA AT LAFAYETTE**

**Schedule of Cash Receipts and Disbursements of
Outside Organizations Made for or in Behalf of
the University of Louisiana at Lafayette
Intercollegiate Athletics Program
For the Year Ended June 30, 1999**

University of Louisiana at Lafayette Foundation, Inc.	BEGINNING BALANCE JULY 1, 1998	RECEIPTS	PAYMENTS			ENDING BALANCE JUNE 30, 1999
			CONTRIBUTIONS TO ATHLETIC DEPARTMENT	CONTRIBUTIONS FOR ATHLETIC DEPARTMENT	OTHER	
Restricted funds:						
Ragin' Cajun Track Scholarship Fund	\$320	\$100				\$420
Ragin' Cajun Club - Football	248	10,041		\$9,984		305
Ragin' Cajun Club - Basketball	12,689	20,209	\$13,500	10,186		9,212
Ragin' Cajun Club - Track	2,434	55,834	47,086	3,593		7,589
Ragin' Cajun Club - Baseball	7,454	98,657	103,023	1,114		1,974
Ragin' Cajun Club - Tennis	32,356	53,474	31,000	13,395		41,435
Ragin' Cajun Club - Golf	26,297	30,354	34,100			22,551
Ragin' Cajun Club - Weight Room		1,399	1,170			229
Ragin' Cajun Club - Training Room	10,700	23,222	23,758			10,164
Ragin' Cajun Club - Sports Information	28,184	1,502				29,686
Ragin' Cajun Club 1998	18,936	237,922	255,276	1,582		
Ragin' Cajun Club 1999		45,075		6		45,069
Ragin' Cajun Club - Women's Basketball		100				100
Ragin' Cajun Club - Women's Tennis	1,960	6,226	2,700			5,486
Ragin' Cajun Club - Women's Volleyball	52	3,279	3,310			21
Ragin' Cajun Club - Women's Softball	9,320	51,841	51,142			10,019
Athletics:						
Acadiana Ambulance Service Track	5,627	620				6,247
Sports Enhancement Fund	23,502	23,068		5,455	\$9,000	32,115
Promotions	1,025	4,931		4,534		1,422
CFA/Hitachi Promise of Tomorrow	5,011	125				5,136
Special Account	116,820	21,925		115,686		23,059
92 Plymouth Voyager	-701	6,222		5,670		-149
Bowling Team	1,071	36				1,107
Donna Parker Briggs Scholarship	787	20				807
Industrial Helicopters Track	3,923	42				3,965
Judo Club Development Fund		2,384				2,384
Louisiana Classics Fund	49,302	98,085	25,983	544		120,860
Bill "Blackjack" Landry Memorial		8,044				8,044
Ragin' Rouge Scholarship	3,179	75				3,254
Dutch Reinhart Scholarship	1,799	36				1,835
UL Soccer Team Fund	848	4,642		5,107		383
Sunbelt Tournament Fund		27,249	9,835	2,093		15,321
Lesley A. Zeller Memorial Fund	5,345	104				5,449

(Continued)

UNAUDITED

Schedule 1

**ATHLETIC DEPARTMENT
UNIVERSITY OF LOUISIANA AT LAFAYETTE
Schedule of Cash Receipts and Disbursements of
Outside Organizations Made for or in Behalf of
the University of Louisiana at Lafayette
Intercollegiate Athletics Program, 1999**

	BEGINNING BALANCE JULY 1, 1998	RECEIPTS	PAYMENTS			ENDING BALANCE JUNE 30, 1999
			CONTRIBUTIONS TO ATHLETIC DEPARTMENT	CONTRIBUTIONS FOR ATHLETIC DEPARTMENT	OTHER	
University of Louisiana at Lafayette Foundation, Inc.						
Endowment funds:						
Dr. John B. Aycock, Sr.	\$4,915	\$1,270			\$86	\$6,099
Nolan J. Badeaux Scholarship	4,392	1,136			77	5,451
Bill Bass Memorial Golf Scholarship	23,691	8,632			442	31,881
Freddy Buford Memorial		6,608			80	6,528
Raymond Didier Memorial	13,441	3,476			237	16,680
J. Y. Foreman Fund	23,559	6,091			416	29,234
Forty and Eight Baseball Scholarship	27,356	7,073			483	33,946
Yvette Girouard Scholarship		1,763			25	1,738
Herbert Heymann Fund	29,527	7,351			1,764	35,114
Brian Jourdan Memorial		25,017			351	24,666
Buddy Marine Fund	159,335	39,613			9,772	189,176
William H. Michot Fund	2,982	772			53	3,701
Catherine Moore Memorial - Athletics	27,234	7,041			481	33,794
Tigue Moore Baseball Scholarship	136,315	33,830			8,620	161,525
Laura Langlinais and Thomas Pears Fund		55,857			205	55,652
Jim Picard Memorial Golf Fund	65,257	16,874			1,152	80,979
C. B. "Beans" Roy Baseball Scholarship	13,471	3,483			238	16,716
Howard O. Roy Scholarship	14,007	3,623			248	17,382
Herbert E. Schilling, Sr.	13,453	3,479			237	16,695
Digger-Segura Golf Scholarship	40,578	15,300			772	55,106
UL Athletic Scholarship	104,292	30,000			6,642	127,650
Total	<u>\$1,072,293</u>	<u>\$1,115,132</u>	<u>\$601,883</u>	<u>\$178,949</u>	<u>\$41,381</u>	<u>\$1,365,212</u>

(Concluded)