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**SOUTHERN UNIVERSITY - BATON ROUGE CAMPUS**

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Revised 11/10/68 10/10/1968

**INTERCOLLEGIATE ATHLETICS PROGRAM  
AGREED-UPON PROCEDURES ENGAGEMENT  
FOR THE YEAR ENDED JUNE 30, 1968**

## TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES TO THE ACCOUNTING RECORDS.....	1
SCHEDULE OF REVENUES AND EXPENDITURES FOR THE YEAR ENDED JUNE 30, 1998 .....	3
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES .....	4
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES - INTERNAL CONTROL OVER FINANCIAL REPORTING FOR THE INTERCOLLEGIATE ATHLETICS PROGRAM .....	10
SCHEDULE OF PRIOR FINDINGS.....	12
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES - COMPLIANCE WITH STATE LAWS AND REGULATIONS .....	13
EXIT CONFERENCE .....	15

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

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Dr. Leon Tarrow, II, President  
Southern University System  
Baton Rouge, Louisiana

*At your request, we have performed the agreed-upon procedures, as enumerated below, which were agreed to by management of the Southern University - Baton Rouge Campus (the University), to the accounting records of the Intercollegiate Athletics Program as of the year ended June 30, 1998, 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 the specified users of the report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. Our procedures and findings were as follows:*

- A. We agreed the Schedule of Revenues and Expenditures for the year ended June 30, 1998 to the general ledger and noted no exceptions.
- B. We verified amounts reported as ticket sales by reviewing appropriate documentation (i.e. sales reports, receipts etc.). We noted no exceptions as a result of this procedure.
- C. We agreed the amounts reported as game guarantee revenues and expenditures to the University's contracts with other Universities and vouchered the related cash receipts and cash disbursements. We noted no exceptions as a result of this procedure.
- D. We recomputed student athlete activity fees based upon student enrollment data obtained from the Registrar and agreed such amounts to the general ledger. We noted no exceptions as a result of this procedure.

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
TO THE ACCOUNTING RECORDS  
(CONTINUED)

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Dr. Leon Tarver, II, President  
Southern University-Baton Rouge Campus  
Page 2

- B. We agreed television rights revenues that were received for the Dayou Classic to the contract and vouches the cash receipt and noted no exceptions.
- F. We compared current selected expenditures balances to prior period amounts and reviewed supporting documentation for related increases or decreases in the account balances. We noted no exceptions as a result of this procedure.
- G. We vouches a random sample of expenditure transactions and reviewed the related purchasing documents, invoices and cancelled checks. We noted no exceptions as a result of this procedure.
- H. We compared current payroll amounts to the prior year's amounts and reconciled all variances greater than a pre-determined amount. We also reviewed supporting personnel action forms having appropriate approval for the related wages and fringe benefits increases and/or decreases. We noted no exceptions as a result of these procedures.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the President, his designees and authorized representatives of the National Collegiate Athletics Association and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

*Bruno & Tervalon*  
BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

January 15, 1999

SOUTHERN UNIVERSITY - SATURN ATHLETIC CENTER  
 INTERCOLLEGIATE ATHLETICS RECEIPTS  
 SCHEDULE OF RECEIPTS AND EXPENDITURES  
 FISCAL YEAR ENDED 2008-09

Operating Services:	Enroll	Merch Sales	Sale and Food	Recreation	Other	Total
Tuition fees	\$ 548,520	\$ 521,081	\$ 1,228,890	\$ 45,282	\$ 2,118	\$ 1,425,877
Gratuities	548,082	0	240,000	65,850	0	793,932
Southern Athletic Fee (SATFL)	0	0	0	0	1,279,848	1,279,848
SOCAA member donations (SOCCLA)	0	0	0	0	0	0
Public & Veterans Rights	24,000	19,200	111,850	0	0	255,050
Corporate Sponsorship	0	18,000	40,000	0	0	58,000
Other revenue	66,371	0	80,271	0	28,207	174,849
<b>Total operating revenue</b>	<b>1,204,953</b>	<b>658,262</b>	<b>1,460,950</b>	<b>111,132</b>	<b>1,111,845</b>	<b>4,447,192</b>
<b>Operating Expenditures:</b>						
Personnel services	454,052	17,252	461,177	98,212	0	1,020,693
Professional services	0	98,352	38,322	0	0	136,674
Contracting services	0	1,882	1,882	0	0	3,764
Travel	228,276	68,272	294,548	47,065	288,283	868,378
Supplies	48,337	1,893	48,144	3,658	21,883	123,815
Local Gasoline	14,000	0	14,000	0,000	0	28,000
Other charges	0	0	0	0	0	0
Travel	0	0	0	0	0	0
Minor Repairs	22,271	0	22,271	0	0	44,542
Scholarships (SATFL)	329,256	0	329,256	68,882	491,204	868,398
Auxiliary	0	0	0	0	0	0
Printing other cost	51,202	0	12,000	12,282	0	75,484
<b>Total operating expenditures</b>	<b>1,187,918</b>	<b>775,674</b>	<b>1,490,867</b>	<b>234,974</b>	<b>1,121,332</b>	<b>4,334,566</b>
Board (donations) of revenue not expenditures before receipts	87,284	64,287	64,287	(29,282)	(8,282)	87,284
<b>Total Receipts</b>	<b>1,292,237</b>	<b>722,549</b>	<b>1,525,237</b>	<b>81,850</b>	<b>1,023,563</b>	<b>4,534,481</b>
<b>Receipts of income over cost expenditures (SATFL)</b>	<b>0</b>	<b>0</b>	<b>(58,911)</b>	<b>(18,282)</b>	<b>0</b>	<b>(77,193)</b>
Non-Program Receipts	0	0	0	0	0	0
<b>Receipts after transfer</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(77,193)</b>
<b>Final balance, beginning of year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Final balance, end of year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(77,193)</b>

The accompanying notes are an integral part of this schedule.

SOUTHERN UNIVERSITY-BATON ROUGE CAMPUS  
INTERCOLLEGIATE ATHLETICS PROGRAM  
AGREED-UPON PROCEDURES ENGAGEMENT  
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 1998

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NOTE 1 - Organization:

Southern University (the University) is a publicly supported institution of higher education. The University is a political subdivision of the State of Louisiana, within the Executive Branch of government, under the management and supervision of the Southern University Board of Supervisors. However, the annual budget of the University and proposed changes to the degree programs, departments of instruction, et cetera, require the approval of the Board of Regents. The Board of Supervisors is comprised of 17 members appointed for a six year term by the Governor with the consent of the Senate, and one student member appointed for a one year term by a council composed of the student body presidents of the Southern University System. As a State agency, operations of the University's instructional programs are funded through annual lump-sum appropriations made by the Louisiana Legislature.

The Southern University-Baton Rouge Campus operates the following intercollegiate athletic programs:

- o Football;
- o Basketball (men and women );
- o Baseball;
- o Tennis;
- o Golf;
- o Track (men and women); and
- o Volleyball.

**SOUTHERN UNIVERSITY-BATON ROUGE CAMPUS  
INTERCOLLEGIATE ATHLETICS PROGRAM  
AGREED-UPON PROCEDURES ENGAGEMENT  
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 1998**

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**NOTE 2 - Summary of Significant Accounting Policies**

**Basis of Reporting**

The accompanying schedule of revenues and expenditures for the Intercollegiate Athletics Program has been prepared in the format set forth in the NCAA Audit Guide. The purpose of the schedule is to present a summary of those activities of the Southern University-Baton Rouge Campus (the University) Intercollegiate Athletics Program for the year ended June 30, 1998.

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

All activities of the intercollegiate athletics program are reported among the University's unrestricted current funds. The unrestricted current funds of the University were audited by other independent auditors.

The accounting principles followed by the University in preparing the schedule of revenues and expenditures are as follows:

o **Fund Accounting**

The accounts of the University are maintained in accordance with the principles of fund accounting under which resources for various purposes are classified into funds according to specified activities or objectives. Financial transactions of funds having similar characteristics are combined and reported by fund group. As indicated above, the activities of the intercollegiate athletics program are reported in the unrestricted current funds.

**SOUTHERN UNIVERSITY-BATON ROUGE CAMPUS  
INTERCOLLEGIATE ATHLETICS PROGRAM  
AGREED-UPON PROCEDURES ENGAGEMENT  
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 1998**

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**NOTE 2 - Summary of Significant Accounting Policies**  
**Continued:**

• **Basis of Accounting**

The schedule of revenues and expenditures for the Intercollegiate Athletics Program has been prepared on the accrual basis of accounting, except that (1) depreciation is not recognized, (2) annual and sick leave are recognized when paid, (3) summer school tuition and fees and faculty salaries and related benefits are not pro-rated, but are deferred to the succeeding year, and (4) inventory of the general fund are recorded as expenditures at the time of purchase.

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

Additionally, the excess of revenues over expenditures that a specific intercollegiate athletic program generates is utilized to offset a deficit experienced by another program and are recorded as transfers.

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



**SOUTHERN UNIVERSITY-BATON ROUGE CAMPUS  
INTERCOLLEGIATE ATHLETICS PROGRAM  
AGREED-UPON PROCEDURES ENGAGEMENT**

**NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 1998**

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**NOTE 3 - Student Athletics Fees:**

An athletic fee of \$90.00 per semester is assessed to full-time undergraduates, graduate and law students who are enrolled on campus and for part-time undergraduate students who are also enrolled on campus. For purposes of the Schedule of Revenues and Expenditures, the student athletic fees have been allocated to other sports and non-program specific activities.

**NOTE 4 - Capital Outlays:**

Capital outlays are recorded as expenditures in the current fund and as an addition to fund balance in the Net Investment in the Plant Fund.

**NOTE 5 - NCAA Revenue Distribution:**

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

**NOTE 6 - Outside Organizations:**

Southern University-Baton Rouge Campus Intercollegiate Athletics Program is the recipient of contributions to or in behalf of the program established by the Southern University Quarterback Club, East Baton Rouge Area Chapter, Inc. (the Quarterback Club). The University has provided a compiled December 31, 1997 financial statement that was prepared by an independent Certified Public Accountant for the Quarterback Club.

SOUTHERN UNIVERSITY-BATON ROUGE CAMPUS  
 INTERCOLLEGIATE ATHLETICS PROGRAM  
 AGREED-UPON PROCEDURES ENGAGEMENT  
 NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES, CONTINUED  
 FOR THE YEAR ENDED JUNE 30, 1998

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NOTE 4 - Outside Organizations, Continued:

A summary of the significant financial activity is as follows:

Receipts

Membership dues	\$ 3,390
Raffles	8,283
Other income	<u>18,879</u>
Total receipts	28,452

Expenditures

Trips and tickets	11,628
Transfers	3,000
Contributions	5,710
Coaches luncheon	2,202
Raffle prizes	2,767
Rent	1,590
Raffle promotion	1,289
Fees	1,255
Insurance	1,276
Merchandise	1,263
Other	<u>2,623</u>
Total expenditures	28,253

Excess of expenditures over receipts	<u>\$ 6,828</u>
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**SOUTHERN UNIVERSITY-BATON ROUGE CAMPUS  
INTERCOLLEGIATE ATHLETICS PROGRAM  
AGREED-UPON PROCEDURES ENGAGEMENT  
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES, CONTINUED  
FOR THE YEAR ENDED JUNE 30, 1998**

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**NOTE 7 - Scholarship Expense:**

The total scholarship expense per the statement of revenues and expenses represents all athletic scholarships disbursed during the Fall 1997, Spring and Summer 1998 semesters.

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

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Dr. Leon Tarter, II, President  
Southern University System  
Baton Rouge, Louisiana

We have performed the procedures enumerated below, which we agreed to by the management of Southern University - Baton Rouge Campus (the University), solely to assist the users in evaluating management's assertion that the University maintained an effective internal control over financial reporting for the Intercollegiate Athletics Program as of June 30, 1998, and included in its representation letter dated January 15, 1999. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

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

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

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Dr. Leon Tarver, II, President  
Southern University System

- C. We reviewed and documented the current status of the internal control finding which was noted in the prior year. See page 12 for the finding and the related current status.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the President, his designees and authorized representatives of the NCAA and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

*Bruno & Tervalon*  
BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

January 15, 1999

**SOUTHERN UNIVERSITY-BATON ROUGE CAMPUS**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
**AGREED-UPON PROCEDURES ENGAGEMENT**  
**SCHEDULE OF PRIOR FINDINGS**  
**JUNE 30, 1998**

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**SCHEDULE OF PRIOR FINDINGS**

**1. TICKET STOCK PAPER**

We noted during the course of performing our agreed-upon procedures that appropriate University personnel had not adhered to established procedures and performed a periodic inventory of unsold pre-numbered ticket stock paper.

Additionally, we noted that appropriate University personnel had not established procedures to reconcile sold ticket stock paper to actual sales reported per the internal sales reports.

We recommended that management adhere to established procedures with regard to periodic inventories of unsold pre-numbered ticket stock paper. Additionally, we recommended that management develop procedures to ensure sold ticket stock paper is reconciled to the internal sales report.

**CURRENT STATUS**

During January 1998, the University developed a daily ticket sales tracking system which reports the ticket sales, the tickets issued and/or voided and the deposit information, and a ticket inventory usage log which accounts for tickets issued and unused.

Also, in June 1998 the University hired an Athletic Accounting Specialist who is responsible for performing an independent verification of athletic ticket activities. Furthermore, the Internal Auditor performed a physical count of unused tickets at June 30, 1998, and agreed the results of the count to the perpetual ticket inventory usage log.

We recommended that the University continue to utilize the established system, document the established system in the form of written policies and procedures, and establish written procedures to account for season book sales prior to the issuance of tickets. Additionally, we recommended that the University ensure that the Athletic Accounting Specialist is trained and provided written procedures to ensure that the independent verification is performed properly.

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

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Dr. Leon Tarter, II, President  
Southern University System  
Baton Rouge, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Southern University - Baton Rouge Campus (the University), solely to assist the users in evaluating management's assertions about the University's Intercollegiate Athletics Program's compliance with state laws and regulations during the period July 1, 1997 through June 30, 1998 and about the effectiveness of the University's Intercollegiate Athletics Program's internal control over compliance with the aforementioned compliance requirements as of June 30, 1998, and included in its representation letter dated January 15, 1999. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings were as follows:

- A. We reviewed and tested representations made by management in the Louisiana Systems Survey and Compliance Questionnaire which related to the operations of the Intercollegiate Athletic Program. We noted no exceptions as a result of this procedure.
  
- B. We reviewed the Athletic Department's compliance with state travel regulations and competitive bid requirements by randomly testing expenditures transactions. We noted no exceptions as a result of this procedure.

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

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**Dr. Leon Tervalon, II, President  
Southern University System**

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the President, his designees and authorized representatives of the NCAA and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

*Bruno & Tervalon*  
**BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS**

January 15, 1999



SOUTHERN UNIVERSITY - BATON ROUGE  
INTERCOLLEGIATE ATHLETICS PROGRAM  
AGREED-UPON PROCEDURES

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EXIT CONFERENCE

An exit conference was held to discuss the report. Those in attendance were as follows:

SOUTHERN UNIVERSITY - BATON ROUGE CAMPUS

Mr. Harold McClinton	-	Vice Chancellor for Finance and Administration
Ms. Gloria Thompson	-	Internal Auditor
Mr. Marino Casem	-	Athletic Director
Mr. David Hawkins	-	Ticket Office Director

BRUNO & TERVALON, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Michael B. Bruno, CPA	-	Managing Partner
Mr. Edward Phillips, Jr.	-	Senior Manager
Mr. Sean M. Bruno, CPA	-	Audit Senior

*Bruno & Tervalon*  
BRUNO & TERVALON  
CERTIFIED PUBLIC ACCOUNTANTS

January 15, 1999