
STATE OF LOUISIANA



ATHLETIC DEPARTMENT
SOUTHEASTERN LOUISIANA UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
HAMMOND, LOUISIANA

FINANCIAL STATEMENT
JUNE 30, 2003

**LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

LEGISLATIVE AUDIT ADVISORY COUNCIL

REPRESENTATIVE EDWIN R. MURRAY, CHAIRMAN
SENATOR J. "TOM" SCHEDLER, VICE CHAIRMAN

SENATOR ROBERT J. BARHAM
SENATOR JOE MCPHERSON
SENATOR WILLIE L. MOUNT
SENATOR BEN W. NEVERS, SR.
REPRESENTATIVE RICK FARRAR
REPRESENTATIVE CEDRIC RICHMOND
REPRESENTATIVE T. TAYLOR TOWNSEND
REPRESENTATIVE WARREN J. TRICHE, JR.

LEGISLATIVE AUDITOR

STEVE J. THERIOT, CPA

DIRECTOR OF FINANCIAL AND COMPLIANCE AUDIT

ALBERT J. ROBINSON, CPA

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.

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. Three copies of this public document were produced at an approximate cost of \$5.88. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's Web site at www.la.state.la.us. When contacting the office, you may refer to Agency ID No. 3576 or Report ID No. 03203116 for additional information.

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.

	Page
Independent Accountant’s Report on Applying Agreed-Upon Procedures.....	3
Financial Statement - Statement of Revenues and Expenses (Unaudited)	7
Supplemental Information Schedule - Schedule of Revenues and Expenses of Outside Funds Not Subject to University’s Accounting Control (Unaudited)	11







STEVE J. THERIOT, CPA
LEGISLATIVE AUDITOR

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

1600 NORTH THIRD STREET
POST OFFICE BOX 94397
TELEPHONE: (225) 339-3800
FACSIMILE: (225) 339-3870
www.la.state.la.us

June 15, 2004

Independent Accountant's Report on
Applying Agreed-Upon Procedures

DR. RANDY MOFFETT, PRESIDENT
SOUTHEASTERN LOUISIANA UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Hammond, Louisiana

We have audited the basic financial statements of the University of Louisiana System, as of and for the year ended June 30, 2003, and have issued our report thereon dated December 10, 2003. Southeastern Louisiana University is a part of the University of Louisiana System. 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 Southeastern Louisiana University Athletic Department and to the related outside organizations created for or in behalf of the university's Intercollegiate Athletics Program for the year ended June 30, 2003, solely to assist the university in complying with National Collegiate Athletics Association (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 Southeastern Louisiana University. 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 EXPENSES

1. We obtained written representations from management as to the fair presentation of the statement of revenues and expenses of the Intercollegiate Athletics Program for the year ended June 30, 2003. 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 statement of revenues and expenses of the Intercollegiate Athletics Program for June 30, 2002, and June 30, 2003, to identify variances of 5% or greater between individual revenue and expense accounts. As a result of our procedure, we identified variances of 5% or greater in the following accounts:



Revenues

Guarantees
Memberships
Concessions
Programs sales
Other sources

Expenses

Personal services
Travel
Operating services
Supplies
Professional services
Equipment
Other charges

3. We compared the budgeted expenses to actual expenses for the year ended June 30, 2003, to identify any variances of 5% or greater.

As a result of our procedure, we identified no variances of 5% or greater.

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.

The Southeastern Athletic Association, Inc., and the Southeastern Development Foundation, Inc., both outside organizations, each contributed monies, goods, or services for or in behalf of the athletic department that exceeded 10% of the total contributions included in other sources on Statement A.

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 athletic department and to detect deficiencies in the components of those controls.

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

6. We performed tests of controls unique to the university's intercollegiate athletic department to determine adherence to established policies and procedures related to revenues and expenses:

- 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 and observations 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 Program and obtained workpaper documentation and reports issued by the internal auditor to support the auditor's involvement.

During fiscal year 2003, the internal auditor issued one report related to athletic concessions inventory. The report made recommendations for improving controls that management has addressed. The report did not result in NCAA violations.

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 activities for or in behalf of the university's Intercollegiate Athletics Program.

**EXPENSES OF OUTSIDE ORGANIZATIONS MADE
FOR OR IN BEHALF OF SOUTHEASTERN LOUISIANA
UNIVERSITY INTERCOLLEGIATE ATHLETIC PROGRAM**

9. We obtained written representation from management of the university that the following groups were the only outside organizations created for or in behalf of the athletic department.

Southeastern Athletic Association, Inc.
Southeastern Development Foundation, Inc.

10. We obtained from representatives of the outside organizations statements of cash receipts and disbursements with written representations as to the fair presentation of the statements. We compared the receipts and disbursements of the outside organization for or in behalf of the athletic department to the revenues and expenses reported on the university's Schedule of Revenues and Expenses of Outside Funds Not Subject to University's Accounting Control (Schedule 1) and identified any reconciling items.

We found no exceptions as a result of this comparison.

11. We compared the direct payments of the outside organization to the university with the revenues reported on the university's Statement of Revenues and Expenses (Statement A) and identified any reconciling items.

We found no exceptions as a result of this comparison.



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

The financial statements of the Southeastern Athletic Association, Inc., were audited by an independent certified public accounting firm for the year ended June 30, 2003. The audit report is dated December 5, 2003, and included no reportable conditions relating to the outside organization's internal control.

The financial statements of the Southeastern Development Foundation, Inc., were audited by an independent certified public accounting firm for the year ended June 30, 2003. The audit report is dated December 15, 2003, 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 expenses of the Southeastern Louisiana University Athletic Department. Accordingly, we do not express such an opinion. Also, we express no opinion on Southeastern Louisiana University's internal control 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 management of Southeastern Louisiana University and is not intended to be and should not be used by anyone other than management of the university. Under Louisiana Revised Statute 24:513, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Steve J. Theriot, CPA
Legislative Auditor

LPG:ES:PEP:ss

[SLUNCAA03]



UNAUDITED

**ATHLETIC DEPARTMENT
SOUTHEASTERN LOUISIANA UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
(A PORTION OF) CURRENT FUNDS
UNRESTRICTED - AUXILIARY ENTERPRISE FUNDS**

**Statement of Revenues and Expenses
For the Year Ended June 30, 2003**

REVENUES

Gate receipts	\$76,394
Education and general transfers	1,771,150
Guarantees	156,000
NCAA distribution	111,030
Program sales	938
Concessions	83,483
Other sources	1,095,837
Total revenues	<u>3,294,832</u>

EXPENSES

Personal services and related benefits	1,546,909
Travel	349,367
Operating services	148,893
Supplies	225,139
Professional services	124,329
Other charges	810,326
Equipment	50,986
Total expenses	<u>3,255,949</u>

EXCESS OF REVENUES OVER EXPENSES

\$38,883





**ATHLETIC DEPARTMENT
SOUTHEASTERN LOUISIANA UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended June 30, 2003**

The following supplemental information schedule presents revenues and expenses on behalf of Southeastern Louisiana University's Athletic Department made by outside organizations not subject to the university's accounting controls for the year ended June 30, 2003. Revenues and expenses of the Southeastern Athletic Association, Inc., and a portion of the revenues and expenses of the Southeastern Development Foundation, Inc., are used by those organizations to support the athletic department of Southeastern Louisiana University. Except for \$335,493 paid by the Southeastern Athletic Association, Inc., and \$327,879 paid by the Southeastern Development Foundation, Inc., to the university for the year ended June 30, 2003, these funds are not subject to the university's accounting controls and are not included in the Statement of Revenues and Expenses (Statement A).

The Schedule of Revenues and Expenses (Schedule 1) includes contributions-in-kind of \$40,619 in donation revenue of the Southeastern Athletic Association, Inc., for the year ended June 30, 2003. These gifts in kind were for travel (\$500), operating services (\$28,824), supplies (\$10,695), and other charges (\$600) and were included in these Southeastern Athletic Association, Inc., expenses on the Schedule of Revenues and Expenses (Schedule 1).





UNAUDITED

**ATHLETIC DEPARTMENT
SOUTHEASTERN LOUISIANA UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
OUTSIDE FUNDS NOT SUBJECT TO UNIVERSITY'S
ACCOUNTING CONTROL**

**Schedule of Revenues and Expenses
For the Year Ended June 30, 2003**

	SOUTHEASTERN ATHLETIC ASSOCIATION, INC.	(A PORTION OF) SOUTHEASTERN DEVELOPMENT FOUNDATION, INC.	TOTAL
REVENUES			
Merchandise sales, net	\$361		\$361
Donations	222,622	\$181,814	404,436
Sponsors	287,162		287,162
In-kind donations	40,619		40,619
Interest income		14,140	14,140
Memberships	88,450		88,450
Radio/television	17,125		17,125
Football	32,979		32,979
Facilities	52,918		52,918
Other revenue	22,785	919,071	941,856
Total revenues	<u>765,021</u>	<u>1,115,025</u>	<u>1,880,046</u>
EXPENSES			
Restricted			
Scholarships	5,768		5,768
Other restricted	393,791		393,791
Awards	1,879		1,879
Broadcast	2,764		2,764
Contract labor	10,000		10,000
Depreciation	2,404		2,404
In-kind expenses	40,619		40,619
Lease	1,979		1,979
Miscellaneous	15,539		15,539
Membership benefits	18,377		18,377
Printing	37,557		37,557
Professional fees	3,528		3,528
Signs	29,575		29,575
Supplies	1,596		1,596
Taxes	968		968
Telephone	1,706		1,706
Travel	2,108		2,108
University programs	120,978		120,978
Vehicle expense	7,961		7,961
Other charges		423,472	423,472
Total expenses	<u>699,097</u>	<u>423,472</u>	<u>1,122,569</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$65,924</u>	<u>\$691,553</u>	<u>\$757,477</u>



