

**ATHLETIC DEPARTMENT  
NICHOLLS STATE UNIVERSITY  
UNIVERSITY OF LOUISIANA SYSTEM  
STATE OF LOUISIANA  
Thibodaux, Louisiana**

Financial Statement and  
Independent Auditor's Report  
For the Year Ended June 30, 2003

March 31, 2004



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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 and New Orleans offices of the Legislative Auditor and at the office of the parish clerk of court.

March 31, 2004

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Financial Statement and  
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March 4, 2004

Independent Auditor's Report on  
Applying Agreed-Upon Procedures

**DR. STEPHEN HULBERT, PRESIDENT**  
**NICHOLLS STATE UNIVERSITY**  
**UNIVERSITY OF LOUISIANA SYSTEM**  
**STATE OF LOUISIANA**  
Thibodaux, 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. Nicholls State 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 Nicholls State University 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, 2003, solely to assist the university in complying with National Collegiate Athletic Association 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 Nicholls State 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 Athletic Programs for the year ended June 30, 2003, 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 expenses of the Intercollegiate Athletic Programs for June 30, 2002, and June 30, 2003, to identify variances of 5% or greater between individual revenue and expense accounts of each fiscal year.

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As a result of our procedure, we identified variances of 5% or greater in the following accounts:

**Revenues**

Education and general transfers  
Gate receipts  
Guarantees  
Commissions  
NCAA receipts  
In-kind contributions  
Outside funds  
Miscellaneous

**Expenses**

Personal services -  
related benefits  
Operating services  
Supplies  
Guarantees  
Other charges  
Equipment

3. *We compared the budgeted expenses to actual expenses for the year ended June 30, 2003, to identify any variances of 5% or greater in individual expense accounts. As a result of our procedure, we identified variances of 5% or greater in the following accounts:*

**Expenses**

Travel  
Supplies  
Professional services  
Other charges  
Equipment

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.

No individual contributions exceeded 10% of the total contributions.

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**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 controls 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 selected the largest revenue transaction batch for gate receipts and followed it through the university's revenue/receipts 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 disbursements. We followed these transactions 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 Athletic Programs.

No internal audits were performed on the athletic department in fiscal year 2003.

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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 Athletic 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 Athletic Program.*

**EXPENSES OF OUTSIDE ORGANIZATIONS MADE  
FOR OR IN BEHALF OF NICHOLLS STATE UNIVERSITY  
INTERCOLLEGIATE ATHLETIC PROGRAM**

9. We obtained written representation from management of the university that the Nicholls Colonel Club was the only outside organization created for or in behalf of the athletic department.
10. We obtained from representatives of the outside organization the statement of cash receipts and disbursements with written representations as to the fair presentation of the statement.

*We found no exceptions as a result of this procedure.*

11. We compared the direct payments of the outside organization to the university and 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 Expenses (Statement A) and identified any reconciling items.

*We found no exceptions as a result of this comparison.*

12. We obtained the outside organization's independent auditor's reports to identify any reportable conditions relating to the outside organization's internal controls.

The Nicholls Colonel Club is an account within the Nicholls State University Foundation. The financial statements of the Nicholls State University Foundation, Incorporated, were audited by an independent certified public accounting firm for the year ended June 30, 2003. The audit report is dated October 21, 2003, and included no reportable conditions relating to the outside organization's internal controls.

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 Nicholls State University Athletic Department. Accordingly, we do not express such an opinion. Also, we



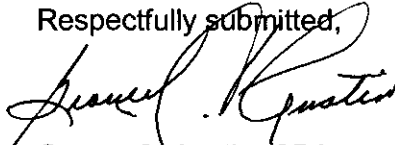
LEGISLATIVE AUDITOR

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express no opinion on Nicholls State 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 Nicholls State University 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,



Grover C. Austin, CPA  
First Assistant Legislative Auditor

GAL:ES:PEP:dl

[NSUNCAA03]

UNAUDITED

Statement A

ATHLETIC DEPARTMENT  
NICHOLLS STATE UNIVERSITY  
UNIVERSITY OF LOUISIANA SYSTEM  
STATE OF LOUISIANA

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

	(PORTION OF) CURRENT FUNDS - UNRESTRICTED - AUXILIARY	ATHLETIC AGENCY FUND	TOTAL
<b>REVENUES</b>			
Education and general transfers	\$2,216,880		\$2,216,880
Gate receipts	89,473		89,473
Guarantees	222,000		222,000
Commissions	7,755		7,755
NCAA receipts	200,028		200,028
In-kind contributions	14,677	\$35,462	50,139
Outside funds		181,689	181,689
Miscellaneous	188,823		188,823
Total revenues	<u>2,939,636</u>	<u>217,151</u>	<u>3,156,787</u>
<b>EXPENSES</b>			
Personal services:			
Salaries	1,167,800	58,935	1,226,735
Related benefits	242,023	8,115	250,138
Travel	249,512	59,920	309,432
Operating services	176,109	27,142	203,251
Supplies	65,716	63,173	128,889
Professional services	121,055	2,149	123,204
Guarantees	31,950		31,950
Scholarships	879,868	3,808	883,676
Other charges	1,623	16,860	18,483
Equipment	3,980	4,515	8,495
Total expenses	<u>2,939,636</u>	<u>244,617</u>	<u>3,184,253</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>NONE</u>	<u>(\$27,466)</u>	<u>(\$27,466)</u>

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