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**GRAMBLING STATE UNIVERSITY**

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**INTERCOLLEGIATE ATHLETICS PROGRAM  
AGREED-UPON PROCEDURES ENGAGEMENT**

**FOR THE YEAR ENDED JUNE 30, 1999**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 05/16/01

## 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, 1999 .....	4
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES .....	5
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES - INTERNAL CONTROL OVER FINANCIAL REPORTING FOR THE INTERCOLLEGIATE ATHLETICS PROGRAM .....	10
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES - COMPLIANCE WITH STATE LAWS AND REGULATIONS .....	13
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES - TO THE FINANCIAL STATEMENTS OF AN OUTSIDE ORGANIZATION .....	15
EXIT CONFERENCE .....	18



Member  
American Institute of  
Certified Public Accountants  
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Michael B. Bruno, CPA  
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**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
TO THE ACCOUNTING RECORDS**

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Dr. Neari Warner, Acting President  
**Grambling State University**  
Grambling, Louisiana 71245

At your request, we have performed the agreed-upon procedures, as enumerated below, which were agreed to by management of the **Grambling State University (the University)**, to the accounting records of the **Intercollegiate Athletics Program** as of 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 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 agreed the total amounts as presented in the Schedule of Revenues and Expenditures for the year ended June 30, 1999 to the alternative manual spreadsheet compilation (the **Compilation**) which was prepared by the management of **Grambling State University**. We are unable to allocate revenues and expenses by athletic activity because the revenue and expense amounts for the Intercollegiate Athletic Program that were taken from the **Compilation** were not summarized by each athletic activity (i.e. Football, Basketball, Bayou Classic, and Other Sports). Also, the related audit report on the component unit financial statements that was prepared from the **Compilation** contained a disclaimer of opinion.
- B. We obtained the applicable ticket sales reports and related receipts for athletic events, but were unable to agree or reconcile such amounts to the amounts per the **Compilation**. This was due to the fact that the **Compilation** did not provide a related detail of ticket sales by athletic activity.

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

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**(CONTINUED)**

Dr. Neari Warner, Acting President  
Grambling State University  
Page 2

- C. We received from the management of the Athletic Department a representation of the game guarantee contracts for the year ended June 30, 1999. We confirmed with other parties the related revenues and expenditures for these game guarantee contracts, however, we were unable to agree or reconcile such amounts to the amounts per the Compilation.
- D. The management of the Athletic Department represented that the University did not receive any Bayou Classic television broadcast revenues during the year ended June 30, 1999, which were previously reported in prior years as miscellaneous revenues. However, we were unable to obtain supporting documentation for amounts recorded as miscellaneous revenues in the Compilation.
- E. We obtained and compared the athletic employees payroll amounts per the June 30, 1999 and 1998 subsidiary schedule of Earnings and Fringe Benefits. We reviewed sampled supporting personnel action forms for appropriate approval for the related wages and fringe benefits increases or decreases and noted no exceptions as a result of this procedure. However, we were unable to agree or reconcile the total wage amount to the Compilation.
- F. We vouched a random sample of expenditure amounts from a disbursement register and reviewed the related purchasing documents, invoices and cancelled checks. We noted that supporting documentation for three (3) out of twenty-five (25) expenditures selected for testing could not be located.

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

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**(CONTINUED)**

Dr. Neari Warner, Acting President  
**Grambling State University**  
Page 3

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 information and use of the acting President, her designees and authorized representatives of the National Collegiate Athletic Association and is not intended to be 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 LLP*  
**BRUNO & TERVALON, LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

April 16, 2001

**GRAMBLING STATE UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAMS**  
**SCHEDULE OF REVENUES AND EXPENDITURES**  
**FOR THE YEAR ENDED JUNE 30, 1999**

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<b>Operating Revenues:</b>	
Ticket sales and game guarantee revenues	\$ 996,349
State appropriations (NOTE 4)	2,019,638
Other revenues	<u>299,584</u>
Total operating revenues	<u>3,315,571</u>
<b>Operating Expenditures:</b>	
Personal services	1,611,318
Professional services	114,092
Operating services	210,200
Travel	523,438
Supplies	107,654
Game guarantees	20,984
Other charges	54,748
Scholarships	<u>817,677</u>
Total operating expenditures	<u>3,460,111</u>
Excess of expenditures over revenues	\$ <u>(144,540)</u>

The accompanying notes are an integral part of this schedule.

**GRAMBLING STATE UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM  
AGREED-UPON PROCEDURES ENGAGEMENT  
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES  
FOR THE YEAR ENDED JUNE 30, 1999**

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NOTE 1 - Organization

**Grambling State University (GSU)** which is located in Grambling, Louisiana is an institution of higher education founded in 1901.

**The University** is a component unit of the State of Louisiana within the executive branch of government and is governed by the Board of Trustees for State Colleges and Universities. The annual budget of **the University** and any proposed changes to degree programs, or departments of instruction, etc., require the approval of the Louisiana Board of Regents.

**The University** has an enrollment of approximately 4,900 students and is accredited by the Southern Association of Colleges and Schools and the National Council for Accreditation of Teachers Education .

**The University** operates the following Intercollegiate Athletics Programs:

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

**GRAMBLING STATE UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM  
AGREED-UPON PROCEDURES ENGAGEMENT  
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES,  
CONTINUED  
FOR THE YEAR ENDED JUNE 30, 1999**

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NOTE 2 - Summary of Significant Accounting Policies:

Basis of Reporting

During the year ended June 30, 1999, the management of **Grambling State University (the University)** engaged in the task of converting their financial management system from the Poise financial reporting module to the Banner 2000 financial reporting module. This action was necessary to ensure that the financial management system would be Year 2000 compliant. During the conversion process, former members of the management of **Grambling State University** experienced significant difficulties in ensuring that accounting transactions were accurately recorded to the Banner 2000 financial reporting module.

After a subsequent review of the recorded transactions and the related general ledger produced by such transactions, current management of **Grambling State University** determined that numerous errors were made in the recording of accounting transactions to the Banner 2000 financial reporting module. Thereafter, it was decided to re-summarize the majority of the general ledger transactions by utilizing an alternative manual spreadsheet compilation (the Compilation). The transactions that were derived from the Compilation were summarized to arrive at the total amounts reflected per the Schedule of Revenues and Expenditures.

**GRAMBLING STATE UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
**AGREED-UPON PROCEDURES ENGAGEMENT**  
**NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES,**  
**CONTINUED**  
**FOR THE YEAR ENDED JUNE 30, 1999**

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NOTE 2 - Summary of Significant Accounting Policies, Continued:

Because the Schedule presents only a selected portion of the 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. The Component unit financial statements were audited by the State of Louisiana Legislative Auditor whose report dated May 23, 2000 contained a disclaimer of an opinion on the general purpose financial statements.

The accounting principles followed by **the University** in preparing the accompanying Schedule 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. The activities of the Intercollegiate Athletics Program are reported in the unrestricted current fund.

o Basis of Accounting

The Schedule of Revenues and Expenditures for the Intercollegiate Athletics Program has been prepared on the accrual basis of accounting and in accordance with generally accepted accounting principles, except that (1) depreciation is not recognized, (2) annual and sick leave are recognized when paid, (3) summer school tuition and fees and

**GRAMBLING STATE UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM  
AGREED-UPON PROCEDURES ENGAGEMENT  
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES,  
CONTINUED  
FOR THE YEAR ENDED JUNE 30, 1999**

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NOTE 2 - Summary of Significant Accounting Policies, Continued:

o Basis of Accounting, Continued

faculty salaries and related benefits for June 30, 1999 are not prorated, but are deferred to the succeeding year, and (4) inventory is recorded as an expenditure 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.

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

NOTE 3 - Capital Outlays:

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

NOTE 4 - State Appropriation:

**Grambling State University** is a publicly supported institution of higher education. As a state university, operations of **the University's** programs are funded through annual lapsing appropriations made by the Louisiana Legislature.

**GRAMBLING STATE UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM  
AGREED-UPON PROCEDURES ENGAGEMENT  
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES,  
CONTINUED  
FOR THE YEAR ENDED JUNE 30, 1999**

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NOTE 4 - State Appropriation, Continued:

State appropriations as shown on the Schedule of Revenues and Expenditures for Intercollegiate Athletics represents the State appropriation budgeted for the University's intercollegiate athletic program for the year ended June 30, 1999.

NOTE 5 - Outside Organizations:

Grambling State University's Intercollegiate Athletics Program is the recipient of contributions to or in behalf of the program by the Grambling University Athletic Foundation (the Athletic Foundation) and other outside organizations. The financial statements of the Athletic Foundation for the year ended June 30, 1999 were provided to the University.

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

Dr. Neri Warner, Acting President  
**Grambling State University**  
Grambling, Louisiana 71245

We have performed the procedures enumerated below, which were agreed to by the management of **Grambling State University**, solely to assist the users in evaluating management's assertion that **Grambling State University** maintained an effective internal control over financial reporting for the Intercollegiate Athletics Program as of June 30, 1999, which was included in its representation letter dated April 16, 2001. 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 noted the following:
- The Office of Business Service (ticket office) is currently responsible for selling tickets for all athletic events, recording the revenue received from such events and reconciling all game income, which represents a lack of separation of duties.
  - The staffing of the Office of Business Services (ticket office) was inadequate to meet the following office requirements:
    - Planning and supervising athletic travel needs;

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

- Processing medical bills for athletics;
  - Selling game tickets;
  - Monitoring departmental expenditures;
  - Coordinating certain athletic events; and
  - Recording athletic event income.
- We noted that a periodic inventory of unsold pre-numbered ticket stock paper and internal audits of athletic ticket sales were not performed during the year ended June 30, 1999.
  - We noted that the Legislative Auditor of the State of Louisiana reported in the Comprehensive Annual Financial Report that the University did not have adequate controls in place to ensure that nonfederal athletic scholarships were awarded to eligible students in accordance with applicable criteria.
- B. We reviewed the flow of information through the accounting system for randomly selected revenue, cash receipts and cash disbursement transactions. We noted no exceptions as a result of this procedure.

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.

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

This report is intended solely for the information and use of the acting President, her designees and authorized representatives of the NCAA and is not intended to be 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 LLP*  
BRUNO & TERVALON, LLP  
CERTIFIED PUBLIC ACCOUNTANTS

April 16, 2001



Member  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

Michael B. Bruno, CPA  
Alcide J. Tervalon, Jr., CPA  
Waldo J. Moret, Jr., CPA

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

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Dr. Neri Warner, Acting President  
**Grambling State University**  
Grambling, Louisiana 71245

We have performed the procedures enumerated below, which were agreed to by the management of **Grambling State University (the University)**, solely to assist the users in evaluating management's assertions about **Grambling State University's Intercollegiate Athletics Program's** compliance with state laws and regulations during the period July 1, 1998 through June 30, 1999 and about the effectiveness of **Grambling State University's Intercollegiate Athletics Program's** internal control over compliance with the aforementioned compliance requirements as of June 30, 1999, which were included in its representation letter dated April 16, 2001. 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 certain representations made by management in the Louisiana Compliance Questionnaire (the Questionnaire) which related to the operations of the Intercollegiate Athletic Program. We noted that **the University** had not complied with Part V of the Questionnaire relative to Accounting, Auditing and Financial Reporting Laws.

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

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(CONTINUED)

- B. We reviewed the Athletic Department's compliance with state travel regulations and competitive bid requirements by randomly testing expenditure transactions. We noted no exceptions as a result of this procedure.

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 information and use of the acting President, her designees and authorized representatives of the NCAA and is not intended to be 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 LLP*  
BRUNO & TERVALON, LLP  
CERTIFIED PUBLIC ACCOUNTANTS

April 16, 2001

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES -  
TO THE FINANCIAL STATEMENTS OF AN OUTSIDE ORGANIZATION

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Dr. Neari Warner, Acting President  
**Grambling State University**  
Grambling, Louisiana 71245

At your request, we have performed the agreed-upon procedures, as enumerated below, which were agreed to by management of **Grambling State University (the University)**, solely to assist you with respect to activities of the intercollegiate athletics program and the Grambling Athletic Foundation (an outside organization).

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 representation regarding the sufficiency of the procedures 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 obtained the statements of financial position and cash flows and the accompanying statements of activities of the **Grambling University Athletic Foundation (the Foundation)** for the years ended June 30, 1999 and 1998, which had been audited by other independent auditors who expressed an unqualified opinion on those statements.

INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES -  
TO THE FINANCIAL STATEMENTS OF AN OUTSIDE ORGANIZATION

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(CONTINUED)

- B. We also reviewed the independent auditors' report to the Board of Directors of the **Grambling University Athletic Foundation** regarding the system of internal control at the **Foundation**. That letter while not identifying any material weaknesses in internal control, recommended changes in procedures in the area of:
- Reconciling certain asset and liability accounts prior to the end of the year;
  - Ensuring audited financial statements are prepared and issued within six months of the year end.

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 information and use of the acting President, her designees and authorized representatives of the National Collegiate Athletic Association and is not intended to be 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 LLP*  
BRUNO & TERVALON, LLP  
CERTIFIED PUBLIC ACCOUNTANTS

April 16, 2001

GRAMBLING UNIVERSITY ATHLETIC FOUNDATION  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	Unrestricted	Temporarily Restricted	Total	
			1999	1998
Support and revenue:				
Contributions	\$ 5,326	\$ 109,587	\$ 114,913	\$ 163,144
Fund raisers:				
Concessions	4,526	-	4,526	2,542
Golf Classic - Eddie Robinson	7,367	-	7,367	8,868
Raffle - Cash Give-Away	1,090	-	1,090	-
Scarfs/ties sale	6,020	-	6,020	-
Car flags/pennants/wind socks, pom-poms sale	3,490	-	3,490	-
Membership dues (Tiger Club)	18,674	-	18,674	-
Interest	9,127	150	9,277	8,415
Miscellaneous	-	-	-	-
Gain on the sale of assets	250	-	250	-
Unrealized gains	1,815	-	1,815	2,303
Net Assets Released from Restrictions:				
Satisfaction of Program Restrictions	90,863	(90,863)	-	-
Total support and revenue	148,548	18,874	167,422	185,272
Expenses				
Program services	\$ 90,674	\$ -	\$ 90,674	\$ 138,108
Supporting services:				
Management and general	33,599	-	33,599	21,533
Fund raising	11,906	-	11,906	62,116
Membership development	19,038	-	19,038	-
Total supporting services	64,543	-	64,543	83,649
Total expenses	155,217	-	155,217	221,757
Excess (Deficiency) of support and revenue over expenses	(6,669)	18,874	12,205	(36,485)
Other sources and uses				
Transfer to other entities	-	-	-	-
Support, revenue, and other sources over (under) expenses and other uses	(6,669)	18,874	12,205	(36,485)
Net Assets at Beginning of Year	18,858	110,027	128,885	165,370
NET ASSETS AT END OF YEAR	\$ 12,189	\$ 128,901	\$ 141,090	\$ 128,885

**GRAMBLING STATE UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM  
AGREED-UPON PROCEDURES ENGAGEMENT**

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**EXIT CONFERENCE**

An exit conference was held with representatives of **the University**. Those individuals participating were as follows:

**GRAMBLING STATE UNIVERSITY**

Ms. Phyllis Spragin	--	Comptroller
Mr. Albert Dennis	--	Athletic Director

**BRUNO & TERVALON, LLP, CERTIFIED PUBLIC ACCOUNTANTS**

Mr. Michael B. Bruno	--	Managing Partner
Mr. Sean Bruno	--	Senior Auditor

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

April 16, 2001