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**LEGISLATIVE AUDITOR**

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

**DIRECTOR OF FINANCIAL AND COMPLIANCE AUDIT**

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# STATE OF LOUISIANA LEGISLATIVE AUDITOR

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

February 19, 1997



***Financial and Compliance Audit Division***

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

Contributions to Athletic Department	Payments		Ending Balance June 30, 1996
	Contributions for Athletic Department	Other	
\$166			
256,367	\$902		\$118,719
	336		13,321
88,000			8,878
30,000			8,214
72,261	5,120	\$880	22,705
10,000			2,877
8,015			39,384
35,268			44,779
53,000	497		8,827
4,900			225
1,000			

**DR. RAY P. AUTHEMENT, PRESIDENT**  
**UNIVERSITY OF SOUTHWESTERN LOUISIANA**  
**STATE OF LOUISIANA**  
Audit Report, June 30, 1996

## **STATEMENT OF REVENUES AND EXPENDITURES**

### **Test of Statement**

We obtained from management the statement of revenues and expenditures for the year ended June 30, 1996, as shown on Statement A, and obtained written representation from management as to its fair presentation. In addition, we verified the mathematical accuracy of the amounts on the statement and traced the amounts to the university's accounting records. We noted no differences between the amounts in the revenue and expenditure ledgers and the amounts on the statement.

### **Comparison of Statements**

We compared the statements of revenues and expenditures for June 30, 1995, and June 30, 1996, to determine the percentage of increase or decrease between the two years. The university provided satisfactory responses for any material variances between the two years.

### **Comparison of Budget to Actual Revenues and Expenditures**

We compared the budgeted revenues and expenditures to actual revenues and expenditures for the year ended June 30, 1996, to determine if there were any material variances. The university provided satisfactory responses for any material variances between budgeted and actual amounts.

### **Contributions Exceeding 10 Percent of Total Contributions**

We obtained from university management a list of contributions received by the athletic department and determined that there were no individual contributions received by the athletic department that exceeded 10 percent (\$87,628) of the total contributions.

**LEGISLATIVE AUDITOR**

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Audit Report, June 30, 1996

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

**Review of Financial Activities  
of Outside Organizations**

We obtained written representation from management of the university that the following booster groups were the only outside organizations created for or in behalf of the athletic department. In addition, 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 also reconciled the cash disbursements made by outside organizations for or in behalf of the athletic department to the statement of revenues and expenditures, and we reconciled the direct payments of outside organizations to the accounting records of the university and to the revenues reported on the statement of revenues and expenditures (Statement A).

<u>University of Southwestern Louisiana</u> <u>Outside Organizations' Accounts</u>	<u>Beginning Balance July 1, 1995</u>	<u>Receipts</u>
<b>University of Southwestern Louisiana Foundation, Inc.</b>		
Restricted funds:		
Ragin' Cajun Club 1994		\$166
Ragin' Cajun Club 1995	\$95,937	161,332
Ragin' Cajun Club 1996		119,055
Ragin' Cajun Club - Baseball	11,807	89,514
Ragin' Cajun Club - Golf	4,184	34,694
Ragin' Cajun Club - Track	8,415	78,060
Ragin' Cajun Club - Scholarship Fund	32,046	659
Ragin' Cajun Club - Training Room	37	10,855
Ragin' Cajun Club - Tennis	27,282	47,370
Ragin' Cajun Club - Women's Softball	23,480	74,796
Ragin' Cajun Club - Women's Tennis	5,666	8,061
Ragin' Cajun Club - Women's Volleyball	220	1,005



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

OFFICE OF  
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January 8, 1997

Independent Auditor's Report  
(including section on internal control)

**DR. RAY P. AUTHEMENT, PRESIDENT**  
**UNIVERSITY OF SOUTHWESTERN LOUISIANA**  
**STATE OF LOUISIANA**  
Lafayette, Louisiana

We have audited the general purpose financial statements of the University of Southwestern Louisiana, a component unit of the State of Louisiana reporting entity, as of and for the year ended June 30, 1996, and have issued our report thereon dated October 4, 1996. As requested by the university, we have also applied certain minimum agreed-upon procedures contained in the *National Collegiate Athletic Association Financial Audit Guidelines* to the accounting records and internal control structure of the University of Southwestern Louisiana 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, 1996, solely to assist the university in complying with the National Collegiate Athletic Association (NCAA) Bylaw 6.2.3.1. It is understood that this report is solely for your information. However, by provisions of state law, this report is a public document and has been distributed to the appropriate public officials.

Because the following minimum agreed-upon procedures do not constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on any of the accounts or items on the accompanying statement of revenues and expenditures of the athletic department or on the financial information of the related outside organizations included in this report. Had we performed additional procedures or had we made an audit of any financial statements of the Intercollegiate Athletics Program and related outside organizations of the University of Southwestern Louisiana, in accordance with generally accepted auditing standards, matters might have come to our attention that would be reported to you. This report relates only to the accounts and items discussed as follows and does not extend to the general purpose financial statements of the University of Southwestern Louisiana, its Intercollegiate Athletics Program, or related outside organizations taken as a whole. Our minimum agreed-upon procedures follow.

**ATHLETIC DEPARTMENT  
UNIVERSITY OF SOUTHWESTERN LOUISIANA  
STATE OF LOUISIANA**

**Financial Statement and  
Independent Auditor's Report  
For the Year Ended June 30, 1996**

**CONTENTS**

	<b>Statement</b>	<b>Page No.</b>
Independent Auditor's Report (including section on internal control)		2
Financial Statement - Statement of Revenues and Expenditures	A	12
Notes to the Financial Statement		13

**ATHLETIC DEPARTMENT  
UNIVERSITY OF SOUTHWESTERN LOUISIANA  
STATE OF LOUISIANA  
Lafayette, Louisiana**

**Financial Statement and  
Independent Auditor's Report  
For the Year Ended June 30, 1996**

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.

February 19, 1997

**ATHLETIC DEPARTMENT  
UNIVERSITY OF SOUTHWESTERN LOUISIANA  
STATE OF LOUISIANA**

**Statement of Revenues and Expenditures  
For the Year Ended June 30, 1996**

	CURRENT FUNDS		
	(PORTION OF) UNRESTRICTED - AUXILIARY ENTERPRISE FUND	RESTRICTED - ATHLETIC DEVELOPMENT FUND	TOTAL (MEMORANDUM ONLY)
<b>REVENUES</b>			
Student fees	\$1,525,000		\$1,525,000
Gate receipts	598,297		598,297
Guarantees	593,000		593,000
Program sales	28,045		28,045
Concessions	36,298		36,298
Outside funds (booster clubs, etc.)	682,049		682,049
In-kind contributions (note 2)		\$131,052	131,052
Rental of facilities	44,255		44,255
Other	1,142,522		1,142,522
Total revenues	<u>4,649,466</u>	<u>131,052</u>	<u>4,780,518</u>
<b>EXPENDITURES</b>			
Personal services:			
Coaches' salaries	1,315,713		1,315,713
Other salaries	80,334		80,334
Fringe benefits	249,435		249,435
Travel	760,223	5,357	765,580
Operating services	404,337	37,146	441,483
Supplies	340,636	67,732	408,368
Professional services	269,858	3,650	273,508
Guarantees	352,779		352,779
Scholarships	781,342		781,342
Other charges	48,848	497	49,345
Equipment	11,144	16,670	27,814
Total expenditures	<u>4,614,649</u>	<u>131,052</u>	<u>4,745,701</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>\$34,817</u>	<u>NONE</u>	<u>\$34,817</u>

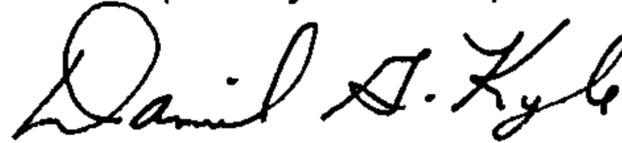
The accompanying notes are an integral part of this statement.

LEGISLATIVE AUDITOR

DR. RAY P. AUTHEMENT, PRESIDENT  
UNIVERSITY OF SOUTHWESTERN LOUISIANA  
STATE OF LOUISIANA  
Audit Report, June 30, 1996

In our prior audit for the year ended June 30, 1995, we reported certain findings relating to monitoring booster group activities and inadequate documentation of booster group activities. Those findings have been resolved by management.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE  
Legislative Auditor

EPM:BJJ:dl

[USL-NCAA]

## LEGISLATIVE AUDITOR

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**STATE OF LOUISIANA**  
Audit Report, June 30, 1996

Because of inherent limitations in any internal control structure, errors or irregularities may, nevertheless, occur and not be detected. Also, projection of any evaluation of the control structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

The following minimum agreed-upon procedures, applied to certain aspects of the university's internal control structure, were more limited than would be necessary to express an opinion on the system of internal accounting control taken as a whole. Because our study and evaluation was limited to applying minimum agreed-upon procedures discussed in the preceding paragraphs to certain aspects of the control structure, we do not express an opinion on whether the internal control structure of the University of Southwestern Louisiana, in effect for the year ended June 30, 1996, taken as a whole, was sufficient to meet the objectives stated above. In connection with our applied procedures, nothing came to our attention that would require disclosure. Our minimum agreed-upon procedures are as follows:

### **Test of the Internal Control Environment**

*We performed a preliminary review of the internal control structure of the athletic department by reviewing the organizational chart, employee job descriptions, written athletic department policies and procedures and by performing tests on the extent of documentation and flow of transactions through the accounting system. Although the duties of employees in the athletic department are not properly segregated to provide good internal accounting controls, management of the university has established alternative control procedures.*

### **Booster Group Activities**

We reviewed the university's procedures for monitoring booster group activities. The Vice President for Business and Finance reviews the financial transactions of the booster groups maintained within the accounts of the University of Southwestern Louisiana Foundation, Incorporated, and approves all payments. The University of Southwestern Louisiana Foundation took control of the funds and accounting records of the Cajun Track and Field Officials Association, an outside booster group, on January 25, 1996. These funds were transferred to the Ragin' Cajun Club - Track.

### **Independent Audit of Outside Organization**

The financial statements of the University of Southwestern Louisiana Foundation, Inc., were audited by an independent certified public accounting firm for the year ended June 30, 1996, and the audit report is dated November 8, 1996.

Contributions to Athletic Department	Payments Contributions for Athletic Department	Other	Ending Balance June 30, 1996
		\$158	\$12,429
		158	12,443
		158	13,182
		423	12,458
		253	19,801
		48	3,692
		317	25,814
		317	24,816
		158	16,212
		662	54,775
		32	2,502
		45	4,128
		719	27,159
	\$5,765	3,203	
\$612,562	\$12,620	\$39,303	\$1,243,188

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<u>University of Southwestern Louisiana</u> <u>Outside Organizations' Accounts</u>	<u>Beginning Balance July 1, 1995</u>	<u>Receipts</u>
<b>University of Southwestern Louisiana Foundation, Inc.</b>		
Endowment funds: (Cont.)		
Raymond Didier Memorial	\$11,349	\$1,238
Herbert E. Schilling, Sr.	11,360	1,241
Howard O. Roy Scholarship	12,026	1,314
C. B. "Beans" Roy Baseball Scholarship	11,640	1,241
J. Y. Foreman Fund	18,080	1,974
Nolan J. Badeaux Scholarship	3,372	368
Forty and Eight Baseball Scholarship	23,559	2,572
Herbert Heymann Fund	22,659	2,474
Bill Bass Memorial Golf Scholarship	11,352	5,018
Jim Picard Memorial Golf Fund	45,470	9,967
William H. Michot Fund	2,284	250
Dr. John B. Aycock, Sr.		4,173
Digger-Segura Golf Scholarship	23,259	4,619
Other Booster Organization - Cajun Track and Field Officials Association	<u>5,548</u>	<u>3,420</u>
Total	<u>\$1,031,393</u>	<u>\$876,280</u>

**INTERNAL CONTROL STRUCTURE - POLICIES AND  
 PROCEDURES RELATING TO INTERCOLLEGIATE  
 ATHLETICS - AGREED-UPON PROCEDURES**

Management of the University of Southwestern Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Contributions to Athletic Department	Payments		Ending Balance June 30, 1996
	Contributions for Athletic Department	Other	
\$2,619			\$1,918 754
		\$4,150	400
		10,484	137,409
		3	
			7,058
			325
			2,880
3,500			5,057
2,399		10,000	30,747
			206
45,067			135,640
			746
			1,698
			2,914
		21	
			853
			4,993
		2,730	809
		1,605	126,466
		840	75,427
		317	24,790
		1,622	184,758

**LEGISLATIVE AUDITOR**

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 Audit Report, June 30, 1996

<u>University of Southwestern Louisiana</u> <u>Outside Organizations' Accounts</u>	<u>Beginning Balance July 1, 1995</u>	<u>Receipts</u>
<b>University of Southwestern Louisiana Foundation, Inc.</b>		
Restricted funds: (Cont.)		
Ragin' Cajun Club - Women's Basketball	\$3,721	\$816
Ragin' Cajun Club - Sports Information	754	
Athletics:		
Promotions	4,202	348
Special Account	114,279	33,614
Lady Cajun Building Fund	3	
Acadiana Ambulance Service Track	5,760	1,298
Cajun Road Runner Track	325	
Cajun Track and Field Officials	2,862	18
Industrial Helicopters Track	8,442	115
Sports Enhancement Fund	22,588	20,558
Athletic Tutoring Fund	206	
Louisiana Classics Fund	80,124	100,583
Donna Parker Briggs Scholarship	727	19
Dutch Reinhart Scholarship	1,663	35
Ragin' Rouge Scholarship	2,876	38
Moore Field Renovations	21	
Bowling Team	853	
Lesley A. Zeller Memorial Fund	4,405	588
USL Soccer Team Fund		3,539
Endowment funds:		
Tigue Moore Baseball Scholarship	115,464	12,607
USL Athletic Scholarship	60,457	15,810
Catherine Moore Memorial-Athletics	22,635	2,472
Buddy Marine Fund	167,994	18,386