

LEGISLATIVE AUDITOR
STATE OF LOUISIANA



————— ATHLETIC DEPARTMENT —————
UNIVERSITY OF LOUISIANA AT MONROE
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA

AGREED-UPON PROCEDURES REPORT
ISSUED FEBRUARY 16, 2005

**LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
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January 20, 2005

Independent Auditor's Report on
Applying Agreed-Upon Procedures

DR. JAMES E. COFER, SR., PRESIDENT
UNIVERSITY OF LOUISIANA AT MONROE
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Monroe, Louisiana

We have audited the basic financial statements of the University of Louisiana System, as of and for the year ended June 30, 2004, and have issued our report thereon dated December 8, 2004. The University of Louisiana at Monroe 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 University of Louisiana at Monroe 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, 2004, solely to assist the university in complying with National Collegiate Athletic 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 the University of Louisiana at Monroe. 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 EXPENDITURES

1. We obtained written representation from management as to the fair presentation of the Statement of Revenues and Expenditures of the intercollegiate athletic programs for the year ended June 30, 2004, 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 Statement of Revenues and Expenditures of the intercollegiate athletic programs for June 30, 2004, and June 30, 2003, to identify variances of

5% or greater between individual revenue and expenditure accounts for each fiscal year.

As a result of our procedure, we identified variances of 5% or greater in the following revenue and expenditure accounts, for which the university provided satisfactory responses:

Revenues

Transfer from General Fund
Game guarantees
Playoff proceeds/conference revenues
Vending and other

Expenditures

Salaries
Student labor and other
Related benefits
Operating services
Supplies
Professional services
Awards
Guarantees
Scholarships
Equipment

3. We compared the budgeted expenditures to actual expenditures for the year ended June 30, 2004, to identify any variances of 5% or greater in individual expenditure accounts. As a result of our procedure, we identified variances of 5% or greater in the following expenditure accounts, for which the university provided satisfactory responses:

Operating services
Supplies
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 were received by the athletic department that exceeded 10% of total contributions.

**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 expenditures:

- a. We selected the two largest cash receipt batch sheets of ticket sales and followed them through the university's cash control system.

We found no exceptions as a result of this procedure.

- b. We selected the 10 largest athletic department cash disbursement transactions and followed them through the university's accounting system.

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.

The internal auditor issued one audit report on the intercollegiate athletic programs. The report titled "Review of Athletics - Disclosure of Outside Employment and Allocation of Salaries" included no reportable findings.

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 activity for or in behalf of the university's intercollegiate athletic program.

**EXPENDITURES OF OUTSIDE ORGANIZATIONS MADE
FOR OR IN BEHALF OF THE UNIVERSITY OF LOUISIANA
AT MONROE INTERCOLLEGIATE ATHLETIC PROGRAM**

9. We obtained written representation from management of the university that the University of Louisiana at Monroe Indian Athletic Foundation was the only outside organization created for or in behalf of the athletic department.

10. We obtained the Statement of Cash Receipts and Disbursements from representatives of the University of Louisiana at Monroe Indian Athletic Foundation and agreed the statement to the organization's accounting records.

We found no exception as a result of this comparison.

11. We compared the cash disbursements made by outside organizations for or in behalf of the athletic department to the revenue reported to the university with the revenues reported on the university's Statement of Revenues and Expenditures (Statement A) and no reconciling items were identified.

We found no exceptions as a result of this comparison.

12. We compared the direct and in-kind payments from the University of Louisiana at Monroe Indian Athletic Foundation to the university with the revenues reported on the university's Statement of Revenues and Expenditures (Statement A) and no reconciling items were identified.

We found no exceptions as a result of this comparison.

13. We obtained the independent auditor's report for the University of Louisiana at Monroe Indian Athletic Foundation to identify any reportable conditions relating to the foundation'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 University of Louisiana at Monroe Indian Athletic Foundation were audited by an independent certified public accounting firm for the years ended June 30, 2004 and 2003. The audit report is dated October 6, 2004, 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 Expenditures of the intercollegiate athletic programs. Accordingly, we do not express such an opinion. Also, we express no opinion on the University of Louisiana at Monroe 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.

INDEPENDENT AUDITOR'S REPORT

This report is intended solely for the information and use of management of the University of Louisiana at Monroe 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,



Steve J. Theriot, CPA
Legislative Auditor

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**ATHLETIC DEPARTMENT
UNIVERSITY OF LOUISIANA AT MONROE
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
(A PORTION OF) CURRENT FUNDS
AUXILIARY ENTERPRISE FUND**

**Statement of Revenues and Expenditures
For the Year Ended June 30, 2004**

REVENUES

Transfer from state General Fund	\$2,591,051
Gate receipts	453,969
Game guarantees	1,685,778
Conference distribution	440,826
Vending and other	242,752
Contributions	696,621
Contributions-in-kind	227,784
Total revenues	<u>6,338,781</u>

EXPENDITURES

Personal services:	
Salaries	1,475,952
Student labor and other	127,083
Related benefits	347,888
Travel	566,823
Operating services	510,726
Supplies	560,495
Interest expense	40,999
Promotional activities	327,881
Professional services	218,351
Other charges:	
Awards	14,010
Game guarantees	392,200
Scholarships	1,358,330
Equipment	84,522
Staff support	80,974
Construction-in-progress	1,920
Miscellaneous	85,733
Total expenditures	<u>6,193,887</u>

EXCESS OF REVENUES OVER EXPENDITURES

\$144,894

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