

ATHLETIC DEPARTMENT
UNIVERSITY OF NEW ORLEANS
LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA



AGREED-UPON PROCEDURES REPORT

ISSUED APRIL 6, 2005

**LEGISLATIVE AUDITOR
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March 22, 2005

Independent Accountant's Report on
Applying Agreed-Upon Procedures

DR. TIMOTHY P. RYAN, CHANCELLOR
UNIVERSITY OF NEW ORLEANS
LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
New Orleans, Louisiana

We have audited the basic financial statements of the Louisiana State University System, as of and for the year ended June 30, 2004, and have issued our report thereon dated January 11, 2005. The University of New Orleans is a part of the Louisiana State University 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 New Orleans 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, 2004, solely to assist the university in complying with National Collegiate Athletics 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 the University of New Orleans. 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, 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 statements of revenues and expenses of the Intercollegiate Athletics Program for June 30, 2004, 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 revenue and expense accounts, for which the university provided satisfactory responses:

Revenues	Expenses
Admissions and concessions	Salaries
Contributions - in-kind	Scholarships
Contributions - direct	Supplies and expense
	Employee benefits
	Wages
	Cost of sales
	Renewals and replacements

3. We compared the budgeted expenses to actual expenses for the year ended June 30, 2004, 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 expense accounts, for which the university provided satisfactory responses:

Travel	Operating services
Supplies	Other charges
Capital outlays	

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.

One contribution to the athletic department from the Privateer Athletic Foundation (formerly named the UNO Athletic Association) totaling \$251,393 exceeded 10% of the 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 relating to revenues and expenses.

- 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.

- We selected the 10 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.

- 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 2004, the internal auditor issued two internal audit reports. On July 28, 2003, an audit report was issued on physical inventory - insignia and concessions as of June 30, 2003. This report addressed errors to insignia and concessions inventory. The final insignia inventory was understated by \$253.54 and the final concessions inventory was overstated by \$0.32. The correct dollar values were submitted to Accounting Services. On June 24, 2004, an audit report was issued on complimentary tickets. The internal audit report noted control weaknesses and areas for improvement for complementary tickets and included recommendations. Management agreed with the findings and submitted a plan of specific actions to be taken by the athletic department in correcting the findings. 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 activity for or in behalf of the university's Intercollegiate Athletics Program.

**EXPENDITURES OF OUTSIDE ORGANIZATION
MADE FOR OR IN BEHALF OF THE
UNIVERSITY OF NEW ORLEANS
INTERCOLLEGIATE ATHLETICS PROGRAM**

9. We obtained written representation from management of the university that the Privateer Athletic Foundation is the only outside organization created for or in behalf of the athletic department. In August 2003, the UNO Athletic Association amended its Articles of Incorporation to change the corporate name to the Privateer Athletic Foundation.

10. From representatives of the outside organization, we obtained the Statement of Cash Receipts and Disbursements and written representations as to the fair presentation of the statement.

We found no exceptions as a result of these procedures.

11. We compared the direct payments of the Privateer Athletic Foundation to the university and the cash disbursements made by the Privateer Athletic Foundation for or in behalf of the athletic department to the revenue 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 report to identify any reportable conditions relating to the outside organization's internal controls.

The Privateer Athletic Foundation is included as an account within the University of New Orleans Foundation. The financial statements of the University of New Orleans Foundation were audited by an independent certified public accounting firm for the year ended June 30, 2004. The audit report is dated September 3, 2004, 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 University of New Orleans Athletic Department. Accordingly, we do not express such an opinion. Also, we express no opinion on the University of New Orleans' 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 ACCOUNTANT'S REPORT

This report is intended solely for the information and use of management of the University of New Orleans 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 NEW ORLEANS
LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA**

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

REVENUES

Fee allocations	\$2,965,525
Admissions and concessions	847,758
Contributions:	
In-kind	109,099
Direct	160,250
Total revenues	<u>4,082,632</u>

EXPENSES

Salaries	1,357,463
Scholarships	847,502
Supplies and expense	745,222
Travel	495,741
Employee benefits	285,719
Wages	56,765
Cost of sales	38,579
Renewals and replacements	15,753
Total expenses	<u>3,842,744</u>

EXCESS OF REVENUES OVER EXPENSES	<u><u>\$239,888</u></u>
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