

ATHLETIC DEPARTMENT  
UNIVERSITY OF LOUISIANA AT LAFAYETTE  
UNIVERSITY OF LOUISIANA SYSTEM  
STATE OF LOUISIANA



AGREED-UPON PROCEDURES REPORT  
ISSUED FEBRUARY 23, 2011

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LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

January 11, 2010

Independent Accountant's Report on the  
Application of Agreed-Upon Procedures

**DR. E. JOSEPH SAVOIE, PRESIDENT**  
**UNIVERSITY OF LOUISIANA AT LAFAYETTE**  
**UNIVERSITY OF LOUISIANA SYSTEM**  
**STATE OF LOUISIANA**  
Lafayette, Louisiana

We have performed the procedures enumerated below, which were agreed to by you, as president of the University of Louisiana at Lafayette, solely to assist you in evaluating whether the accompanying Statement of Revenues and Expenses (Statement) of the University of Louisiana at Lafayette Athletic Department is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.16.1 for the year ended June 30, 2010, and to assist you in your evaluation of the effectiveness of the University of Louisiana at Lafayette Athletic Department's internal control over financial reporting as of June 30, 2010. University management is responsible for the Statement (unaudited) and related notes (unaudited) and compliance with NCAA requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of management of the University of Louisiana at Lafayette. 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.

The procedures that we performed and our findings are as follows:

**MINIMUM COMPLIANCE AGREED-UPON PROCEDURES**

**INTERNAL CONTROL**

1. We obtained, through discussion with management, the identity of those aspects of internal control which management considers unique to intercollegiate athletics.

2. We performed procedures to test specific elements of the control environment and accounting systems that are unique to intercollegiate athletics to determine adherence to established policies and procedures relating to revenues and expenses. The following procedures were performed:
  - (a) 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.
  - (b) We selected the two largest athletic department cash disbursement transactions and followed them through the university's accounting system to determine adherence to established policies and procedures.
  - (c) We discussed with and observed athletic department personnel to determine their compliance with policies and procedures related to the control and safeguarding of unsold tickets.

We found no exceptions as a result of these procedures.

3. We obtained internal auditor reports issued during the period relating to the intercollegiate athletics program to identify any significant deficiencies reported.

No significant deficiencies were noted in the internal audit reports obtained.

4. We obtained the university's procedures for gathering information on the nature and extent of affiliated and outside organizational activity for or on behalf of the university's intercollegiate athletics program and determined the university's adherence to those procedures.

We found no exceptions as a result of these procedures.

## **STATEMENT OF REVENUES AND EXPENSES**

### **GENERAL PROCEDURES**

1. We obtained written representations from management as to the fair presentation of the Statement of the intercollegiate athletics program, completeness of required schedules and related financial information, adequacy of controls, compliance with NCAA rules and regulations, completeness of the list of all known affiliated and outside organizations, and other information we considered necessary for the year ended June 30, 2010.

2. We verified the mathematical accuracy of the amounts on the Statement and agreed the amounts to supporting schedules provided by the university and/or the university's general ledger.

We found no exceptions as a result of these procedures.

3. We compared and agreed a sample of five operating revenue receipts and a sample of five expense disbursements obtained from the supporting schedules to adequate supporting documentation.

We found no exceptions as a result of these procedures.

4. We compared each major operating revenue and expense account for June 30, 2009, and June 30, 2010, to identify variances of 20 percent or greater between individual revenue and expense line items that are 5 percent or more of the total and obtained the university's explanations.

As a result of our procedures, we identified variances of 20 percent or greater in the following revenue and expense accounts that are 5 percent or more of the total:

**Revenues**

Ticket sales

Contributions

**Expenses**

Guarantees

5. We compared the budgeted revenues and expenses to actual revenues and expenses for each operating revenue and expense account for the year ended June 30, 2010, to identify any variances of 20 percent or greater in individual revenue and expense line items that are 5 percent or more of the total and obtained the university's explanations.

As a result of our procedure, we identified variances of 20 percent or greater between budget and actual amounts in the following individual line items that are 5 percent or more of the total:

**Revenues**

Ticket sales

**Expenses**

None

**MINIMUM AGREED-UPON PROCEDURES FOR REVENUES**

1. We used a schedule prepared by the university and compared the value of the tickets sold, complementary tickets provided, and unsold tickets for the reporting period per the schedule to the related revenue reported by the university in the general ledger and Statement and to the related attendance figures. We agreed the information on the schedule to the supporting game reconciliations for a random sample of one football, one basketball, and one baseball game and recalculated the reconciliations for the games tested.

We found no exceptions as a result of this procedure.

2. We reviewed the university's methodology for allocating student fees to the intercollegiate athletics program.

The university has no student fees that are allocated to the intercollegiate athletics program.

3. We selected the away game with the largest game guarantee settlement and agreed the amount to the general ledger and to the contractual agreement. We recalculated the settlement report for the game tested.

We found no exceptions as a result of this procedure.

4. We have obtained and reviewed supporting documentation for each contribution of monies, goods, or services received directly by an intercollegiate athletics program for any affiliated or outside organization, agency, or group of individuals, two or more, that are not considered corporate sponsors that constitute 10 percent or more of all contributions received for intercollegiate athletics during the reporting periods.

The University of Louisiana at Lafayette Foundation, Inc., an outside organization, contributed monies, goods, and services for or on behalf of the athletic department that exceeded 10 percent of the total contributions.

5. We compared direct state and other governmental support recorded by the university during the period with state appropriations, institutional authorizations, and other corroborative supporting documentation and recalculated the totals.

The university had no direct state and other governmental support as defined by NCAA guidelines.

6. We compared direct institutional support recorded by the institution during the reporting period with state appropriations, institutional authorizations, and/or other corroborative supporting documentation. We recalculated the totals.

We found no exceptions as a result of this procedure.

7. We compared indirect institutional support recorded by the university during the period with state appropriations, institutional authorizations, and other corroborative supporting documentation and recalculated the totals.

The university had no indirect institutional support as defined by NCAA guidelines.

8. We compared and agreed the NCAA/Conference distributions revenue to the general ledger and/or the Statement based on the relevant terms and conditions of all agreements related to the university's participation in NCAA/Conference tournaments and recalculated the totals.

We found no exceptions as a result of this procedure.

9. We obtained and inspected the agreement related to the university's participation in revenues from broadcasts, television, radio, and Internet rights during the period. We compared and agreed related revenues to the general ledger and/or the Statement and recalculated the totals.

We found no exceptions as a result of this procedure.

10. We obtained and inspected the agreement related to the university's participation in revenues from royalties, licensing, advertisements, and sponsorships during the period. We compared and agreed the related revenues to the general ledger and/or the Statement and recalculated the totals.

We noted an expense of \$1,000 associated with a contribution through a trade-out sponsorship agreement that was reported as equipment expense when it should have been reported as game expense. We also noted an expense of \$25,000 associated with a trade-out agreement that was reported as game expense when it should have been reported as team travel.

11. We inquired about sports-camp contracts between the university and person(s) conducting the camps or clinics.

The university had no sport camps or clinics nor did it have any revenue from sports camps during the reporting period.

12. We randomly selected one endowment agreement and compared and agreed the classification and use of the endowment and investment income reported in the Statement for the period to the uses of income as defined in the agreement and recalculated the totals.

We found no exceptions as a result of this procedure.

13. We randomly selected one program sales and one concession revenue receipt, agreed to adequate supporting documentation, and recalculated the totals. We found that the university did not have any transactions coded to novelty sales or parking receipts.

We found the program sales transaction lacked sufficient supporting documentation. Good internal controls include adequate supporting documentation. We recommend that intercollegiate athletics begin tracking the number of programs printed, given complimentary, and sold to perform reconciliation procedures.

14. We randomly selected one operating revenue receipt from each category not previously mentioned and agreed to adequate supporting documentation.

We found no exceptions as a result of this procedure.

#### **MINIMUM AGREED-UPON PROCEDURES FOR EXPENSES**

1. We randomly selected a sample of four students from the listing of university student aid recipients and obtained individual student-account detail for each selection and compared total aid allocated from the related aid award letter to the student's account. We recalculated the totals.

We found no exceptions as a result of these procedures.

2. We reviewed the largest contractual agreement pertaining to expenses recorded by the university from a guaranteed contest during the period. We used the game settlement report and agreed related expenses to the university's general ledger and the Statement and recalculated totals.

We found no exceptions as a result of these procedures.

3. We obtained from management a list of coaches and support staff/administrative personnel paid by the university and related entities during the reporting period. We examined the contracts for the head coaches from football, men's and women's basketball, and randomly selected two support staff/administrative personnel. The following procedures were performed:

- (a) We compared and agreed the financial terms and conditions of each head coach selected to the related coaching salaries, benefits, and bonuses recorded by the university and related entities in the Statement.

- (b) We obtained and inspected W-2s and 1099s for each selection.

- (c) We compared and agreed related W-2s and 1099s for each selection to the related salaries, benefits, and bonuses paid by the university and related

entities' expense recorded by the university in the Statement during the reporting period.

(d) We recalculated the totals.

We found no exceptions as a result of these procedures.

4. We inquired about coaches and support staff/administrative personnel that were paid by third parties and were informed by management that no salaries were paid by third parties.
5. Using a list prepared by the university, we randomly selected two athletic employees with severance payments and agreed the severance pay to the related termination letter or employment contract and recalculated the totals.

We found no exceptions as a result of this procedure.

6. We compared and agreed the university's recruiting expense policies to existing institutional and NCAA-related policies.

We found no significant differences as a result of this procedure.

7. We compared and agreed the university's team travel policies to existing institutional and NCAA-related policies.

We found no significant differences as a result of this procedure.

8. We inquired about the university's methodology for allocating indirect facilities support.

The university had no indirect facilities as defined by NCAA guidelines.

9. We inquired about the indirect facilities support and indirect institutional support.

The university had no indirect facilities support or indirect institutional support as defined by NCAA guidelines.

10. We inquired about the indirect facilities and administrative support.

The university had no indirect facilities support or administrative support as defined by NCAA guidelines.

11. We randomly selected one operating expense from each category not previously mentioned, agreed to adequate supporting documentation, and recalculated the totals.

We found no exceptions as a result of these procedures.

**MINIMUM AGREED-UPON PROCEDURES  
FOR NOTES AND DISCLOSURES**

1. We obtained from university management a list of contributions of monies, goods, or services received directly by the athletic department to identify any individual contributions that constitute more than 10 percent of the total contributions. We obtained and reviewed supporting documentation for each such contribution and ensured the source of funds and goods and services as well as the value associated with these items was disclosed within the notes to the Statement.

The University of Louisiana at Lafayette Foundation, Inc., an outside organization, contributed monies, goods, and services for or on behalf of the athletic department that exceeded 10 percent of the total contributions.

2. We obtained and reviewed a schedule of changes in intercollegiate athletics capitalized assets of facilities along with a description of the university's policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics-related assets. We agreed the schedule of changes to the university's general ledger and affiliated and outside organizations financial statements. We ensured the university's policies and procedures and schedule of changes were properly disclosed within the notes to the Statement.

We found no exceptions as a result of this procedure.

3. We inquired about all outstanding intercollegiate athletics debt maintained by the university and/or affiliated and outside organizations during the reporting period.

The university had no outstanding intercollegiate athletics debt.

**MINIMUM AGREED-UPON PROCEDURES FOR  
AFFILIATED AND OUTSIDE ORGANIZATIONS**

1. We obtained written representation from management of the university that the University of Louisiana at Lafayette Foundation, Inc., was the only outside organization created for or on behalf of the athletic department.
2. We obtained from management statements for all affiliated and outside organizations and performed the following:
  - (a) We agreed the amounts reported in the statements to the university's general ledger or confirmed revenues and expenses directly with a responsible official of the organization.
  - (b) We reconciled the cash disbursements made by the organization for or on behalf of the university's intercollegiate athletics programs or employees to the revenues reported on the university's Statement.

- (c) We reconciled the direct payments of the outside organizations to the university with the revenues reported on the university's Statement.

We noted that five cash disbursements made by the foundation on behalf of the university's intercollegiate athletics program were reported in either the incorrect sport or the incorrect expense category.

3. We obtained written representation from management of the university that the listing of all known affiliated and outside organizations provided to us by the university are the only outside organizations created for or on behalf of the athletic department.
4. We obtained from management a summary schedule of revenues and expenses for or on behalf of intercollegiate athletics programs by affiliated and outside organizations not under the accounting control of the university to be included with the agreed-upon procedures report.

	Football	Men's Basketball	Women's Basketball	Other Sports	Non- Program Specific	Total
<b>Revenues</b>						
Contributions	\$291,139	\$86,777	\$9,074	\$236,709	\$169,294	\$792,993
<b>Expenses</b>						
Athletic aid				43,568		43,568
Support staff/administrative salaries		2,500			1,872	4,372
Recruiting	800	811		300		1,911
Team travel	5,663			2,277		7,940
Equipment, uniforms, and supplies	36,435	411	450	57,599	16,386	111,281
Game expenses	150	5,790		15,773		21,713
Fund raising, marketing, and promotion	196,515	48,775	4,241	93,832	95,830	439,193
Direct facilities, maintenance, and rental	38,728	19	1,703	15,983	32,200	88,633
Medical expenses and medical insurance					375	375
Memberships and dues				1,014		1,014
Other operating expense	12,848	28,471	2,680	6,363	22,631	72,993
Total expenses	291,139	86,777	9,074	236,709	169,294	792,993
<b>EXCESS OF REVENUES OVER EXPENSES</b>						
	NONE	NONE	NONE	NONE	NONE	NONE

Other than the corrections made as a result of procedure number two, we found no exceptions as a result of these procedures.

5. We obtained written representation from management as to the fair presentation of the summary schedule and agreed the amounts reported to the university's general ledger.

We found no exceptions as a result of these procedures.

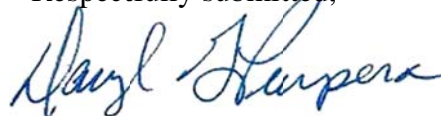
6. For all outside organizations that had an independent audit, we obtained the independent auditor's report to identify any significant deficiencies relating to the outside organization's internal controls, to make inquiries of management, and to document any corrective action taken in response to the significant deficiencies.

The financial statements of the University of Louisiana at Lafayette Foundation, Inc., were audited by an independent certified public accounting firm for the year ended June 30, 2010. The audit report is dated September 1, 2010, and includes no significant deficiencies on the outside organization's internal control.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the compliance of the accompanying Statement and related notes of the university's athletic department or on its compliance with NCAA Bylaw 3.2.4.16.1 or on the effectiveness of the university athletic department's internal control over financial reporting for the year ended June 30, 2010. 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 president of the university and is not intended to be, and should not be, used by anyone other than the president. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE  
Legislative Auditor

KDD:BH:EFS:THC:dl

ULLNCAA 2010

**ATHLETIC DEPARTMENT  
UNIVERSITY OF LOUISIANA AT LAFAYETTE  
UNIVERSITY OF LOUISIANA SYSTEM  
STATE OF LOUISIANA**

**Statement of Revenues and Expenses  
For the Year Ended June 30, 2010**

	<u>FOOTBALL</u>	<u>MEN'S BASKETBALL</u>	<u>WOMEN'S BASKETBALL</u>	<u>OTHER SPORTS</u>	<u>NON- PROGRAM SPECIFIC</u>	<u>TOTAL</u>
<b>REVENUES</b>						
<b>Operating Revenues:</b>						
Ticket sales	\$948,107	\$238,775	\$1,508	\$297,680		\$1,486,070
Guarantees	1,550,000	135,000	1,500	17,000		1,703,500
Contributions	346,389	142,527	14,074	321,876	\$240,425	1,065,291
Direct institutional support	1,209,600	794,543	777,311	3,010,710	731,864	6,524,028
NCAA/Conference distributions including all tournament revenues				55,765	626,313	682,078
Broadcast, television, radio, and Internet rights					35,500	35,500
Program sales, concessions, novelty sales, and parking	97,107	65	117	79,183	28,675	205,147
Royalties, licensing, advertisements, and sponsorships				45,485	277,860	323,345
Other	62,015				193,096	255,111
<b>Total operating revenues</b>	<u>4,213,218</u>	<u>1,310,910</u>	<u>794,510</u>	<u>3,827,699</u>	<u>2,133,733</u>	<u>12,280,070</u>
<b>EXPENSES</b>						
<b>Operating Expenses:</b>						
Athletics student aid	924,423	138,744	181,358	1,029,276	186,855	2,460,656
Guarantees	510,000	16,618	3,000	28,067		557,685
Coaching salaries, benefits, and bonuses paid by the university and related entities	1,272,992	588,845	315,550	1,014,894		3,192,281
Support staff/administrative salaries, benefits, bonuses paid by the university and related	67,581	54,319	46,638	414,049	719,803	1,302,390
Severance payments	117	43,876	10,283	6,418	5,456	66,150
Recruiting	128,590	53,444	39,165	106,899		328,098
Team travel	485,775	150,503	114,520	598,934		1,349,732
Equipment, uniforms, and supplies	159,805	25,689	12,379	294,334	55,540	547,747
Game expenses	361,242	147,044	48,937	200,487	192,706	950,416
Fund raising, marketing, and promotion	196,515	48,775	4,241	93,832	129,042	472,405
Direct facilities, maintenance, and rental	60,741	19	2,666	18,809	375,583	457,818
Medical expenses and medical insurance					349,940	349,940
Membership and dues		300	500	3,509	86,703	91,012
Other operating expense	45,437	42,734	15,274	18,191	109,655	231,291
<b>Total operating expenses</b>	<u>4,213,218</u>	<u>1,310,910</u>	<u>794,511</u>	<u>3,827,699</u>	<u>2,211,283</u>	<u>12,357,621</u>
<b>EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENSES</b>	<u>NONE</u>	<u>NONE</u>	<u>(\$1)</u>	<u>NONE</u>	<u>(\$77,550)</u>	<u>(\$77,551)</u>

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## 1. CONTRIBUTIONS

No individuals or outside organizations other than the University of Louisiana at Lafayette Foundation, Inc., contributed monies, goods, or services for or on behalf of the athletic department that exceeded 10 percent of the total contributions included in Statement A.

## 2. CAPITAL ASSETS

Capital assets are reported at cost at the date of acquisition or their estimated fair value at the date of donation. For movable property, the university's capitalization policy includes all items with a unit cost of \$5,000 or more and an estimated useful life greater than one year. Renovations to buildings, infrastructure, and land improvements that significantly increase the value or extend the useful life of the structure are capitalized if they exceed \$100,000. Any infrastructure exceeding \$3 million must be capitalized, but the university does not have any infrastructure that meets that criterion. Routine repairs and maintenance are charged to operating expense in the year in which the expense was incurred. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 40 years for buildings and infrastructure, 20 years for depreciable land improvements, and 3 to 10 years for most movable property. All departments within the university follow standardized policies and procedures prescribed by state laws and regulations for acquiring, approving, depreciating, and disposing of capital assets. The university has no debt associated with its athletic department's capital assets.

Capital asset activity for the athletic department for the year ended June 30, 2010, is as follows:

	Balance June 30, 2009	Additions	Retirements	Balance June 30, 2010
Capital assets not being depreciated - construction-in-progress	NONE	\$1,103,755	NONE	\$1,103,755
Other capital assets:				
Land improvements	\$1,290,401			\$1,290,401
Less - accumulated depreciation (restated)	(1,160,978)	(\$9,957)		(1,170,935)
Total land improvements	129,423	(9,957)	NONE	119,466
Buildings	20,137,498	969,544		21,107,042
Less - accumulated depreciation	(8,804,681)	(508,210)		(9,312,891)
Total buildings	11,332,817	461,334	NONE	11,794,151
Equipment	475,131		(\$12,600)	462,531
Less - accumulated depreciation	(331,221)	(22,482)	12,600	(341,103)
Total equipment	143,910	(22,482)	NONE	121,428
Total other capital assets	\$11,606,150	\$428,895	NONE	\$12,035,045
Capital Asset Summary:				
Capital assets not being depreciated		\$1,103,755		\$1,103,755
Other capital assets, at cost	\$21,903,030	969,544	(\$12,600)	22,859,974
Total cost of capital assets	21,903,030	2,073,299	(12,600)	23,963,729
Less - accumulated depreciation	(10,296,880)	(540,649)	12,600	(10,824,929)
Capital assets, net	\$11,606,150	\$1,532,650	NONE	\$13,138,800

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