

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



AGREED-UPON PROCEDURES REPORT  
ISSUED FEBRUARY 24, 2010

**LEGISLATIVE AUDITOR  
1600 NORTH THIRD STREET  
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	Page
Independent Accountant's Report on the Application of Agreed-Upon Procedures .....	3
<b>Statement</b>	
Financial Statement - Statement of Revenues and Expenses (Unaudited)..... A.....	11
Notes to the Financial Statement (Unaudited) .....	13





LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA

January 12, 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 6.2.3 for the year ended June 30, 2009, 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, 2009. 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:

**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, and other information we considered necessary for the year ended June 30, 2009.

We found no exceptions as a result of these procedures.

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 inquired of management about the involvement of the university's internal auditor in the intercollegiate athletics program and reviewed all athletics-related internal audit reports.

An internal audit report dated October 13, 2008, on student athlete complimentary tickets reported that no exceptions were noted.

We found no exceptions as a result of these procedures.

4. We compared each operating revenue and expense category for June 30, 2008, and June 30, 2009, to identify variances of 20 percent or greater between individual revenue and expense categories (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**

Contributions

**Expenses**

There were no expense accounts that exceeded the thresholds.

5. We compared the budgeted revenues and expenses to actual revenues and expenses for each operating revenue and expense category for the year ended June 30, 2009, to identify any variances of 20 percent or greater in individual revenue and expense categories (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 a variance of 20 percent or greater between budget and actual amounts in individual line items that was 5 percent or more of the total:

**Revenues**

Ticket sales

**Expenses**

There were no expense accounts that exceeded the thresholds.

**MINIMUM AGREED-UPON PROCEDURES  
FOR REVENUES**

1. We selected the basketball and football games with the largest ticket sales and recalculated the reconciliations for the two games selected. We agreed amounts reported to the general ledger and the Statement.

We found no exceptions as a result of this procedure.

2. We inquired about student fees related to the intercollegiate athletics programs and the university had none.

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

We found no exceptions as a result of this procedure.

4. We compared direct institutional support recorded by the university 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.

5. We compared indirect institutional support recorded by the university during the period with state appropriations, institutional authorizations and/or other corroborative supporting documentation.

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

6. Based on the relevant terms and conditions related to the university's participation in revenues from NCAA/Conference tournaments during the period, we compared and agreed related revenues to the general ledger and/or the Statement and recalculated the totals. In addition, we agreed all operating revenue receipts from the NCAA/Conference distributions category to adequate supporting documentation.

We found no exceptions as a result of this procedure.

7. 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.

8. We obtained and inspected the agreements related to the university's participation in revenues from royalties, licensing, advertisements, and sponsorships 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 these procedures.

9. We inquired about sports-camp contracts between the university and person(s) conducting the camps or clinics and the university had none nor did it have any revenue from sports-camps during the reporting period.
10. We 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 selected a sample of four students from the listing of university student aid recipients, 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 obtained and inspected 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 the 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. We examined the contracts for the head coaches from football, men's and women's basketball, and 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 any related W-2s and 1099s for each selection.
- (c) We compared and agreed any 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.

We found no exceptions as a result of these procedures.

4. Using a list prepared by the university, we selected the athletic employee with the highest severance payment 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.

5. We compared and agreed the university's recruiting expense policies to existing university and NCAA-related policies. We selected two recruiting expenses and agreed to supporting documentation.

We found no exceptions as a result of this procedure.

6. We compared and agreed the university's team travel policies to existing institutional and NCAA-related policies. We selected two travel expenses and agreed to supporting documentation. In addition, we selected one post-season travel expense and followed the transaction through the university's internal control system to ensure adherence to controls.

We found no exceptions as a result of these procedures.

7. We inquired about travel expenses incurred by spirit groups and the university had none.
8. We selected four operating expenses from the direct facilities, maintenance, and rental category and agreed to supporting documentation.

We found no exceptions as a result of this procedure.

9. We inquired about the institution's methodology for allocating indirect facilities support and indirect institutional support.

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

10. We inquired about indirect facilities and administrative support reported by the university in the Statement.

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

11. We inquired about sports-camp expenses paid by the athletic department including non-athletic personnel salaries and benefits from hosting sports-camps and clinics and the university had none.

12. We selected one operating expense from each category not previously mentioned and agreed to adequate supporting documentation.

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 received 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, goods, and services, as well as the value associated with these items, was properly 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 outside organizations' financial statements. We ensured that the university's policies and procedures and schedule of changes are properly disclosed within the notes to the Statement.

We noted two items of equipment that were reported as transfers instead of additions.

3. We selected capitalized additions greater than 10 percent of total capital additions and agreed the additions to adequate supporting documentation.

We found no exceptions as a result of these procedures.

4. We inquired about all outstanding intercollegiate athletics debt maintained by the institution 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 a summary of revenues and expenses for or on behalf of intercollegiate athletics programs by affiliated and outside organizations to be included with the agreed-upon procedures report and written representations as to the fair presentation of the summary and agreed the amounts reported to the university's and/or outside organization's general ledger.

	Football	Men's Basketball	Women's Basketball	Other Sports	Non- Program Specific	Total
<b>Revenues</b>						
Contributions	\$384,099	\$63,749	\$10,477	\$213,964	\$138,249	\$810,538
Total revenues	384,099	63,749	10,477	213,964	138,249	810,538
<b>Expenses</b>						
Athletic aid				8,475		8,475
Coaching salaries	2,500		3,058	2,084		7,642
Support staff/administrative salaries		6,000			10,297	16,297
Recruiting	35,545			8,361		43,906
Team travel	11,011	1,004		3,265		15,280
Equipment, uniforms, and supplies	40,246	10,271	2,197	51,764	21,180	125,658
Game expenses	100,480	22,730		32,602	907	156,719
Fund raising, marketing, and promotion	109,230	15,866	196	59,914	98,021	283,227
Direct facilities, maintenance, and rental	72,934	7,453	3,833	44,020	2,322	130,562
Memberships and dues		425				425
Other operating expense	12,153		1,193	3,479	5,522	22,347
Total expenses	384,099	63,749	10,477	213,964	138,249	810,538
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>

We found no exceptions as a result of these procedures.

3. 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, 2009. The audit report is dated August 27, 2009, 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 of Revenues and Expenses and related notes of the University of Louisiana at Lafayette Athletic Department or on its compliance with NCAA Bylaw 6.2.3 or on the effectiveness of the University of Louisiana at

Lafayette Athletic Department's internal control over financial reporting for the year ended June 30, 2009. 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 of Louisiana at Lafayette 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,

A handwritten signature in blue ink that reads "Daryl G. Purpera". The signature is fluid and cursive, with the first name being the most prominent.

Daryl G. Purpera, CPA  
Temporary Legislative Auditor

LBL:BH:EFS:PEP:sr

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**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, 2009**

REVENUES	FOOTBALL	MEN'S BASKETBALL	WOMEN'S BASKETBALL	OTHER SPORTS	NON- PROGRAM SPECIFIC	TOTAL
<b>Operating Revenues:</b>						
Ticket sales	\$605,864	\$284,678	\$4,263	\$254,797		\$1,149,602
Guarantees	1,475,000	125,000	2,000	13,600		1,615,600
Contributions	441,099	68,192	10,477	779,630	\$473,530	1,772,928
Direct institutional support	1,354,346	669,055	803,020	2,526,733	868,191	6,221,345
NCAA/Conference distributions including all tournament revenues				17,380	578,803	596,183
Broadcast, television, radio, and Internet rights					35,500	35,500
Program sales, concessions, novelty sales, and parking	76,651	989		60,467	16,508	154,615
Royalties, licensing, advertisements, and sponsorships				62,285	326,518	388,803
Other	62,101				126,184	188,285
<b>Total operating revenues</b>	<b>4,015,061</b>	<b>1,147,914</b>	<b>819,760</b>	<b>3,714,892</b>	<b>2,425,234</b>	<b>12,122,861</b>
<b>EXPENSES</b>						
<b>Operating Expenses:</b>						
Athletics student aid	874,929	128,302	188,690	936,201	208,330	2,336,452
Guarantees	390,000	22,000	3,000	4,500		419,500
Coaching salaries, benefits, and bonuses paid by the university and related entities	1,227,835	427,813	306,327	956,467		2,918,442
Support staff/administrative salaries, benefits, and bonuses paid by the university and related entities	56,958	58,204	45,352	405,345	684,938	1,250,797
Severance payments	11,413	8,549		16,393	3,852	40,207
Recruiting	160,188	41,209	42,849	119,429		363,675
Team travel	517,329	182,754	110,331	615,919		1,426,333
Equipment, uniforms, and supplies	177,549	29,624	31,557	301,455	80,747	620,932
Game expenses	364,586	199,984	60,577	199,721	141,339	966,207
Fund raising, marketing, and promotion	109,230	15,866	195	59,914	136,554	321,759
Direct facilities, maintenance, and rental	88,095	7,514	12,191	67,692	347,198	522,690
Medical expenses and medical insurance					421,977	421,977
Membership and dues	780	2,309	568	1,699	88,635	93,991
Other operating expense	36,169	23,786	18,123	30,157	129,522	237,757
<b>Total operating expenses</b>	<b>4,015,061</b>	<b>1,147,914</b>	<b>819,760</b>	<b>3,714,892</b>	<b>2,243,092</b>	<b>11,940,719</b>
<b>EXCESS (Deficiency) OF REVENUES OVER (Under) EXPENSES</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>\$182,142</b>	<b>\$182,142</b>

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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, 2009, is as follows:

	Balance June 30, 2008	Additions	Transfers	Retirements	Balance June 30, 2009
Capital assets not being depreciated - construction-in-progress	NONE	NONE	NONE	NONE	NONE
Other capital assets:					
Land improvements	\$1,290,401				\$1,290,401
Less - accumulated depreciation (restated)	(1,151,021)	(\$9,957)			(1,160,978)
Total land improvements	139,380	(9,957)	NONE	NONE	129,423
Buildings	19,608,939	528,559			20,137,498
Less - accumulated depreciation	(8,307,496)	(497,185)			(8,804,681)
Total buildings	11,301,443	31,374	NONE	NONE	11,332,817
Equipment	617,897	110,634		(\$253,400)	475,131
Less - accumulated depreciation	(546,465)	(38,156)		253,400	(331,221)
Total equipment	71,432	72,478	NONE	NONE	143,910
Total other capital assets	\$11,512,255	\$93,895	NONE	NONE	\$11,606,150
Capital Asset Summary:					
Other capital assets, at cost	\$21,517,237	\$639,193		(\$253,400)	\$21,903,030
Total cost of capital assets	21,517,237	639,193	NONE	(253,400)	21,903,030
Less - accumulated depreciation	(10,004,982)	(545,298)		253,400	(10,296,880)
Capital assets, net	\$11,512,255	\$93,895	NONE	NONE	\$11,606,150

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