

**SOUTHERN UNIVERSITY - BATON ROUGE CAMPUS
INTERCOLLEGIATE ATHLETICS PROGRAM**

AGREED-UPON PROCEDURES ENGAGEMENT

FOR THE YEAR ENDED JUNE 30, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

2/14/07

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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
TO THE ACCOUNTING RECORDS**

Dr. Ralph Slaughter, President
Southern University System
Baton Rouge, Louisiana

At your request, we have performed the agreed-upon procedures, as enumerated below, which were agreed to by management of the Southern University - Baton Rouge Campus (the University), to the accounting records of the Intercollegiate Athletics Program as of the year ended June 30, 2005, solely to assist the University in complying with NCAA Bylaw 6.2.3.1. The University is responsible for the accounting records of the Intercollegiate Athletics Program. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representations 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 findings were as follows:

MINIMUM AGREED - UPON GENERAL PROCEDURES

1. We obtained written representation from management as to the fair presentation of the statement of revenues and expenses of the Intercollegiate Athletics Program, completeness of required schedules and related financial information, adequacy of controls, compliance with NCAA rules and legislations, and other information as we considered necessary. We also verified the mathematical accuracy of amounts and agreed the Schedule of Revenues and Expenditures for the year ended June 30, 2005 to the University's general ledger. No exceptions were noted.

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
TO THE ACCOUNTING RECORDS**

(CONTINUED)

MINIMUM AGREED – UPON GENERAL PROCEDURES, CONTINUED

2. We obtained an understanding of the University's control environment and accounting systems for the intercollegiate athletics program and performed test of the specific elements. We noted no exceptions based on the procedures performed.
3. We compared each operating revenue and expense category for June 30, 2004 and June 30, 2005, identifying variances of 20% or greater between individual revenue and expense categories that are 5% or more of the total. Based on procedures performed, we noted that there were no variances that exceed 20% or greater of revenues and expenses between current and prior years.
4. We compared the budgeted revenues and expenses to actual revenues and expenses for each operating revenue and expense category for the year June 30, 2005, to identify any variances of 20% or greater between budgeted revenues and expenses to actual revenues and expenses. There were no variances between budget and actual revenues and expenses 20% or greater for the year ended June 30, 2005.

MINIMUM AGREED-UPON PROCEDURES FOR REVENUES

1. We verified amounts reported as ticket sales by reviewing appropriate documentation (i.e. sales reports, receipts etc.). We noted no exceptions based on the procedures performed.
2. We agreed the largest game guarantee settlement for Football and Men's Women's basketball to the University's contractual agreement with other Universities and vouched the related receipts. We noted no exceptions based on the procedures performed.

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
TO THE ACCOUNTING RECORDS**

(CONTINUED)

MINIMUM AGREED-UPON PROCEDURES FOR REVENUES, CONTINUED

3. Per discussion with the University's management they did not receive any indirect institutional support for the year ended June 30, 2005.
4. We agreed the institutional support recorded by the institution during the year by recalculating the amount recorded as student athletic fees revenues that is transferred to the University's intercollegiate athletics program. We noted no exceptions based on the procedures performed.
5. Per discussion with the University's management they did not participate or receive revenues from NCAA/ Conference tournaments for the year ended June 30, 2005.
6. Per discussion with the University's management they did not receive any revenues from royalties, advertisements, or sponsorships for the year ended June 30, 2005.
7. We were not able to test the reporting of the University's sport-camps or clinics during the year for the following reasons:
 - * There were no contracts for sport-camps between the University and persons conducting the University sport-camps or clinics during the year.
 - * There were no records kept that listed each camp, amount of revenues generated for the camp, the charge per participant, and number of participants for the camp.
 - * The revenues and expenses from sports camp activities were not recorded in the general ledger.
8. We selected one operating revenue receipt from each category not previously mentioned above and agreed amounts to supporting documentation (i.e. contracts, sales reports, cash receipts) and agreed amounts to the general ledger. We noted no exceptions based the procedures performed.

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
TO THE ACCOUNTING RECORDS**

(CONTINUED)

MINIMUM AGREED-UPON PROCEDURES FOR EXPENSES

1. We vouched a random sample of Forty-one (41) student-athletes from the listing of the University's student aid recipients. We vouched the recipients award letters to the detail of the student accounts. We noted no exceptions based on the procedures performed .
2. We obtained and inspected the largest contractual agreement pertaining to expenses recorded for Football and Men's and Women's basketball. We reconciled the amounts recorded to the general ledger to the contractual agreement. We noted no exceptions based on the procedures performed .
3. We compared current payroll amounts to the prior year's amounts and reconciled all variances greater than a pre-determined amount. We also reviewed supporting personnel action forms, W-2's, and Contracts for nineteen (19) coaches and support staff noting appropriate approval for the related wages and fringe benefits increases and/or decreases. We noted no exceptions based on the procedures performed .
4. We obtained and tested the severance payment and contract related to the termination letter or employment contract of the highest severance payment. We noted no exceptions based on the procedures performed .
5. We obtained and documented an understanding of the University's recruiting expense policies. The University's policies were compared and agreed to existing institutional and NCAA related policies without exception.
6. We obtained and documented an understanding of the University's team travel policies. The University's policies were compared and agreed to existing institutional and NCAA related policies without exception.
7. We obtained and documented an understanding of the institution's methodology for allocating indirect facilities support. Per discussion with management, the University did not allocate indirect facilities support during the year tested. We noted exceptions based on the procedures performed.

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
TO THE ACCOUNTING RECORDS**

(CONTINUED)

MINIMUM AGREED-UPON PROCEDURES FOR EXPENSES, CONTINUED

8. The University did not report indirect facilities and administrative support in the statement for the year ended June 30, 2005.
9. We vouched a random sample of thirteen (13) expenditure transactions and reviewed the related purchasing documents, invoices and cancelled checks. We noted no exceptions based on the procedures performed .

MINIMUM AGREE – UPON PROCEDURES FOR NOTES AND DISCLOSURES

1. We obtained from the University's management a list of contributions received by the athletic department. We reviewed the contributions listed and noted that no individual contributions listed and noted that no individual contribution constituted more than 10% of the total contributions.
2. We obtained and gained an understanding of the policies and procedures for acquiring, depreciating, and disposing of intercollegiate athletics- related assets.
3. We agreed the capital asset schedule to the University's general ledger. During the year tested no capitalize addition was greater than 10% of total capital additions for the year ended June 30, 2005.

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
TO THE ACCOUNTING RECORDS**

(CONTINUED)

MINIMUM AGREED – UPON PROCEDURES FOR AFFILIATED AN OUTSIDE ORGANIZATIONS

1. The University's management provided a listing of all known affiliated and outside organizations that were created for or in behalf of the athletic department.
2. We requested from management, a summary of revenue and expenses for or on behalf of the intercollegiate athletics programs affiliated and outside organizations. Based on procedures performed, we noted that management did not have a summary of revenues and expenses of affiliated and outside organizations.
3. We noted that the University's management did not have procedures in place to gather information on the nature and extent of affiliated and outside organizational activity for or on behalf of the University's intercollegiate athletics programs.
4. We requested the independent audit report for all outside organizations that had an audit conducted and noted that there were no audits conducted of outside organizations.

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES
TO THE ACCOUNTING RECORDS

(CONTINUED)

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the specified elements, accounts or items. 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, his designees and authorized representatives of the National Collegiate Athletics Association and is not intended to be and should not be used by anyone other than these specified parties.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

December 21, 2006

SOUTHERN UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAMS
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2005

	Football	Bayou Classic Activity	Sub-total Football	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
Operating Revenues:								
Ticket sales	\$ 1,667,351	\$ 792,380	\$ 2,459,731	\$ 25,694	\$ -	\$ 7,870	\$ -	\$ 2,493,295
Guarantees	-	-	-	152,500	-	6,930	-	159,430
Student Athletic Fees (NOTE 3)	-	-	-	-	-	-	2,210,349	2,210,349
NCAA revenue distribution (NOTE 8)	-	-	-	-	-	-	460,853	460,853
SWAC revenue distribution	-	-	-	-	-	-	120,000	120,000
Royalties/Sponsorship	-	125,000	125,000	-	-	-	-	125,000
Institutional Support	-	-	-	-	-	-	512,982	512,982
Other revenue	-	-	-	-	-	-	443,756	443,756
Total operating revenues	1,667,351	917,380	2,584,731	178,194	-	14,800	3,747,940	6,525,665
Operating Expenditures:								
Salaries & Wages	511,201	45,353	556,554	166,617	181,400	516,349	1,264,334	2,685,254
Related Benefits	129,376	11,703	141,079	56,738	44,879	114,401	238,746	595,844
Professional Services	-	-	-	-	-	-	23,521	23,521
Membership Dues	-	-	-	-	-	-	22,570	22,570
Recruiting	19,100	-	19,100	14,776	7,075	18,192	1,325	60,468
Medical Expense & Insurance	-	-	-	-	-	-	235,301	235,301
Operating Services	-	31	31	-	-	-	97,023	97,054
Travel	14,334	31,400	45,734	-	4,994	1,020	6,320	58,069
Team Travel	194,111	18,805	212,916	113,964	32,521	283,823	70,055	713,280
Equipment & Uniforms	3,352	-	3,352	4,893	7,716	29,702	87,538	133,201
Game Expenses	-	10,781	10,781	-	-	-	-	10,781
Supplies	59,698	644	60,341	-	-	2,516	158,458	221,314
Facilities, Maintenance, & Rental	5,299	-	5,299	-	-	-	15,155	20,454
Guarantees	101,500	-	101,500	11,100	-	-	1,102	113,702
Other Charges	-	-	-	-	-	-	396,868	396,868
Prior Period Adj	-	-	-	-	-	-	30,000	30,000
Scholarships	396,740	-	396,740	83,584	84,962	558,268	30,403	1,153,957
Total operating expenditures	1,434,711	118,717	1,553,428	451,672	363,548	1,524,270	2,678,722	6,571,640
Excess revenues over (expenditures)	\$ 232,640	\$ 798,663	\$ 1,031,303	\$ 273,478	\$ 363,548	\$ 1,509,470	\$ (1,069,218)	\$ (45,975)

The accompanying notes are an integral part of this schedule.

**SOUTHERN UNIVERSITY-BATON ROUGE CAMPUS
INTERCOLLEGIATE ATHLETICS PROGRAM
AGREED-UPON PROCEDURES ENGAGEMENT
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 1 - Organization:

Southern University (the University) is a publicly supported institution of higher education. The University is a political subdivision of the State of Louisiana, within the Executive Branch of government, under the management and supervision of the Southern University Board of Supervisors. However, the annual budget of the University and proposed changes to the degree programs, departments of instruction, et cetera, require the approval of the Board of Regents. The Board of Supervisors is comprised of 17 members appointed for a six year term by the Governor with the consent of the Senate, and one student member appointed for a one year term by a council composed of the student body presidents of the Southern University System. As a State agency, operations of the University's instructional programs are funded through annual lapsing appropriations made by the Louisiana Legislature.

The Southern University-Baton Rouge Campus operates the following intercollegiate athletics programs:

- o Football;
- o Basketball (men and women);
- o Baseball;
- o Tennis (men and women);
- o Golf (men and women);
- o Track (men and women);
- o Volleyball;
- o Softball (Women); and
- o Bowling (Women).

**SOUTHERN UNIVERSITY-BATON ROUGE CAMPUS
INTERCOLLEGIATE ATHLETICS PROGRAM
AGREED-UPON PROCEDURES ENGAGEMENT
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2005**

NOTE 2 - Summary of Significant Accounting Policies:

Basis of Reporting

The accompanying schedule of revenues and expenditures for the Intercollegiate Athletics Program has been prepared in the format set forth in the NCAA Audit Guide. The purpose of the schedule is to present a summary of those activities of the **Southern University-Baton Rouge Campus (the University)** Intercollegiate Athletics Program for the year ended June 30, 2005.

Because the schedule presents only selected financial activities of the **University**, it is not intended to and does not present either the financial position, changes in fund balances or the current fund's revenues, expenditures and other changes of the **University**.

All activities of the intercollegiate athletics program are reported among the **University's** unrestricted current funds. The unrestricted current funds of the **University** were audited by the State of Louisiana Legislative Auditor.

The accounting principles followed by the **University** in preparing the schedule of revenues and expenditures are as follows:

o **Fund Accounting**

The accounts of the **University** are maintained in accordance with the principles of fund accounting under which resources for various purposes are classified into funds according to specified activities or objectives. Financial transactions of funds having similar characteristics are combined and reported by fund group. As indicated above, the activities of the intercollegiate athletics program are reported in the unrestricted current funds.

SOUTHERN UNIVERSITY-BATON ROUGE CAMPUS
INTERCOLLEGIATE ATHLETICS PROGRAM
AGREED-UPON PROCEDURES ENGAGEMENT
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 2 - Summary of Significant Accounting Policies:
Continued:

o Basis of Accounting

The schedule of revenues and expenditures for the Intercollegiate Athletics Program has been prepared on the accrual basis of accounting, except that (1) depreciation is not recognized, (2) annual and sick leave are recognized when paid, (3) summer school tuition and fees and faculty salaries and related benefits are not pro rated, but are deferred to the succeeding year, and (4) inventory of the general fund are recorded as expenditures at the time of purchase.

The preparation of the schedule of revenues and expenditures in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Additionally, the excess of revenues over expenditures that a specific intercollegiate athletic program generates is utilized to offset a deficit experienced by another program and are recorded as transfers.

To the extent that current funds are used to finance plant assets, the amounts so provided are accounted for as expenditures.

NOTE 3 - Student Athletic Fees:

An athletic fee of \$115 per semester is assessed to full-time undergraduate, graduate and law students who are enrolled on campus and for part-time undergraduate students who are also enrolled on campus. For purposes of the Schedule of Revenues and Expenditures, the student athletic fees have been allocated to other sports and non-program specific activities.

SOUTHERN UNIVERSITY-BATON ROUGE CAMPUS
INTERCOLLEGIATE ATHLETICS PROGRAM
AGREED-UPON PROCEDURES ENGAGEMENT
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2005

NOTE 4 - Capital Outlays:

Capital outlays are recorded as expenditures in the current fund and as an addition to fund balance in the Net Investment in the Plant Fund.

NOTE 5 - NCAA Revenue Distribution:

The Intercollegiate Athletics Program received revenues during the year from the NCAA for certain intercollegiate athletic activities. The amount received was calculated by the NCAA in accordance with a distribution formula which is utilized to determine the amount to be remitted to all participating institutions.

NOTE 6 - Outside Organizations:

Southern University-Baton Rouge Campus Intercollegiate Athletics Program is the recipient of contributions to or in behalf of the program established by the Southern University Quarterback Club, East Baton Rouge Area Chapter, Inc. (the Quarterback Club). The financial activities of the Quarterback Club for the year ended December 31, 2004 were not available as of the report issuance date.

NOTE 7 - Scholarship Expense:

The total scholarship expense per the statement of revenues and expenses represents all athletic scholarships disbursed during the Fall 2004, Spring and Summer 2005 semesters.



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**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES -
INTERNAL CONTROL OVER FINANCIAL REPORTING
FOR THE INTERCOLLEGIATE ATHLETICS PROGRAM**

Dr. Ralph Slaughter, President
Southern University System
Baton Rouge, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Southern University - Baton Rouge Campus (the University), solely to assist the users in evaluating whether the University maintained an effective internal control over financial reporting for the Intercollegiate Athletics Program as of June 30, 2005. The management of the University is responsible for the University's Intercollegiate Athletics Program's internal control over financial reporting. 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 those parties specified in this report. 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 findings are as follows:

- A. We reviewed the athletic department's organization and the use of internal auditors in the department to ensure adherence to established policies and procedures. We noted no exceptions as a result of this procedure.
- B. We reviewed the flow of information through the accounting system for selected revenue, cash receipt and cash disbursement transactions. We noted no exceptions as a result of this procedure.

**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES -
INTERNAL CONTROL OVER FINANCIAL REPORTING
FOR THE INTERCOLLEGIATE ATHLETICS PROGRAM**

(CONTINUED)

Dr. Ralph Slaughter, President
Southern University System

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the effectiveness of internal control over financial reporting. 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, his designees and authorized representatives of the NCAA and is not intended to be and should not be used by anyone other than these specified parties.

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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES -
COMPLIANCE WITH STATE LAWS AND REGULATIONS**

Dr. Ralph Slaughter, President
Southern University System
Baton Rouge, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Southern University - Baton Rouge Campus (the University), solely to assist the users in evaluating the effectiveness of the University's Intercollegiate Athletics Program's internal control over compliance with state laws and regulations as of June 30, 2005. The management of the University is responsible for the University's Intercollegiate Athletics Program's internal control over compliance with those 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 those parties specified in this report. 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 findings were as follows:

- A. We reviewed and tested representations made by management in the Louisiana Systems Survey and Compliance Questionnaire which related to the operations of the Intercollegiate Athletic Program. We noted no exceptions as a result of this procedure.
- B. We reviewed the Athletic Department's compliance with state travel regulations and competitive bid requirements by randomly testing expenditure transactions. We noted no exceptions as a result of this procedure.

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES -
COMPLIANCE WITH STATE LAWS AND REGULATIONS**

(CONTINUED)

Dr. Ralph Slaughter, President
Southern University System

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the effectiveness of internal control over compliance with state laws and regulations. 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, his designees and authorized representatives of the NCAA and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor for the State of Louisiana as a public document.

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