

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Athletic Department
Nicholls State University
University of Louisiana System
State of Louisiana
Thibodaux, Louisiana

February 19, 2003



Financial and Compliance Audit Division

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**ATHLETIC DEPARTMENT
NICHOLLS STATE UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**
Thibodaux, Louisiana

Financial Statement and
Independent Auditor's Report
For the Year Ended June 30, 2002

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge and New Orleans offices of the Legislative Auditor and at the office of the parish clerk of court.

February 19, 2003

**ATHLETIC DEPARTMENT
NICHOLLS STATE UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

Financial Statement and
Independent Auditor's Report
For the Year Ended June 30, 2002

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January 29, 2003

Independent Auditor's Report on
Applying Agreed-Upon Procedures

DR. DONALD J. AYO, PRESIDENT
NICHOLLS STATE UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Thibodaux, Louisiana

We have audited the basic financial statements of the University of Louisiana System, as of and for the year ended June 30, 2002, and have issued our report thereon dated December 19, 2002. Nicholls State University 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 Nicholls State University 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, 2002, solely to assist the university in complying with 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 Nicholls State University. 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 representations from management as to the fair presentation of the statement of revenues and expenditures of the Intercollegiate Athletic Program for the year ended June 30, 2002, 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 expenditures of the Intercollegiate Athletic Programs for June 30, 2001, and June 30, 2002, to identify variances of 5% or greater between individual revenue and expenditure accounts of each fiscal year. As a result of our procedure, we identified variances of 5% or greater in the following accounts:

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DR. DONALD J. AYO, PRESIDENT
NICHOLLS STATE UNIVERSITY
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Revenues

Education and general transfers
Gate receipts
Guarantees
Commissions
NCAA receipts
In-kind contributions
Miscellaneous

Expenditures

Personal services:
 Salaries
 Related benefits
Travel
Operating services
Supplies
Scholarships
Other charges
Equipment

3. We compared the budgeted revenues and expenditures to actual revenues and expenditures for the year ended June 30, 2002, to identify any variances of 5% or greater. As a result of our procedure, we identified variances of 5% or greater in the following accounts:

Auxiliary Fund

Revenues

Gate receipts
Commissions
NCAA receipts
Miscellaneous

Expenditures

Personal services - related benefits
Travel
Supplies
Professional services
Other charges

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Agency Fund

Revenues

In-kind contributions

Expenditures

Salaries

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.

Three individual contributions exceeded 10% (\$12,518) of the total contributions as follows:

<u>Corporate Sponsorship</u>	<u>Amount</u>
Thibodaux Regional Medical Center	\$16,480
New Orleans Saints	\$15,000
Anheuser-Busch	\$13,360

**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 largest revenue transaction for gate receipts and followed it through the university's revenue/receipts control system to determine adherence to established policies and procedures.

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We found no exceptions as a result of this procedure.

- b. We selected the ten largest athletic department cash disbursements. We followed these transactions through the university's accounting system to determine adherence to established policies and procedures.

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.

During the fiscal year 2002, the university's internal auditor performed an audit of athletic department revenues and expenditures for fiscal year 2001 and concluded that the university maintained adequate control over athletic revenues and expenditures. The audit suggested that a written cash policy be available in all areas involved in athletics.

- 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 activities for or in behalf of the university's Intercollegiate Athletic Program.

**EXPENDITURES OF OUTSIDE ORGANIZATIONS MADE
FOR OR IN BEHALF OF NICHOLLS STATE UNIVERSITY
INTERCOLLEGIATE ATHLETIC PROGRAM**

- 9. We obtained written representation from management of the university that the Nicholls Colonel Club was the only outside organization created for or in behalf of the athletic department.
- 10. We obtained from representatives of the outside organization statements of cash receipts and disbursements with written representations as to the fair presentation of the statement. We compared the cash disbursements made by

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outside organizations for or in behalf of the athletic department to the revenues reported on the university's Statement of Revenues and Expenditures (Statement A).

We found no exceptions as a result of this comparison.

11. We compared the direct payments of the outside organization to the university with the revenues reported on the university's Statement of Revenues and Expenditures (Statement A).

We found no exceptions as a result of this comparison.

12. We obtained the outside organization's independent auditor's reports to identify any reportable conditions relating to the outside organization's internal controls.

The Nicholls Colonel Club is an account within the Nicholls State University Foundation. The financial statements of the Nicholls State University Foundation, Incorporated, were audited by an independent certified public accounting firm for the year ended June 30, 2002. The audit report is dated September 20, 2002, 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 expenditures of the Nicholls State University Athletic Department. Accordingly, we do not express such an opinion. Also, we express no opinion on Nicholls State University's internal controls 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.

This report is intended solely for the information and use of management of Nicholls State University 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,



Grover C. Austin, CPA
First Assistant Legislative Auditor

UNAUDITED

Statement A

**ATHLETIC DEPARTMENT
NICHOLLS STATE UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**

**Statement of Revenues and Expenditures
For the Year Ended June 30, 2002**

	(PORTION OF) CURRENT FUNDS - UNRESTRICTED - AUXILIARY	ATHLETIC AGENCY FUND	TOTAL
REVENUES			
Education and general transfers	\$2,100,626		\$2,100,626
Gate receipts	120,011		120,011
Guarantees	439,750		439,750
Commissions	8,524		8,524
NCAA receipts	159,751		159,751
In-kind contributions		\$40,561	40,561
Outside funds		223,343	223,343
Miscellaneous	43,731		43,731
Total revenues	<u>2,872,393</u>	<u>263,904</u>	<u>3,136,297</u>
EXPENDITURES			
Personal services:			
Salaries	1,136,182	56,947	1,193,129
Related benefits	212,570	7,023	219,593
Travel	244,101	48,673	292,774
Operating services	169,681	49,747	219,428
Supplies	71,571	39,681	111,252
Professional services	125,362	750	126,112
Guarantees	41,000		41,000
Scholarships	871,202	3,773	874,975
Other charges	724	34,408	35,132
Equipment	0	5,422	5,422
Total expenditures	<u>2,872,393</u>	<u>246,424</u>	<u>3,118,817</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>NONE</u>	<u>\$17,480</u>	<u>\$17,480</u>