

**COLLEGE OF WILLIAM AND MARY IN VIRGINIA**

**INTERCOLLEGIATE ATHLETIC PROGRAMS  
FOR THE YEAR ENDED  
JUNE 30, 2004**



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COLLEGE OFFICIALS



# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

**Auditor of Public Accounts  
P.O. Box 1295  
Richmond, Virginia 23218**

February 18, 2005

The Honorable Mark R. Warner  
Governor of Virginia

The Honorable Lacey E. Putney  
Chairman, Joint Legislative Audit  
and Review Commission

Dr. Timothy J. Sullivan  
President, College of William and Mary in Virginia

## **INDEPENDENT AUDITOR'S REPORT ON APPLICATION OF AGREED-UPON PROCEDURES**

We have audited the financial statements of **The College of William and Mary in Virginia** as of and for the year ended June 30, 2004, and have issued our unqualified report thereon dated February 18, 2005. At the request of the President of the College, we have performed certain agreed-upon procedures to the College's Intercollegiate Athletics Programs for the fiscal year ended June 30, 2004, discussed below, solely to assist the College in complying with National Collegiate Athletic Association (NCAA) Bylaw 6.2.3.1. The College is responsible for the Intercollegiate Athletics Programs including preparation of the Schedule of Revenues and Expenditures of Intercollegiate Athletics Programs. 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 College. Consequently, we make no representation regarding sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### **Schedule of Revenues and Expenditures of Intercollegiate Athletic Programs - Agreed-Upon Substantive Procedures**

- a. We obtained the Schedule of Revenues and Expenditures of Intercollegiate Athletics Programs (Schedule) for the year ended June 30, 2004, as prepared by the College and shown in this report. We recalculated the addition of the amounts on the Schedule, traced the amounts on the Schedule to management's worksheets and agreed the amounts on management's worksheets to the Intercollegiate Athletics Department's accounts in the accounting records. We noted no differences between the amounts in the Intercollegiate Athletics Department's accounts in the accounting records and the amounts on the worksheets. We discussed the nature of work sheet adjustments with management and are satisfied that the adjustments are appropriate.

- b. We applied certain analytical review techniques to the balances reported on the Schedule in order to determine the reasonableness of amounts reported therein. These techniques included trend analyses and other tests using operating data and reviews of actual amounts expended in comparison to budgeted amounts.
- c. We vouched each individual contribution received directly by the College for its Intercollegiate Athletic Programs that constituted more than ten percent of the contributions so received. Except for contributions received from the William and Mary Athletic Educational Foundation and The Endowment Association of the College of William and Mary in Virginia, affiliated foundations, we noted no individual contribution that constituted more than ten percent of total contributions received for Intercollegiate Athletics.

Because the above procedures “a” through “c” do not constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on the Schedule of Revenues and Expenditures of Intercollegiate Athletics Programs or any of the accounts or items referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the specified accounts or items should be adjusted. Had we performed additional procedures or had we made an audit of any financial statements of the intercollegiate athletics department of the College of William and Mary in Virginia in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to the President of the College. This report relates only to the accounts and items specified above and does not extend to the financial statements of the College of William and Mary in Virginia or its intercollegiate athletics department taken as a whole.

#### **Internal Control Related to Intercollegiate Athletic Programs - Agreed-Upon Procedures**

The management of the College of William and Mary in Virginia is responsible for establishing and maintaining internal control for its Intercollegiate Athletics Programs. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management’s authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any internal control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of internal control to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate. Our procedures and findings are as follows:

- d. We reviewed an organizational chart provided by the Intercollegiate Athletics Department and discussed it with appropriate personnel. We reviewed documentation of accounting systems and operating procedures. We also made certain inquiries of management regarding control consciousness, the use of internal audit in the department, competence of personnel, and protection of records and equipment.
- e. We reviewed internal control over cash receipts and disbursements, including payroll, for the Intercollegiate Athletics Programs. We reviewed the relationship of internal control over Intercollegiate Athletics Programs to internal control reviewed in connection with the audit of the College’s financial statements. Our review also

included those controls unique to Intercollegiate Athletics Programs, which have not been reviewed in connection with the audit of the financial statements.

- f. We reviewed the College's procedures for monitoring booster group activities and concluded that those procedures were adequate.

Agreed-upon procedures "d" through "f" applied to certain aspects of the College's internal control were more limited than would be necessary to express an opinion on internal control of the College of William and Mary in Virginia in effect for the year ended June 30, 2004, taken as a whole. Because our review and evaluation was limited to applying those agreed-upon procedures, we do not express such an opinion. In connection with applying procedures "d" through "f" above, we noted no material weaknesses relating to internal control over the Intercollegiate Athletics Programs administered by the College.

This report is intended solely for the information and use of the College and authorized representatives of the National Collegiate Athletic Association and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

AUDITOR OF PUBLIC ACCOUNTS

JHS/kva

THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA  
SCHEDULE OF REVENUES AND EXPENDITURES OF  
INTERCOLLEGIATE ATHLETIC PROGRAMS  
For the Year Ended June 30, 2004

	Total	Administrative and General	Football	Men's Basketball	Women's Basketball	Other* Sports
Operating revenues:						
Student fees	\$6,229,272	\$ 6,224,148	\$ -	\$ -	\$ -	\$ 5,124
NCAA allocation	661,890	567,915	-	93,975	-	-
Contributions (Note 2)	3,192,178	126,493	1,444,267	414,206	166,051	1,041,161
Endowment income	53,780	-	-	6,711	18,891	28,178
Gifts (Note 3)	942,931	730,995	58,074	36,450	10,306	107,106
Ticket sales/game guarantees	761,200	-	518,906	217,393	3,788	21,113
Program sales, concessions and advertising	321,854	-	222,115	72,077	-	27,662
Other	243,756	110,417	-	-	-	133,339
Total operating revenues	12,406,861	\$ 7,759,968	\$ 2,243,362	\$ 840,812	\$ 199,036	\$ 1,363,683
Operating expenditures:						
Salaries	4,002,044	1,771,719	507,229	326,220	213,876	1,183,000
Financial aid	3,818,953	-	1,272,964	296,318	297,095	1,952,576
Travel, administrative and recruiting	285,204	41,581	70,841	61,289	35,877	75,616
Travel, team	976,220	-	212,336	64,805	60,931	638,148
Awards and prizes	14,173	2,830	601	418	948	9,376
General	3,318,043	2,047,097	404,742	145,527	85,158	635,519
Total operating expenditures	12,414,637	\$ 3,863,227	\$ 2,468,713	\$ 894,577	\$ 693,885	\$ 4,494,235
Excess/(deficiency) of revenues over expenditures	(7,776)					
Net assets at beginning of year	(647,067)					
Net assets at end of year	\$ (654,843)					

\* Other sports include baseball, field hockey, golf, gymnastics, lacrosse, soccer, swimming, tennis, track and field, and volleyball.

The accompanying notes are an integral part of this schedule.

THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA  
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES OF  
INTERCOLLEGIATE ATHLETICS PROGRAMS  
FOR THE YEAR ENDED JUNE 30, 2004

1. BASIS OF PRESENTATION

The accompanying Schedule of Revenues and Expenditures of Intercollegiate Athletics Programs has been prepared on the accrual basis of accounting. The purpose of the Schedule is to present a summary of revenues and expenditures of the intercollegiate athletics programs of the College for the year ended June 30, 2004. The Schedule includes those intercollegiate athletics revenues and expenditures made on behalf of the College's athletics programs by outside organizations not under the accounting control of the College. Because the Schedule presents only a selected portion of the activities of the College, it is not intended to and does not present either the financial position, changes in financial position, or cash flows for the year then ended. Revenues and expenditures directly identifiable with each category of sport presented are reported accordingly. Revenues and expenditures not directly identifiable to a specific sport are reported under the category "Administrative and General."

2. CONTRIBUTIONS

The William and Mary Athletic Educational Foundation raises funds and collects contributions for the benefit of the Intercollegiate Athletics Department. The Endowment Association of the College of William and Mary in Virginia raises funds and collects contributions for the benefit of the College generally. The College received \$1,865,360 from the Athletic Educational Foundation and \$1,326,818 from the Endowment Association to fund student athlete grants-in-aid during the year ended June 30, 2004.

3. GIFTS

The Athletic Educational Foundation receives donations of goods and services for the intercollegiate athletic programs from various individuals and businesses. The Athletic Educational Foundation forwarded goods and services valued at \$942,931 to the College as gifts during the year ended June 30, 2004, which are included in the accompanying schedule.

COLLEGE OF WILLIAM AND MARY IN VIRGINIA

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