

**THE COLLEGE OF WILLIAM AND MARY  
WILLIAMSBURG, VIRGINIA**

**INTERCOLLEGIATE ATHLETIC PROGRAMS  
FOR THE YEAR ENDED  
JUNE 30, 2003**



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# Commonwealth of Virginia

**Walter J. Kucharski, Auditor**

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

June 15, 2004

The Honorable Mark R. Warner  
Governor of Virginia

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

Timothy J. Sullivan, President  
The College of William and Mary

## **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, 2003, and have issued our unqualified report thereon dated June 15, 2004. 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, 2003, 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 Athletics 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, 2003, 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 Athletics Department's accounts in the accounting records and the amounts on the worksheets. We discussed the nature of

worksheet 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 Athletics Programs that constituted more than ten percent of the contributions so received. Except for contributions received from the Athletic Educational Foundation and the Endowment Association, both affiliated organizations, we noted no individual contribution which 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 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 or its Intercollegiate Athletics Department taken as a whole.

#### **Internal Control Related to Intercollegiate Athletics 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 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, 2003, 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 Program activities 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:whb  
whb:94

THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA  
SCHEDULE OF REVENUES AND EXPENDITURES OF  
INTERCOLLEGIATE ATHLETICS PROGRAMS  
For the Year Ended June 30, 2003

	Total	Administrative and General	Men's Football
Operating Revenues:			
Student fees	\$ 5,778,599	\$ 5,778,599	\$ -
NCAA allocation	528,678	441,547	-
Contributions (Note 2)	2,955,969	100,673	1,318,147
Endowment income	58,376	-	-
Gifts (Note 3)	445,832	229,215	75,538
Ticket sales and game guarantees	820,287	-	682,307
Program sales, concessions and advertising	246,426	2,897	151,295
Other	232,477	120,559	-
Total operating revenues	11,066,644	\$ 6,673,490	\$ 2,227,287
Operating Expenditures:			
Salaries	3,949,411	\$ 1,693,444	\$ 548,086
Financial aid	3,597,316	-	1,159,153
Administrative and recruiting travel	447,783	78,668	253,263
Team travel	685,807	-	50,868
Awards and prizes	17,744	3,854	1,100
General	2,582,096	1,322,602	427,806
Total operating expenditures	11,280,157	\$ 3,098,568	\$ 2,440,276
(Deficiency) of revenues over expenditures	(213,513)		
Fund balance at beginning of year	(433,554)		
Fund balance at end of year	\$ (647,067)		

\* 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.

Men's Basketball	Women's Basketball	Other* Sports
\$ -	\$ -	\$ -
87,131	-	-
347,004	149,258	1,040,887
7,284	20,506	30,586
51,688	5,268	84,123
104,457	3,466	30,057
90,320	914	1,000
-	-	111,918
\$ 687,884	\$ 179,412	\$ 1,298,571
\$ 295,223	\$ 204,288	\$ 1,208,370
319,492	235,183	1,883,488
35,213	24,883	55,756
60,972	60,949	513,018
1,304	568	10,918
156,238	77,830	597,620
\$ 868,442	\$ 603,701	\$ 4,269,170

THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA  
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES OF  
INTERCOLLEGIATE ATHLETICS PROGRAMS  
AS OF JUNE 30, 2003

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, 2003. The schedule presents only a selected portion of the activities of the College and it is not intended to nor does it present either the financial position, changes in the financial position, or changes in cash flows for the year ended. Revenues and expenditures directly identifiable with each category are presented and reported accordingly.

2. CONTRIBUTIONS

The Athletic Educational Foundation of The College of William and Mary in Virginia, Incorporated, raises funds and collects contributions for the benefit of the Intercollegiate Athletics Department. The College received \$1,557,569 from the Foundation during the year ended June 30, 2003.

The Endowment Association of The College of William and Mary in Virginia, Incorporated, is authorized to receive and administer gifts and bequests of all kinds. The Endowment Association makes such resources available to the College, which may be drawn as needed by the College within the Association's budgetary restrictions. The College received \$1,398,400 from the Association for the benefit of the Intercollegiate Athletics Department for the year ended June 30, 2003.

3. GIFTS

The Athletic Educational Foundation of The College of William and Mary in Virginia, Incorporated, receives directly from various individuals and businesses, donations in the form of goods or services for the athletic program. The College received \$445,832 in donations during the year ended June 30, 2003.



THE COLLEGE OF WILLIAM AND MARY  
Williamsburg, Virginia

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Brian R. Cannon - Student

George A. Dodge - Student

OFFICERS OF ADMINISTRATION

Timothy J. Sullivan, President

Samuel E. Jones, Vice President for Finance

Terry Driscoll, Athletic Director