

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

**INTERCOLLEGIATE ATHLETIC PROGRAMS
FOR THE YEAR ENDED
JUNE 30, 2001**



- T A B L E O F C O N T E N T S -

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

SCHEDULE

Schedule of Revenues and Expenditures of Intercollegiate Athletic Programs

Notes to the Schedule of Revenues and Expenditures of Intercollegiate
Athletic Programs

COLLEGE OFFICIALS

May 23, 2002

The Honorable Mark R. Warner
Governor of Virginia

The Honorable Kevin G. Miller
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** as of and for the year ended June 30, 2001, and have issued our unqualified report thereon dated May 23, 2002. At the request of the President of the College, we have applied certain agreed-upon procedures, as discussed below, to The College of William and Mary Intercollegiate Athletic Programs for the year ended June 30, 2001, 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 Athletic 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 Athletic Programs (Schedule) for the year ended June 30, 2001, 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 Athletic Department's accounts in the accounting records. We noted no differences between the amounts in the Athletic Department's accounts in the accounting records and the amounts on the worksheets. We discussed the nature of

the 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.
- c. We reviewed computer-generated listings from the College's Financial Reporting Office to identify significant contributions from any outside organization, group, foundation, or individual. The Intercollegiate Athletic Department receives no gifts or contributions directly. All gifts and contributions are received through the Athletic Educational Foundation. In addition, the Endowment Association of The College of William and Mary makes cash resources available to the College for the benefit of the Intercollegiate Athletic Department.

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 Athletic 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 Athletic Department of The College of William and Mary 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 or its Intercollegiate Athletic Department taken as a whole.

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

The management of The College of William and Mary is responsible for establishing and maintaining internal control for its Intercollegiate Athletic 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 documentation of accounting systems and operating procedures. We also made certain inquiries of management regarding control consciousness, competence of personnel, and protection of records and equipment.
- e. We reviewed internal controls over cash receipts and disbursements for the intercollegiate athletic programs. We reviewed the relationship of internal control over Intercollegiate Athletic Programs to internal control reviewed in connection with the audit of the College's financial statements. Our review also included those internal controls unique to Intercollegiate Athletics that have not been reviewed in connection with the audit of the College's financial statements.

- f. We reviewed the College's procedures for monitoring activities of the Athletic Educational Foundation and concluded that those procedures were adequate. Also, the Athletic Educational Foundation is audited annually by an independent certified public accountant. The Intercollegiate Athletic Department receives a copy of the resulting audit report. It should be noted that booster groups make no payments for or on behalf of the Athletic Educational Foundation.

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 effect for the year ended June 30, 2001, 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 Athletic 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

WJK:whb
whb:79

SCHEDULE

THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA
SCHEDULE OF REVENUES AND EXPENDITURES OF
INTERCOLLEGIATE ATHLETIC PROGRAMS
For the Year Ended June 30, 2001

	Total	Administrative and General	Men's Football
Operating Revenues:			
Student fees	\$ 5,519,300	\$ 5,519,300	\$ -
NCAA allocation	347,945	281,313	-
Contributions (Note 2)	2,307,947	16,455	1,089,255
Endowment income	55,361	-	-
Gifts (Note 3)	221,306	54,697	43,930
Ticket sales/game guarantees	745,956	-	589,592
Program sales, concessions and advertising	221,764	-	124,190
Television rights	14,250	-	7,125
Other	361,063	154,944	-
Total operating revenues	9,794,892	6,026,709	1,854,092
Operating Expenditures:			
Salaries	3,576,429	1,517,746	504,159
Financial aid	3,047,460	-	1,046,932
Travel, administrative and recruiting	724,018	30,462	140,730
Travel, team	286,509	-	131,121
Awards and prizes	19,257	5,274	1,105
General	2,260,474	1,062,396	471,975
Total operating expenditures	9,914,147	\$ 2,615,878	\$ 2,296,022
Excess/(deficiency) of revenues over expenditures (Note 4)	(119,255)		
Fund balance at beginning of year	(340,460)		
Fund balance at end of year	\$ (459,715)		

Men's Basketball	Women's Basketball	Other Sports
\$ -	\$ -	\$ -
66,632	-	-
284,327	123,390	794,520
6,908	19,447	29,006
21,757	-	100,922
135,171	2,829	18,364
77,839	847	18,888
7,125	-	-
23,021	-	183,098
622,780	146,513	1,144,798
305,117	191,383	1,058,024
265,069	267,364	1,468,095
99,885	57,054	395,887
12,590	12,957	129,841
402	545	11,931
88,235	61,297	576,571
\$ 771,298	\$ 590,600	\$ 3,640,349

THE COLLEGE OF WILLIAM AND MARY
NOTES TO SCHEDULE OF REVENUES AND EXPENDITURES
OF INTERCOLLEGIATE ATHLETIC PROGRAMS
AS OF JUNE 30, 2001

1. BASIS OF PRESENTATION

The accompanying Schedule of Revenues and Expenditures of Intercollegiate Athletic Programs has been prepared on the accrual basis of accounting. The purpose of the Schedule is to present a summary of current fund revenues and expenditures of the intercollegiate athletic programs of the College for the year ended June 30, 2001. The Schedule presents only a selected portion of the activities of the College and it is not intended to, nor does it present the financial position, changes in fund balances, or current funds revenues and other additions, expenditures, transfers, and other deductions for the year ended. Revenues and expenditures are directly identifiable with each category 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 Athletic Department. The College received \$1,430,380 from the Foundation during the year ended June 30, 2001.

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 \$877,567 from the Association for the benefit of the Intercollegiate Athletic Department for the year ended June 30, 2001.

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 \$221,306 in donations during the year ended June 30, 2001.

4. DEFICIENCY OF REVENUES UNDER EXPENDITURES

The deficiency of revenues over expenditures of \$459,715 is presented on the accrual basis of accounting, which, by definition, includes certain non-cash transactions. Examples of these transactions include the expensing of accumulate leave balances, vendor and employee payment liabilities at year end as well as waivers of rental fees associated with Intercollegiate Athletics' use of William and Mary Hall. Additionally, this figure includes expenditures from the Intercollegiate Athletic reserve fund.

THE COLLEGE OF WILLIAM AND MARY
Williamsburg, Virginia

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