

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

**INTERCOLLEGIATE ATHLETIC PROGRAMS
FOR THE YEAR ENDED
JUNE 30, 1999**

***AUDITOR OF
PUBLIC
ACCOUNTS***



COMMONWEALTH OF VIRGINIA

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

	<u>Pages</u>
INDEPENDENT AUDITOR’S REPORT ON APPLICATION OF AGREED-UPON PROCEDURES	1-3
SCHEDULE	
Schedule of Revenues and Expenditures of Intercollegiate Athletic Programs	5
Notes to the Schedule of Revenues and Expenditures of Intercollegiate Athletic Programs	6-7
COLLEGE OFFICIALS	8

September 25, 2000

The Honorable James S. Gilmore III
Governor of Virginia

The Honorable Vincent F. Callahan, Jr.
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, 1999, and have issued our unqualified report thereon dated May 8, 2000. 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 Athletic Programs for the year ended June 30, 1999, solely to assist the College in complying with National Collegiate Athletic Association (NCAA) Bylaw 6.2.3.1. This review 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 the College. Consequently, we make no recommendations 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, 1999, 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 College's 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.

- b. We applied certain analytical review techniques to the revenues and expenditures of the intercollegiate athletic programs in order to determine the reasonableness of amounts reported in the Schedule.
- c. The Intercollegiate Athletics 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 Athletics 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 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 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 athletics department taken as a whole.

Internal Controls 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 with respect to internal control of the College’s intercollegiate athletic programs are as follows:

- d. We reviewed an organizational chart provided by the Intercollegiate Athletic 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 controls over cash receipts and disbursements, including payroll, for the intercollegiate athletic programs. We reviewed the relationship of specific systems of internal control over intercollegiate athletic programs to internal controls reviewed in connection with the audit of the College’s financial statements. To the extent that these systems were tested in the audit of the financial statements, we expanded our compliance tests to include transactions of the intercollegiate athletic programs. 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 Athletics 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, 1999, 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

PBB:jld
jld:45

SCHEDULE

THE COLLEGE OF WILLIAM AND MARY
SCHEDULE OF REVENUES AND EXPENDITURES OF
INTERCOLLEGIATE ATHLETIC PROGRAMS
For the Fiscal Year Ended June 30, 1999

	Total	Administrative and General	Men's Football	Men's Basketball	Women's Basketball	Other* Sports
Operating revenues:						
Student fees	\$ 4,930,665	\$ 4,930,665	\$ -	\$ -	\$ -	\$ -
NCAA allocation	392,274	382,218	-	10,056	-	-
Contributions	1,910,250	11,842	906,446	248,350	97,903	645,709
Endowment income	48,511	-	-	6,014	17,056	25,441
Gifts	249,192	97,078	32,224	7,041	-	112,849
Ticket sales/game guarentees	732,705	-	535,094	160,209	1,598	35,804
Program sales, concessions, and advertising	252,250	-	133,420	96,154	587	22,089
Television rights	16,100	-	8,050	8,050	-	-
Other	203,659	57,305	-	22,702	19,150	104,502
Total operating revenues	8,735,606	5,479,108	1,615,234	558,576	136,294	946,394
Operating expenditures:						
Salaries	3,170,351	1,344,926	498,600	256,747	138,058	932,020
Financial aid	2,820,379	4,977	1,015,140	262,457	254,663	1,283,142
Travel, administration and recruiting	258,814	69,979	76,971	19,368	23,688	68,808
Travel, team	731,183	-	181,287	73,132	45,214	431,550
Awards and prizes	20,992	10,417	1,128	489	666	8,292
General	2,146,539	1,306,458	322,753	70,832	58,223	388,273
Total operating expenditures	9,148,258	\$ 2,736,757	\$ 2,095,879	\$ 683,025	\$ 520,512	\$ 3,112,085
Deficiency of revenues over expenditures	(412,652)					
Fund balance at beginning of year (Note 4)	490,905					
Fund balance at end of year	\$ 78,253					

*Other sports include baseball, fencing, field hockey, golf, gymnastics, lacrosse, soccer, swimming, men's tennis, women's tennis, track and field, and volleyball

The accompanying notes to the Schedule of Revenues and Expenditures of Intercollegiate Athletic Programs are an integral part of this schedule.

THE COLLEGE OF WILLIAM AND MARY
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES OF
INTERCOLLEGIATE ATHLETIC PROGRAMS

AS OF JUNE 30, 1999

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, 1999. 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 fund balances, or current funds revenues and other additions, expenditures, transfers, and other deductions for the year then ended. Revenues and expenditures are directly identifiable with each category presented and are 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 \$1,064,338 from the Foundation during the year ended June 30, 1999.

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 that may be drawn as needed by the College within the Association's budgetary restrictions. The College received \$327,113 from the Association for the benefit of the Intercollegiate Athletics Department for the year ended June 30, 1999.

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 \$242,192 in donations during the year ended June 30, 1999.

4. EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES

The deficiency of revenues over expenditures reflects, in addition to the cash basis results of operations, the net effect of accrual entries and a reclassification of non-cash rental revenue waivers from Intercollegiate Athletics to the William and Mary Hall auxiliary. The accrual entries match revenues and expenditures to the proper accounting period as defined by generally accepted accounting principles. Recognition of rental revenue waived is also required by generally accepted accounting principles while reclassification from Athletics to the William and Mary Hall was to more accurately reflect each entities' fiscal year's activities. On a cash basis of accounting, the Intercollegiate Athletics Department's deficiency of revenues over expenditures was \$123,302.

5. RESTATEMENT OF BEGINNING FUND BALANCE

The fund balance originally reported at June 30, 1998, has been restated to reflect a beginning balance adjustment.

Fund balance as reported at June 30, 1998	\$539,640
Transfer License Plate Revenue	<u>(48,735)</u>
Restated fund balance at July1, 1998	<u><u>\$490,905</u></u>

THE COLLEGE OF WILLIAM AND MARY
Williamsburg, Virginia

BOARD OF VISITORS

J. Edward Grimsley, Rector
William P. Barr, Vice Rector
William P. Fricks, Secretary

A. Marshall Acuff, Jr.	Elizabeth A. McClanahan
J. Peter Clements	Joseph W. Montgomery
Lawrence S. Eagleburger	Austin L. Roberts, III
R. Scott Gregory	Jeffrey L. Schlagenhauf
Paul C. Jost	Regina B. Schofield
Gary D. LeClair	Francis T. West
Susan A. Magill	Walter J. Zable

OFFICERS OF ADMINISTRATION

Timothy J. Sullivan, President

Samuel E. Jones, Vice President for Management and Budget

Terry Driscoll, Athletic Director

