

**UNIVERSITY OF VIRGINIA
CHARLOTTESVILLE, VIRGINIA**

**INTERCOLLEGIATE ATHLETIC PROGRAMS
FOR THE YEAR ENDED
JUNE 30, 2000**



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UNIVERSITY OFFICIALS	

October 30, 2000

The Honorable James S. Gilmore, III
Governor of Virginia

The Honorable Vincent F. Callahan, Jr.
Chairman, Joint Legislative Audit
and Review Commission

Dr. John T. Casteen, III, President
University of Virginia

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

We have audited the financial statements of **University of Virginia** as of and for the year ended June 30, 2000, and have issued our unqualified report thereon dated October 13, 2000. At the request of the President of the University, we have performed certain agreed-upon procedures to the University's Intercollegiate Athletics Programs for the fiscal year ended June 30, 2000, discussed below, solely to assist the University 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 University. 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, 2000, as prepared by the University 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 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 University for its Intercollegiate Athletic Programs that constituted more than ten percent of the contributions so received. Except for contributions received from the Virginia Student Aid Foundation, a booster organization, we noted no individual contribution which constituted more than ten percent of total contributions received for intercollegiate athletics.

Because the above "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 University of 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 University. This report relates only to the accounts and items specified above and does not extend to the financial statements of the University of Virginia or its intercollegiate athletics department taken as a whole.

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

The management of the University of Virginia 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 the internal control of the University's Intercollegiate Athletic Programs 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 Athletic Programs. We reviewed the relationship of internal control over Intercollegiate Athletic Programs to internal control reviewed in connection with the audit of the University's financial statements. Our review also included those controls unique to Intercollegiate Athletics that have not been reviewed in connection with the audit of the financial statements.
- f. We reviewed the University's procedures for monitoring booster group activities of the Virginia Student Aid Foundation and concluded that those procedures were adequate.

Agreed-upon procedures "d" through "f" applied to certain aspects of the University's internal control were more limited than would be necessary to express an opinion on the internal control of the University of Virginia in effect for the year ended June 30, 2000, 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 the internal control over the Intercollegiate Athletic Program activities administered by the University.

This report is intended solely for the information and use of the University and authorized representatives of the National College 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:aom
aom:41

SCHEDULE

UNIVERSITY OF VIRGINIA
SCHEDULE OF REVENUES AND EXPENDITURES OF INTERCOLLEGIATE ATHLETIC PROGRAMS
For the Year Ended June 30, 2000

	Administrative and General	Football	Men's Basketball	Other Sports*	Total
Operating revenue:					
University fee allocation:					
Student activity fees	\$ 3,797,686	\$ -	\$ -	\$ -	\$ 3,797,686
Ticket sales/game guarantees	-	4,522,368	1,067,119	279,578	5,869,065
Radio and television rights	-	2,564,323	3,354,976	-	5,919,299
Bowl game proceeds/post season	-	1,899,888	1,889,838	396,448	4,186,174
Concessions	-	313,693	90,493	6,489	410,675
Novelty sales	479,115	-	-	-	479,115
Private Gifts	8,383,715	1,543,670	257,999	3,956,432	14,141,816
Miscellaneous income	2,186,710	5,888	2,247	49,935	2,244,780
Total operating revenue	14,847,226	10,849,830	6,662,672	4,688,882	37,048,610
Operating expenditures:					
Coaches' salaries	-	1,876,466	690,743	1,769,088	4,336,297
Other salaries	3,780,685	397,402	70,259	156,347	4,404,693
Fringe benefits	665,721	370,065	128,937	390,782	1,555,505
Training Meals	-	38,289	25,725	107,929	171,943
Travel:					
Team	-	533,495	465,440	941,128	1,940,063
Recruiting	-	186,961	114,850	241,031	542,842
Other	67,321	138,630	27,381	59,482	292,814
Conference budget contribution	924,540	-	-	-	924,540
Entertainment	189,459	212,417	43,337	77,955	523,168
Game officials	-	60,313	80,633	106,396	247,342
Hospital and clinic service	-	58,174	5,199	119,980	183,353
Administrative services	471,705	86,663	16,153	52,506	627,027
Administrative overhead	1,154,700	-	-	-	1,154,700
Game operation expenses	-	346,968	110,431	69,836	527,235
Supplies and equipment:					
Recreation	264,286	67,847	8,952	135,827	476,912
Office	266,281	85,865	13,560	70,813	436,519
Miscellaneous	81,261	40,033	13,535	9,229	144,058
Maintenance and repair	672,368	57,898	14,068	54,630	798,964
Telephone	168,820	57,821	34,365	73,887	334,893
Insurance	39,224	-	-	6,593	45,817
Dues	32,689	765	8,330	31,515	73,299
Contributions	2,332	-	-	-	2,332
Utilities	547,827	3,190	-	-	551,017
Awards and prizes	290	-	-	-	290
Scholarships	-	1,475,230	245,390	3,411,191	5,131,811
Total operating expenditures	9,329,509	6,094,492	2,117,288	7,886,145	25,427,434
Excess (deficiency) of revenues over (under) expenditures	5,517,717	4,755,338	4,545,384	(3,197,263)	11,621,176
Transfers to plant and other funds	(5,402,107)	-	-	-	(5,402,107)
Net increase (decrease) for the year	\$ 115,610	\$ 4,755,338	\$ 4,545,384	\$ (3,197,263)	\$ 6,219,069

*Other Sports includes baseball, women's basketball, golf, soccer, lacrosse, track, swimming, tennis, wrestling, field hockey, softball, volleyball, indoor and outdoor track, cross country, and crew.

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

UNIVERSITY OF VIRGINIA
NOTES TO THE SCHEDULE OF REVENUES AND EXPENDITURES OF
INTERCOLLEGIATE ATHLETIC PROGRAMS
AS OF JUNE 30, 2000

NOTE 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 funds revenues and expenditures of the intercollegiate athletic programs of the University for the year ended June 30, 2000. The Schedule includes only those intercollegiate athletic revenues and expenditures under the direct accounting control of the University. The Schedule does not include intercollegiate athletic revenues and expenditures of the University of Virginia's College at Wise. Because the Schedule presents only a selected portion of the activities of the University, 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 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."

NOTE 2 - AFFILIATED FOUNDATION

The University received \$5,388,133 from the Virginia Student Aid Foundation, an affiliated foundation, to provide grant-in-aid scholarships to athletes.

NOTE 3 - GIFTS RESTRICTED FOR PLANT ACQUISITIONS

The University received no monies, goods, or services in gifts for plant acquisitions during the fiscal year ended June 30, 2000.

UNIVERSITY OF VIRGINIA
Charlottesville, Virginia

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