

CLEMSON UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
YEAR ENDED JUNE 30, 2000

State of South Carolina



Office of the State Auditor

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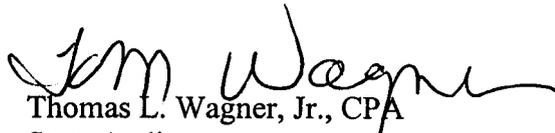
February 8, 2001

The Honorable Jim Hodges, Governor
and
Members of the Board of Trustees
Clemson University
Clemson, South Carolina

This report on the application of certain agreed-upon procedures to the accounting records and the statement of revenues, expenditures, and transfers of the Clemson University Intercollegiate Athletics Program for the fiscal year ended June 30, 2000, was issued by Rogers & Laban, PA, Certified Public Accountants, under contract with the South Carolina Office of the State Auditor.

If you have any questions regarding this report, please let us know.

Respectfully submitted,


Thomas L. Wagner, Jr., CPA
State Auditor

TLWjr/sag

**CLEMSON UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM**

**TABLE OF CONTENTS
JUNE 30, 2000**

	Page
INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES	1-3
ACCOUNTANT'S COMMENT	4
STATUS OF PRIOR COMMENTS	4
STATEMENT OF REVENUES, EXPENDITURES AND TRANSFERS	Attachment A
MANAGEMENT'S RESPONSE	Attachment B



ROGERS & LABAN, PA

CERTIFIED PUBLIC ACCOUNTANTS AND FINANCIAL CONSULTANTS

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Thomas L. Wagner, Jr., CPA
State Auditor
State of South Carolina
Columbia, South Carolina

We have performed the procedures described below, which were agreed to by the South Carolina Office of the State Auditor and the Board of Trustees and management of Clemson University, solely to assist the University in complying with NCAA Constitution section 6.2.3.1 for the fiscal year ended June 30, 2000. This engagement 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 specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures and associated findings are as follows:

- 1 We obtained from management the statement of revenues, expenditures, and transfers of the Clemson University Intercollegiate Athletics Program for the year ended June 30, 2000, as prepared by management of the University and shown as Attachment A in this report. We recalculated the addition of the amounts on the statement, traced those amounts to management's worksheets and agreed the amounts on management's worksheets to the relevant accounts in the University's general ledger. We discussed the nature of the worksheet adjustments with management to satisfy ourselves that the adjustments were appropriate. We found no exceptions as a result of the procedures.
- 2 We tested selected material additions to restricted, endowment, and plant funds accounts related to intercollegiate athletics to determine if they were properly recorded in the University's accounting records, are properly disclosed in the report, and are not included in the statement of revenues, expenditures, and transfers of the Intercollegiate Athletics Program. We tested selected restricted gifts and endowment and investment income recognized as current year revenues to determine if they were reported as revenues when expended, not when received. We found no exceptions as a result of the procedures.
- 3 We scanned the Intercollegiate Athletics Program contributions revenue accounts detail to identify each individual contribution received directly that constitutes more than ten percent of all contributions received for intercollegiate athletics. No such contributions were noted.
- 4 From recorded Intercollegiate Athletics Program revenues, we selected certain receipts for intercollegiate athletics and tested them to determine if they were properly recorded and classified in the accounting records based on our review of the supporting documentation. We found no exceptions as a result of the procedures.



5. We asked management to describe specific elements of the University's internal controls unique to the Intercollegiate Athletics Program's accounting system and financial reporting.
 - a) Based on the materiality of certain revenue sources as reported on the statement, we tested selected recorded ticket sales, conference distributions, executive box rentals, game guarantees, broadcasting rights, donated services and concessions revenues to determine if they were complete and properly classified based on a review of the supporting documentation of football ticket sales reports prepared by management, ticket prices, and number of games; contracts with the ACC, a concession company and a broadcast company; game guarantee contracts; executive box rental contracts; schedules showing the fair rental values of vehicles and review of various general ledger accounts. We also tested the selected recorded revenues to determine if internal controls over the recording of these revenues were operating as described. Our finding as a result of these procedures is presented in the accountant's comment section of this report.
 - b) Based on the materiality of certain expenditure accounts reported on the statement, we tested selected recorded expenditures for travel, maintenance and general administration, and financial aid to determine if these expenditures were complete, properly classified, and properly authorized based on a review of the supporting documentation of vendor invoices, travel vouchers, contracts with suppliers, purchase orders and supporting workpapers for the allocation of financial aid expenditures including financial aid award letters and if internal controls over the recording of these expenditures were operating as described. We found no exceptions as a result of the procedures.
 - c) We obtained a copy of the University's internal auditor's reports on its review and reconciliation of the football and basketball ticket sales reports. We tested the reconciliations for one of the six home football games and one of the fifteen home basketball games by verifying its mathematical accuracy and agreeing amounts thereon to the supporting documentation. We found no exceptions as a result of the procedures.
 - d) We tested the reasonableness of the amount reported for the transfer in of student athletic fees revenue to our estimate of those fees using the estimated number of athletic seats used by students for football and basketball times the faculty/staff ticket price. We found no material unexplained variances.
6. We obtained daily cash receipts reports for the Intercollegiate Athletics Program prepared by the ticket office and the athletic department business office. We randomly selected two of these reports for testing, verified their clerical accuracy, reviewed supporting documentation to determine if the receipts were properly classified, and traced the receipts to the University's general ledger accounts for the Intercollegiate Athletics Program. We found no exceptions as a result of the procedures.
7. We examined guarantee contracts for all football and basketball games during fiscal year 1999 and compared the contract revenues to recorded revenues in the general ledger for agreement. We also compared guarantee expenses per the contracts to expenditures recorded in the program's accounts in the general ledger. We found no exceptions as a result of the procedures.
8. We obtained a schedule of the athletic department salaries and agreed those amounts to the appropriate general ledger salary accounts. We estimated the related employer contributions expenditures using the University's average fringe benefits rates for comparably paid employees and compared our estimates with reported expenditures in the appropriate general ledger accounts. We found no exceptions as a result of the procedures.

We were not engaged to, and did not, perform an audit, the objective of which is the expression of an opinion on the specified areas, accounts, or items. Further, we were not engaged to express an opinion on the effectiveness of the internal controls over financial reporting described in paragraph one and procedures one through eight of this report. Accordingly, we do not express such opinions. Had we performed additional procedures or had we conducted an audit or review of the financial statements of the University's Intercollegiate Athletics Program or any part thereof, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Governor, South Carolina Office of the State Auditor and the Board of Trustees and management of the University and is not intended to be and should not be used by anyone other than these specified parties.

Rogers + Lalan, PA

Columbia, South Carolina
December 15, 2000

**CLEMSON UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM**

**ACCOUNTANT'S COMMENTS
YEAR ENDED JUNE 30, 2000**

TICKETS NOT MAINTAINED

The University did not retain the unsold tickets for football and basketball games shown on each games settlement sheet.

We were not able to compare the number of tickets shown as unsold to the actual tickets printed.

We recommend that all required records be retained for a minimum of three years.

STATUS OF PRIOR COMMENTS

During the current engagement, we reviewed the status of corrective action taken on each of the findings reported in the accountant's comments section of the report on applying agreed-upon procedures to the financial records and internal controls of the Clemson University Intercollegiate Athletics Program resulting from our engagement for the fiscal year ended June 30, 1999, dated January 11, 2000. We determined that the University has taken adequate corrective action on each of the deficiencies that were included in the prior report.

CLEMSON UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
STATEMENT OF REVENUES, EXPENDITURES AND TRANSFERS
YEAR ENDED JUNE 30, 2000

ATTACHMENT A

	Football	Basketball	Other Sports	Nonprogram Specific	IPTAY	IPTAY Learning Center	Total
REVENUES:							
Ticket Sales	\$ 7,097,634	\$ 1,453,800	\$ 208,405				\$ 8,759,839
Bowl Revenues	899,675						899,675
Athletic Guarantees	1,310,845	285,686	6,369				1,602,900
Program Sales	187,823	6,905	4,799				199,527
Radio and TV Rights				\$ 265,502			265,502
Concessions	430,493	42,157	52,354				525,004
Conference Distribution	3,316,739	3,749,218	126,887				7,192,844
Executive Box Rental	1,183,878						1,183,878
Licensing				395,046			395,046
Corporate Sponsorship				1,040,177			1,040,177
IPTAY contributions -							
Restricted	993,254	318,901	1,245,723	895,730	\$ 2,725,052	\$ 895,824	7,074,484
Donated Services	74,665	49,408	75,131	87,281	24,334		310,819
Investment Income -							
Unrestricted				299,054			299,054
Other	106,703	119,671	210,148	109,251			545,773
Total Revenues	15,601,709	6,025,746	1,929,816	3,092,041	2,749,386	895,824	30,294,522
EXPENDITURES:							
Coaches Salaries	1,120,019	610,019	942,592				2,672,630
Other Salaries	325,239	83,417	71,361	2,510,463	372,787	587,941	3,951,208
Fringe Benefits	358,624	192,130	307,217	859,301	125,350	103,994	1,946,616
Travel:							
Recruiting	240,792	227,856	156,480				625,128
Non-recruiting	852,789	413,251	664,402	121,603	47,108	13,417	2,112,570
Telephone	110,153	103,599	82,350	110,247	11,777	11,475	429,601
Utilities				269,784			269,784
Financial Aid	993,254	318,901	1,245,723	895,730			3,453,608
Maintenance and General							
Administration	2,496,243	660,574	879,302	3,648,808	1,523,963	172,038	9,380,928
Athletic Guarantees	1,350,000	367,050	37,272				1,754,322
Insurance				142,905	13,752		299,562
Equipment and Improvements	14,005	7,134	111,927	506,594		6,959	646,619
Total Expenditures	7,861,118	2,983,931	4,498,626	9,065,435	2,094,737	895,824	27,542,576

CLEMSON UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
STATEMENT OF REVENUES, EXPENDITURES AND TRANSFERS (CONTINUED)
YEAR ENDED JUNE 30, 2000

ATTACHMENT A

	Football	Basketball	Other Sports	Nonprogram Specific	IPTAY	IPTAY Learning Center	Total
NONMANDATORY							
TRANSFERS (IN)/OUT:							
Student Fees				(1,066,232)			(1,066,232)
Student Services				260,000			260,000
Construction projects				118,372	477,649		596,021
Endowment of							
Scholarships				229,250			229,250
General Scholarships				229,250			229,250
Student Band Support	(77,000)				177,000		100,000
Total	<u>(77,000)</u>			<u>(229,360)</u>	<u>654,649</u>		<u>348,289</u>
Excess (deficiency) of revenues over expenditures and transfers	<u>\$ 7,817,591</u>	<u>\$ 3,041,815</u>	<u>\$ (2,568,810)</u>	<u>\$ (5,744,034)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,403,657</u>

- Notes:
1. IPTAY contributions - restricted represents the amount of IPTAY contributions expended for financial aid or IPTAY operations.
 2. Financial aid to individuals who assist the athletic department in either an administrative or coaching capacity is classified as non-program specific.



ACCOUNTANT'S COMMENTS
YEAR ENDED June 30, 2000

TICKETS NOT MAINTAINED

The University did not retain the unsold tickets for football and basketball games shown on each game settlement sheet.

We were not able to compare the number of tickets shown as unsold to the actual tickets printed.

We recommend that all required records be retained for a minimum of three years.

MANAGEMENT'S RESPONSE

The Athletic Department ticket office retained the unsold tickets for football and basketball games until the University's Internal Audit Division finished their annual audit of all ticket activity. Upon completion of ticket audit procedures, the tickets were destroyed, as has been done in previous years. A record of the audit procedures and subsequent findings can be secured from the University Internal Audit Division.

In the future we will retain all unsold ticket stock for a minimum of three years. This should insure the availability of unsold tickets for external review and comparison to the University's Internal Audit Division's work in this area.

ATHLETIC DEPARTMENT

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