

**CLEMSON UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM**

CLEMSON, SOUTH CAROLINA

YEAR ENDED JUNE 30, 2001

**CLEMSON UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
CLEMSON, SOUTH CAROLINA**

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State of South Carolina



Office of the State Auditor

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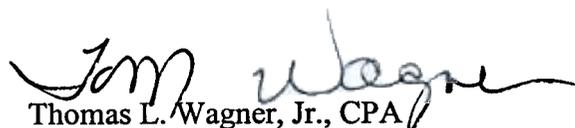
February 20, 2002

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, 2001, 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/kss



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 enumerated 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 those users in evaluating the performance of the University's Intercollegiate Athletics Program and to assist the University in complying with NCAA Constitution section 6.2.3.1 for the fiscal year ended June 30, 2001. The University's Board of Trustees and management are responsible for Clemson University's compliance with these requirements. This engagement to apply agreed-upon procedures was performed 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 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, 2001, 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 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. We found no exceptions as a result of the procedures.
 - 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 seven 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 2001 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.
9. We reviewed the status of the finding reported in the prior year regarding retention of unsold tickets as documentation to support football and basketball ticket sales reports to determine if the University had taken adequate corrective action. We determined that adequate corrective action had been taken.

We were not engaged to, and did not, perform an examination, the objective of which is the expression of an opinion on the specified areas, accounts, or items. Accordingly, we do not express such opinions. Had we performed additional procedures, 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 and the users specified in paragraph one of this report and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Rogers + Lalon, PA

October 26, 2001

CLEMSON UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
STATEMENT OF REVENUES, EXPENDITURES AND TRANSFERS
YEAR ENDED JUNE 30, 2001

	Football	Basketball	Other Sports	Nonprogram Specific	IPTAY	IPTAY Learning Center	Total
REVENUES:							
Ticket Sales	\$ 9,416,552	\$ 1,292,831	\$ 194,623				\$ 10,904,006
Bowl Revenues	1,002,650						1,002,650
Athletic Guarantees	733,928	269,969	5,000				1,008,897
Program Sales	243,478	4,905	4,513				252,896
Radio and TV Rights				\$ 774,500			774,500
Concessions	583,445	48,529	44,077				676,051
Conference Distribution	3,189,836	2,958,753	128,642				6,277,231
Executive Box Rental	1,165,466						1,165,466
Licensing				458,890			458,890
Corporate Sponsorship				1,008,758			1,008,758
IPTAY contributions -							
Restricted	1,054,971	359,278	1,300,773	949,779	2,810,209	1,003,800	7,478,810
Donated Services	85,632	59,126	76,565	86,790	18,050	8,171	334,334
Investment Income -							
Unrestricted				469,825			469,825
Other	292,793	101,135	177,942	121,634			693,504
Total Revenues	17,768,751	5,094,526	1,932,134	3,870,176	2,828,259	1,011,971	32,505,818
EXPENDITURES:							
Coaches Salaries	1,273,032	726,583	1,190,672				3,190,287
Other Salaries	338,923	97,786	48,691	2,750,763	432,054	625,451	4,293,668
Fringe Benefits	398,521	235,436	358,970	920,995	133,531	120,385	2,167,838
Travel:							
Recruiting	222,027	236,924	192,553				651,504
Non-recruiting	1,088,641	518,931	774,660	112,950	38,470	16,422	2,550,074
Telephone	85,004	61,165	72,894	106,451	23,185	11,289	359,988
Utilities			6,420	471,710			478,130
Financial Aid	1,054,971	359,278	1,300,773	949,779			3,664,801
Maintenance and General							
Administration	3,656,707	843,962	975,236	4,729,473	1,711,680	238,424	12,155,482
Athletic Guarantees	1,525,000	392,201	42,841				1,960,042
Insurance				144,862	11,882		156,744
Equipment and Improvements	68,837		124,189	378,611			571,637
Total Expenditures	9,711,663	3,472,266	5,087,899	10,565,594	2,350,802	1,011,971	32,200,195

CLEMSON UNIVERSITY
 INTERCOLLEGIATE ATHLETICS PROGRAM
 STATEMENT OF REVENUES, EXPENDITURES AND TRANSFERS
 YEAR ENDED JUNE 30, 2001

	Football	Basketball	Other Sports	Nonprogram Specific	IPTAY	IPTAY Learning Center	Total
NONMANDATORY TRANSFERS (IN)/OUT:							
Student fees for student tickets	(1,103,494)	(156,231)					(1,259,725)
Student Services				10,000	6,000		16,000
Construction projects				377,579	290,497		668,076
General Scholarships				458,500			458,500
Student Band Support Administration	(85,960)				180,960		95,000
				30,000.00			30,000
Total	<u>(1,189,454)</u>	<u>(156,231)</u>	<u>-</u>	<u>876,079</u>	<u>477,457</u>	<u>-</u>	<u>7,851</u>
Excess (deficiency) of revenues over expenditures and transfers	<u>\$ 9,246,542</u>	<u>\$ 1,778,491</u>	<u>\$ (3,155,765)</u>	<u>\$ (7,571,497)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 297,772</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.