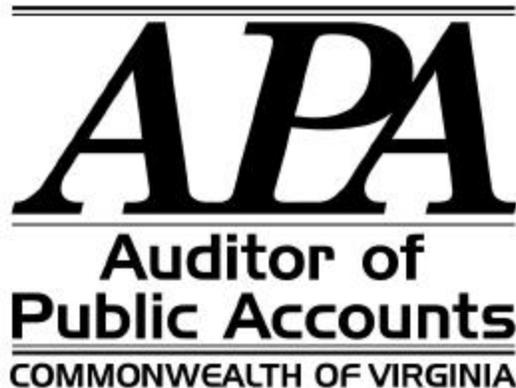


**THE COLLEGE OF WILLIAM AND MARY  
WILLIAMSBURG, VIRGINIA**

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



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COLLEGE OFFICIALS

April 12, 2001

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, 2000, and have issued our unqualified report thereon dated April 12, 2001. 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, 2000, 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, 2000, 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 College's 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.

- 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. 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 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 with respect to internal control of the College's intercollegiate athletic programs 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, 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 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, 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 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:kva  
kva:55

THE COLLEGE OF WILLIAM AND MARY IN VIRGINIA  
SCHEDULE OF REVENUES AND EXPENDITURES OF  
INTERCOLLEGIATE ATHLETIC PROGRAMS  
For the Year Ended June 30, 2000

	Total	Administrative and General	Men's Football	Men's Basketball	Women's Basketball	Other* Sports
<b>Operating revenues:</b>						
Student fees	\$ 5,222,338	\$ 5,222,338	\$ -	\$ -	\$ -	\$ -
NCAA allocation	433,036	338,344	-	83,632	-	11,060
Contributions (Note 2)	2,166,091	88,797	998,724	263,221	113,799	701,550
Endowment income	51,727	-	-	6,455	18,170	27,102
Gifts (Note 3)	185,711	42,215	48,481	20,796	2,500	71,719
Ticket sales/game guarantees	757,608	-	518,471	191,102	2,250	45,785
Program sales, concessions and advertising	251,077	-	139,436	82,297	829	28,515
Television rights	-	-	-	-	-	-
Other	176,456	114,274	-	-	-	62,182
<b>Total operating revenues</b>	<b>\$ 9,244,044</b>	<b>\$ 5,805,968</b>	<b>\$ 1,705,112</b>	<b>\$ 647,503</b>	<b>\$ 137,548</b>	<b>\$ 947,913</b>
<b>Operating expenditures:</b>						
Salaries	\$ 3,251,454	\$ 1,389,132	\$ 482,152	\$ 255,628	\$ 175,145	\$ 949,397
Financial aid	3,039,271	750	1,017,720	260,295	253,604	1,506,902
Travel, administrative and recruiting	275,005	52,659	136,264	17,686	19,530	48,866
Travel, team	720,532	-	161,281	95,281	37,080	426,890
Awards and prizes	19,105	7,487	-	800	404	10,414
General	2,357,390	1,449,274	253,257	100,414	60,879	493,566
<b>Total operating expenditures</b>	<b>\$ 9,662,757</b>	<b>\$ 2,899,302</b>	<b>\$ 2,050,674</b>	<b>\$ 730,104</b>	<b>\$ 546,642</b>	<b>\$ 3,436,035</b>
Deficiency of revenues under expenditures (Note 4)	(418,713)					
Fund balance at beginning of year	78,253					
Fund balance (deficit) at end of year	\$ (340,460)					

\* 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 are an integral part of this schedule.

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

AS OF JUNE 30, 2000

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, 2000. 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 \$1,361,822 from the Foundation during the year ended June 30, 2000.

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 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 \$804,269 from the Association for the benefit of the Intercollegiate Athletic Department for the year ended June 30, 2000.

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 \$185,711 in donations during the year ended June 30, 2000.

4. DEFICIENCY OF REVENUES UNDER EXPENDITURES

The deficiency of revenues under expenditures of \$418,713 is presented on the accrual basis of accounting. One significant non-cash transaction waives the rental fees associated with Intercollegiate Athletics' use of William and Mary Hall. Further, Intercollegiate Athletics incurred an increase in Financial Aid cash expenses to help meet the requirements of Title IX.

THE COLLEGE OF WILLIAM AND MARY  
Williamsburg, Virginia

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Samuel E. Jones, Vice President for Finance

Terry Driscoll, Athletic Director