

**Clemson University
Intercollegiate Athletics Program**

***Independent Accountant's
Report on Application of Agreed-Upon Procedures***

For the year ended June 30, 2015

Clemson University Intercollegiate Athletics Program

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**Independent Accountant's Report on
Application of Agreed-Upon Procedures**

Members of the Board of Trustees
Clemson University
Clemson, South Carolina

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and management of Clemson University (the "University"), solely to assist management in its evaluation of compliance with the National Collegiate Athletic Association ("NCAA") Constitution 3.2.4.16 for the fiscal year ended June 30, 2015. The University's management is responsible for the accompanying Intercollegiate Athletics Program Statement of Revenues, Expenditures, and Transfers (the "Statement") and the University's compliance with the NCAA's requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this 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 we performed and the associated findings are as follows:

1. We obtained from management the Statement for the year ended June 30, 2015, as shown on Attachment A of this report. We footed and cross-footed the Statement, compared amounts to management's worksheets, and agreed the amounts on management's worksheets to the related series of accounts in the University's general ledger. We inquired of management to obtain supporting explanations for adjustments.

No additional procedures were performed with respect to management's representations of the Statement and related worksheets in management's preparation of the Statement. We found no exceptions as a result of this procedure.

2. We compared actual revenues and expenditures in the Statement for the year ended June 30, 2015, to the prior year amounts (fiscal year 2014). We identified actual variances of greater than 10% and \$100,000 from the prior year amounts and obtained explanations for variances from management.

Management's explanations for the variances are as follows:

Basketball Revenue – Basketball revenue decreased \$1,030,252, or 13.01%, compared to fiscal year 2014. The decrease is attributable to decreases in contributions and broadcast, television, radio and internet rights.

Other Sports Revenue – Other sports revenue decreased \$3,826,608, or 50.78%, compared to fiscal year 2014. The decrease is attributable to a decrease in contributions.

NonProgram Specific – NonProgram Specific revenue decreased \$10,854,461, or 48.96%, compared to fiscal year 2014. The decrease is attributable to a decrease in contributions which was offset by an increase in NCAA/conference distributions.

Contribution variances were a result of IPTAY becoming a separately chartered entity as of July 1, 2014. Current year IPTAY contributions were not considered to be revenues of the University.

No additional procedures were performed with respect to management's representations.

3. We obtained a listing of operating revenue receipt transactions for the year ended June 30, 2015. We agreed the totals per the operating revenue receipts listing to the Statement and scanned the listing for all individual receipts greater than 10% of operating revenue. We compared underlying documentation for individual transactions greater than 10% of operating revenue (\$12,710,436) with the classification of the transaction in the Statement.

We found the amounts were in agreement. One individual transaction of approximately \$18,166,000 exceeded 10% of total operating revenue and was related to recognition of deferred ticket revenue recorded at June 30, 2014. We found no exceptions as a result of these procedures.

4. We obtained the reconciliations of revenue from football and men's basketball ticket sales between the University's general ledger and the University's Paciolan System Ticket Status Report for the year ended June 30, 2015, and compared the revenue to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

5. We obtained the settlement statement from the Atlantic Coast Conference ("ACC") detailing distributions for the football and basketball conference seasons from a schedule provided by the University. We compared the total revenues for settlement to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

6. We selected the Clemson/Georgia game guarantee from the football game schedule provided by the University. We compared the guarantee revenue on the schedule provided by the University to the amount specified in the settlement report and related contract. We also compared the total revenues for away game sales and guarantees in the schedule provided by the University to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

7. We requested from the University a report detailing all third-party support revenue recorded by the University for the year ended June 30, 2015 in order to select three coaches from the report to compare the third-party support revenue on the schedule provided by the University to amounts specified in the related contracts. We planned to recalculate the mathematical accuracy of the third-party support revenue per the report provided by the University. We planned to compare the total third-party support revenue in the report provided by the University to the corresponding amount in the statement.

Management informed us that there was no third-party support revenue during the year ended June 30, 2015.

8. We obtained a report from the University detailing direct institutional support revenue recorded by the University for the year ended June 30, 2015. We recalculated the mathematical accuracy of the direct institutional support revenue amounts per the report provided by the University. We compared the total direct institutional support revenue in the report provided by the University to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

9. We obtained a report from the University which details revenue received from the University's participation in NCAA/conference distributions including all tournament revenue for the year ended June 30, 2015. We compared the revenue amounts for football and men's basketball included in the report to amounts specified in ACC and settlement statements provided by the University. We compared the total revenue for the University's participation in the NCAA/Conference distributions including all tournament revenue in the report provided by the University to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

10. We obtained a report from the University which details revenue received from broadcast, television, radio, and internet rights for the year ended June 30, 2015. We compared the revenue on the report to the amounts specified in contracts with Clemson Tiger Sports Properties, LLC provided by the University. We compared the total revenue from the broadcast, television, radio and internet rights in the report provided by the University to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

11. We obtained a report from the University which details revenue received from program sales, concessions, novelty sales, and parking for the year ended June 30, 2015. We compared the total revenue from program sales, concessions, novelty sales and parking in the report provided by the University to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

12. We obtained a report from the University which details revenues received from royalties, advertisements, and sponsorships for the year ended June 30, 2015. We haphazardly selected three receipts from this detailed report and compared the revenue on the report to the amounts specified in agreements and contracts provided by the University. We compared the total revenue from royalties, advertisements and sponsorships in the report provided by the University to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

13. We obtained a schedule of endowment and investment income from the University's management for the year ended June 30, 2015. We compared the amount of endowment and investment income per the schedule to the amount of endowment and investment income per the Statement.

We found no exceptions as a result of these procedures.

14. We obtained a report detailing other operating revenue for the year ended June 30, 2015. We compared the total other operating revenue in the report to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

15. We haphazardly selected three student athletes who have received athletic student financial aid from a schedule provided by the University. For each student athlete selected, we obtained a detail of each student's account and compared the total aid awarded per the detail to an award letter. We compared the total athletic student financial aid in the schedule provided by the University to the corresponding amount of athletic student aid expenditures in the Statement.

We found no exceptions as a result of these procedures.

16. We haphazardly selected two guarantees for visiting teams from a schedule provided by the University. For each of these guarantees, we compared the guarantee expenditures on the schedule provided by the University to the amounts specified in contracts and settlement reports. We compared the total expenditures for guarantees in the schedule provided by the University to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

17. We obtained a listing of University coaches employed by the University for the year ended June 30, 2015. From this listing, we haphazardly selected three men's sport and three women's sport coaches. For each of the selected coaches, we compared the recorded salary expenditures, including salary, benefits, and bonuses paid by the University and related entities, if any, per the University's general ledger to their contracts and Internal Revenue Service (IRS) Forms W-2. We compared the total expenditures for coaching salaries, benefits and bonuses paid by the University, and related entities in the University's general ledger to the corresponding amount included in the Statement.

We found no exceptions as a result of these procedures.

18. We requested a listing of University coaches who received other compensation and benefits paid by a third party during the year ended June 30, 2015 in order to select two coaches and compare the compensation and benefits paid by a third party to their contracts. We planned to compare the total other compensation and benefits paid by a third party per the listing provided by the University to the corresponding amount in the Statement.

Management informed us that there were no University coaches who received other compensation and benefits paid by a third party during the year ended June 30, 2015.

19. We obtained a listing of support staff/administrative salaries, benefits and bonuses paid by the University and related entities for the year ended June 30, 2015. From this listing, we selected three support/administrative staff and compared the recorded salary, benefits and bonuses, if any, to their personnel files and IRS Forms W-2. We compared the total expenditures for support staff/administrative salaries, benefits and bonuses paid by the University, and related entities per the listing to the corresponding amount included in the Statement.

We found no exceptions as a result of these procedures.

20. We obtained a report detailing equipment, uniforms, and supplies expenditures from the University for the year ended June 30, 2015 and compared the total equipment, uniforms, and supplies expenditures in the report provided by the University to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

21. We obtained a report detailing game expenditures from the University for the year ended June 30, 2015 and compared the total game expenditures in the report provided by the University to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

22. We obtained a report detailing fundraising, marketing, and promotion expenditures from the University for the year ended June 30, 2015 and compared the total fundraising, marketing, and promotion expenditures in the report provided by the University to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

23. We obtained a report detailing direct facilities, maintenance, and rental expenditures from the University for the year ended June 30, 2015 and compared the total direct facilities, maintenance, and rental expenditures in the report provided by the University to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

24. We obtained a report from the University which details indirect facilities and administrative support recorded by the University for the year ended June 30, 2015, and we recalculated the mathematical accuracy of the administrative service fee transferred annually from the explicit payments of charges for any general University services used by the athletic department in addition to its own facility services. We also agreed such amount on the Statement to the University's general ledger.

We found no exceptions as a result of these procedures.

25. We obtained a report detailing other operating expenditures from the University for the year ended June 30, 2015. We compared the total other operating expenditures in the report provided by the University to the corresponding amount recorded in the Statement.

We found no exceptions as a result of these procedures.

26. We requested a report detailing the principal and interest mandatory transfers made by the Intercollegiate Athletics Program to the University for the year ended June 30, 2015 in order to compare the principal and interest mandatory transfers made by the Intercollegiate Athletics Program to the University in the report provided by the University to the corresponding amount recorded in the Statement.

Management informed us that there were no principal and interest mandatory transfers during the year ended June 30, 2015.

27. We obtained a report detailing nonmandatory transfers from the University for the year ended June 30, 2015. We compared the total nonmandatory transfers in the report provided by the University to the corresponding amount in the statement.

We found no exceptions as a result of these procedures.

28. A sample of fifteen days' deposits for the year ended June 30, 2015 was haphazardly selected from the daily receipts report from the University's point of sale units located in the ticket office. Each day's cash receipts were compared to the validated deposit slips. In addition, we traced the deposit slip to where it was recorded on the general ledger and Paciolan ticket system.

<u>Date</u>	<u>Amount</u>
8/14/2014 \$	36,591.00
8/26/2014	12,910.00
11/13/2014	71,100.00
12/4/2014	25,266.00
12/4/2014	173,100.00
12/31/2014	44,816.00
1/7/2015	96,751.00
1/7/2015	10,966.00
1/7/2015	11,904.50
1/23/2015	15,130.00
1/23/2015	1,050.00
2/12/2015	4,620.00
3/19/2015	14,785.00
4/30/2015	13,290.00
5/8/2015	19,552.00

We found no exceptions as a result of these procedures.

29. A sample of thirty cash disbursements for the Intercollegiate Athletic Program for the year ended June 30, 2015 was selected from the University's general ledger. For each of the cash disbursements selected, we compared the disbursed amount and payee information to supporting documentation and verified that each is authorized by the signature of the athletic director of business or approved designee.

<u>Vendor</u>	<u>Account Description</u>	<u>Date</u>	<u>Amount</u>
Paciolan	Maintenance Contracts	7/17/2014	\$ 97,000.00
The W.H. Platts Company	Equip Other (>\$5000)	7/21/2014	85,948.82
Riddell	Supplies: Athletic Equipment	7/30/2014	26,432.80
XOS Digital	Subscriptions	8/20/2014	24,851.70
Weldon, Williams & Lick, Inc.	Printing & Binding External	9/5/2014	29,856.60
LittleJohn Portable Toilets Inc.	Rent: Other	9/9/2014	17,474.71
Meals -Various Restaurants	TOS-A: Team Travel Meals	9/17/2014	13,101.60
Sonesta Gwinnett Place	TOS-A: Team Travel Meals	9/26/2014	33,319.12
OfficeMax	Supplies: Office	10/9/2014	1,964.52
ServiceMaster Clean	Contract Services	10/29/2014	13,735.29
Carolina Med Center	Medical Services - Produces 1099	11/12/2014	11,314.00
American Security of Greenville	Contract Services	11/13/2014	66,480.49
Heritage Tile & Stone, Inc.	Repairs External	11/20/2014	1,824.98
Tyco SimplexGrinnell	Repairs External	11/21/2014	1,619.25
American Security of Greenville	Contract Services	12/10/2014	57,722.56
ServiceMaster Clean	Contract Services	12/10/2014	16,260.80
ThyssenKrupp Elevator	Other Services	12/19/2014	18,585.00
Nike	Supplies: Uniforms	1/6/2015	13,714.77
Seminole Ticket Office	Purchases - Athletic Tickets	1/6/2015	62,450.00
Allure Hotel	Student Travel	1/13/2015	31,790.00
Young Transportation (IMG)	TIS-A: Charter Bus Travel	1/20/2015	4,100.00
Professional Party Rentals	Rent: Other	1/21/2015	29,640.29
Weldon, Williams & Lick, Inc.	Printing & Binding External	1/22/2015	13,740.04
Young Transportation (IMG)	TIS-A: Charter Bus Travel	2/17/2015	3,375.00
Renaissance Hotels	TOS: Team Travel Lodging	2/25/2015	76,622.30
Fresh Brew Innovations	Refreshments	3/26/2015	1,579.34
Courtyard Marriott	TOS: Team Travel Lodging	4/28/2015	19,651.72
Lodging - Vairous Hotels	TOS: Lodging	4/29/2015	1,220.03
Martin Printing Co.	Printing & Binding External	6/16/2015	14,215.36
The W.H. Platts Company	Equip Other (>\$5000)	6/30/2015	108,292.18

For one of the thirty selections tested, the University inadvertently paid the sales tax twice. Upon identification, the University has requested a refund from the vendor. We found no other exceptions as a result of these procedures.

30. A sample of twenty gift receipts for the year ended June 30, 2015 was selected from the University's general ledger. For each of the gift receipts selected, we compared the amount of the gift and donor information to supporting check copies, receipts and acknowledgement letters.

	<u>Donor #</u>	<u>Date</u>	<u>Amount</u>
1	31008	7/9/2014	\$ 25.00
2	95972	10/17/2014	7,500.00
3	222880	11/7/2014	800.00
4	28171	11/14/2014	200.00
5	49919	12/3/2014	160.00
6	22566	12/12/2014	5,250.00
7	120074	1/14/2015	2,500.00
8	602994	1/20/2015	400.00
9	62762	2/7/2015	500.00
10	41771	2/13/2015	400.00
11	315080	2/25/2015	800.00
12	334242	3/24/2015	160.00
13	20485	4/15/2015	800.00
14	334725	5/4/2015	40.00
15	334988	5/11/2015	4,600.00
16	79179	5/28/2015	240.00
17	52177	6/10/2015	200.00
18	102011	6/10/2015	800.00
19	182058	6/19/2015	5,250.00
20	29360	6/24/2015	1,200.00

The University inadvertently applied a donation received from donor 602994 to the wrong donor account which resulted in the University requesting and receiving another donation from the donor 602994 which was applied to the correct donor account. Upon identification, the University has contacted donor 602994 to refund the duplicate donation. We found no other exceptions as a result of this procedure.

31. We obtained from management the name of each outside organization that has as its principal purpose generating resources on behalf of the University's Intercollegiate Athletics Program. We were informed the University has one such organization, IPTAY. We also obtained from management the University's methods for gathering information on the nature and extent of this organization's activities for the Intercollegiate Athletics Program and determining that IPTAY's contribution and expenditures are included in the Statement.

We found no exceptions as a result of this procedure.

32. We obtained a listing of severance payments for the Intercollegiate Athletic Program. One employee received severance payments from the University during the year ended June 30, 2015. We agreed severance payments for the employee to the related termination letter or employment contract.

We found no exceptions as a result of these procedures.

33. We obtained an understanding of the Intercollegiate Athletic Program's recruiting and travel expense policies and compared to related institutional and NCAA related policies.

We found no exceptions as a result of these procedures.

34. We obtained sports-camp contracts between person(s) conducting University sports-camps or clinics for the year ended June 30, 2015 to obtain an understanding of the University's methodology for recording revenues from sports-camps.

Per management, the nature of the arrangements with sports camps or clinics is such that each head coach, per the coach's contract, is allowed to conduct summer youth camps on the University campus. Head coaches can use University facilities and are charged a standard rate of \$4.00 per head count which is the rate charged to others for similar services furnished by the University. Revenues received by the University related to these sports camps are included within Other Revenues.

For the year ended June 30, 2015, the University adopted a new policy regarding football camps. The University pays a portion of football camp expenses while also paying a service fee to a third party to operate the football camp. Expenses are recognized as Other Operating Expenses and Direct Facilities, Maintenance, and Rentals. All fees from football camps are collected by the University and recognized as Other Revenues. In addition, the University received \$200,000 from IPTAY to offset the expenses of the camp. For the year ended June 30, 2015, the net expense of operating football camps was approximately \$5,000.

35. We obtained a report from the University detailing transfers back to the University for the year ended June 30, 2015. We recalculated the mathematical accuracy of the amounts of transfers back to the University per the report provided by the University. We compared the transfers back to the University with permanent transfers back to the University from the athletics department.

We found no exceptions as a result of these procedures.

36. We obtained a listing from the University detailing institutional student aid recipients for the year ended June 30, 2015. We selected a sample of students (no less than 10% of total students) from the listing. For each selected student, we obtained individual student account details and compared total aid allocated from the related aid award letter to the student's account. We inspected screen shots from the NCAA's Compliance Assistant ("CA") software for indication that the following information was reported in the CA software for each of the students selected:

- a) The equivalency value for each student-athlete in all sports, including head-count sports, need to be converted to a full-time equivalency value.
- b) A student-athlete can only be included in one sport.
- c) All equivalency calculations should be rounded to two decimal places.
- d) The full grant amount should always be the full cost of tuition for an academic year, not semester.
- e) If a sport is discontinued and the grant(s) are still being honored by the University, the grant(s) are included in student-athlete aid for revenue distribution purposes.
- f) Student-athletes receiving athletic aid who have exhausted their athletic eligibility or are inactive due to medical reasons should be included in the student-athlete aid total and correctly noted on the squad list.
- g) Only athletic aid awarded in sports in which the NCAA conducts championship competitions, emerging sports for women and football should be included in the calculations.

We found no exceptions as a result of these procedures.

37. We obtained a report from the University detailing recruiting expenses for the year ended June 30, 2015 and compared the total recruiting expenses in the report provided by the University to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

38. We obtained a report from the University detailing team travel expenses for the year ended June 30, 2015 and compared the total team travel expenses in the report provided by the University to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

39. We obtained a squad listing report from the University for the year ended June 30, 2015 and agreed the listing to the sports sponsored in the NCAA Membership Financial Reporting System.

We found no exceptions as a result of these procedures.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the specified areas, accounts, or items and on the effectiveness of internal control over financial reporting described in paragraph one and procedures from page 1 through 10 of this report. Accordingly, we do not express such an opinion. 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 Board of Trustees and management of Clemson University and is not intended to be and should not be used by anyone other than these specified parties.

Elliott Davis Decosimo, LLC

Greenville, South Carolina
October 2, 2015

Intercollegiate Athletics Program
Statement of Revenues, Expenditures, and Transfers
for the year ended June 30, 2015
(Unaudited)

	Football	Basketball	Other Sports	NonProgram Specific	University Total	IPTAY	Enterprise Total
Revenues							
Ticket Sales	\$ 19,740,920	\$ 1,529,450	\$ 619,402	\$ -	\$ 21,889,772	\$ -	\$ 21,889,772
Away Game Sales & Guarantees	300,000	-	1,760	-	301,760	-	301,760
Contributions	109,787	64,944	165,234	242,350	582,315	63,168,778	63,751,093
Direct Institutional Support	1,159,232	437,102	2,499,635	94,778	4,190,747	-	4,190,747
NCAA/Conference Distributions including all Tournament Revenues	18,071,549	4,543,480	104,087	3,324,922	26,044,038	-	26,044,038
Broadcast, Television, Radio and Internet Rights	-	-	-	2,400,000	2,400,000	-	2,400,000
Program Sales, Concessions, Novelty Sales and Parking	1,214,587	112,336	78,709	186,001	1,591,633	-	1,591,633
Royalties, Advertisements and Sponsorships	593,989	200,658	233,779	4,676,477	5,704,903	-	5,704,903
Endowment and Investment Income	9,296	-	-	301,914	311,210	172,040	483,250
Other Revenue	652,304	-	5,882	88,975	747,161	-	747,161
Total operating revenue	<u>41,851,664</u>	<u>6,887,970</u>	<u>3,708,488</u>	<u>11,315,417</u>	<u>63,763,539</u>	<u>63,340,818</u>	<u>127,104,357</u>
Operating expenditures and mandatory transfers							
Athletic Student Aid	3,980,386	1,388,726	6,367,880	1,251,403	12,988,395	-	12,988,395
Guarantees	975,000	520,410	61,293	-	1,556,703	-	1,556,703
Coaching Salaries, Benefits and Bonuses Paid by the Institution and Related Entities	8,273,452	3,415,010	4,297,555	-	15,986,017	-	15,986,017
Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the Institution and Related Entities	2,755,125	467,033	225,834	12,535,430	15,983,422	-	15,983,422
Recruiting	884,961	347,902	479,648	-	1,712,511	-	1,712,511
Team Travel	2,234,218	1,178,125	2,273,050	88,549	5,773,942	-	5,773,942
Equipment, Uniforms and Supplies	1,002,689	260,084	835,859	416,219	2,514,851	-	2,514,851
Game Expenses	2,255,091	671,010	434,101	-	3,360,202	-	3,360,202
Fund Raising, Marketing and Promotion	-	-	-	3,345,775	3,345,775	-	3,345,775
Direct Facilities, Maintenance and Rental	285,162	36,443	41,650	3,375,188	3,738,443	-	3,738,443
Indirect Facilities and Administrative Support	-	-	-	1,310,357	1,310,357	-	1,310,357
Other Operating Expenditures	2,906,366	460,686	830,794	4,583,821	8,781,667	381,179	9,162,846
Total operating expenditures	<u>25,552,450</u>	<u>8,745,429</u>	<u>15,847,664</u>	<u>26,906,742</u>	<u>77,052,285</u>	<u>381,179</u>	<u>77,433,464</u>
Nonmandatory transfers (in)/out							
Debt Service from Athletic Operations and University IPTAY	1,756,507	189,278	100,644	1,010,053	3,056,482	-	3,056,482
University IPTAY Support for Athletic Scholarships	(2,821,154)	(951,623)	(3,868,245)	7,641,022	-	-	-
University IPTAY Support for Academic Scholarships	-	-	-	249,000	249,000	-	249,000
Athletic Operations support for Student Services	-	-	-	498,442	498,442	-	498,442
Construction projects from Athletic Operations and University IPTAY	-	-	30,138	3,341,158	3,371,296	-	3,371,296
Construction projects from IPTAY	-	-	-	-	-	170,775	170,775
Student Band Support from Athletic Operations	-	-	-	444,207	444,207	-	444,207
Parking and Transportation Services from University IPTAY	-	-	-	111,265	111,265	-	111,265
Total nonmandatory transfers	<u>(1,064,647)</u>	<u>(762,345)</u>	<u>(3,737,463)</u>	<u>13,295,147</u>	<u>7,730,692</u>	<u>170,775</u>	<u>7,901,467</u>
Total operating expenditures and transfers	<u>24,487,803</u>	<u>7,983,084</u>	<u>12,110,201</u>	<u>40,201,889</u>	<u>84,782,977</u>	<u>551,954</u>	<u>85,334,931</u>
Excess (deficiency) of revenues over expenditures and transfers	<u>\$ 17,363,861</u>	<u>\$ (1,095,114)</u>	<u>\$ (8,401,713)</u>	<u>\$ (28,886,472)</u>	<u>\$ (21,019,438)</u>	<u>\$ 62,788,864</u>	<u>\$ 41,769,426</u>

Clemson University
Intercollegiate Athletics Program
Notes to Statement of Revenues, Expenditures and Transfers

Note 1. Summary of Significant Accounting Policies

The Intercollegiate Athletics Program is an auxiliary enterprise of Clemson University (the "University") and as such is responsible for the Intercollegiate Athletic Program of Clemson University. The Intercollegiate Athletics Program transactions are reported in the University's unrestricted current funds in the auxiliary enterprises subgroup. The University's NCAA Division I membership became effective May 8, 1953.

Basis of presentation:

The accompanying statement presents the recorded amounts of revenues and expenditures of Clemson University's Intercollegiate Athletics Program. It is not intended to be a complete presentation of the revenues and expenditures of Clemson University or Clemson University's Athletic Department. The Statement of Revenues, Expenditures and Transfers (the "Statement") has been prepared using the accrual basis of accounting. However, no provision has been made for depreciation of physical assets. Revenue is recognized when earned and expenses when supplies or services are received.

Indirect costs, including general administrative costs, maintenance, and other related costs, are not allocated because the Intercollegiate Athletics Program pays explicitly for University services. An administrative service fee is calculated and transferred annually as a cost to the Intercollegiate Athletics Program. These costs of \$2,992,009 were recorded and are shown as Indirect Facilities and Administrative Support under non-program specific.

Contributions:

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts that are restricted by the donor are reported as deferred revenue until such time as the restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished).

Student fees:

For the year ended June 30, 2015, the University provided revenue (funding) to the Intercollegiate Athletics Program for estimated athletic event tickets provided to students. This revenue is calculated by the estimated undergraduate student head count and a guaranteed associated relief payment. This amount is included as reduction to the Indirect Facilities and Administrative Support. The Intercollegiate Athletics Program recognized \$1,681,652 in Indirect Facilities and Administrative Support for the year ended June 30, 2015.

Athletic student aid:

The Statement includes athletic financial assistance awards for students participating in athletic programs. Financial assistance awarded to athletic participants on the basis of other criteria, such as need or academic excellence, is not reflected in the statement.

Note 1. Summary of Significant Accounting Policies, Continued

Fund accounting:

In order to ensure observance of limitations and restrictions placed on the use of resources available to the University's Department of Athletics, the accounts are maintained in accordance with fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. Separate accounts are maintained for each auxiliary enterprise.

Note 2. NCAA Legislation

In June 1985, the National Collegiate Athletics Association ("NCAA") adopted legislation that required all expenditures for, or on behalf of, an institution's intercollegiate athletics program, including those by outside organizations, to be included in the statement of revenues and expenditures.

In January 1987, the NCAA constitution was amended to exempt from the audit requirement those with operating budgets for intercollegiate athletics of less than \$300,000.

In January 1988, effective January 14, 1988, the constitution was again amended. This amendment removed the audit requirement from the NCAA constitution and incorporated its provision into three separate bylaws, which contain revisions specific to each membership division. In August 2004, the NCAA replaced the financial audit guidelines with a set of agreed-upon procedures.

As a Division I member of the NCAA, the University is required to have agreed-upon procedures performed on the Statement by the end of the subsequent fiscal year. NCAA bylaws require all expenses for, or on behalf of, the University's Intercollegiate Athletics Program, including those by outside organizations, to be included on the Statement.

Note 3. Capital Expenditures

The University expended approximately \$4,106,000 for capital items, which were funded by revenues related to athletics. Of these additions, approximately \$735,000 related to equipment expenditures are included in the Statement under other operating expenditures and fundraising. The remaining \$3,371,000 of capital expenditures are not included as part of expenditures as these amounts were capitalized by the University.

Note 4. Outside Organizations

IPTAY is a 501(c)(3) organization with its own charter and Board which has as its primary mission to promote intercollegiate athletics at Clemson University through scholarship fundraising, general fundraising and awareness of the University's athletic program. Activities of IPTAY have been included in the Statement.

Note 5. Deferred Revenue

The University's Intercollegiate Athletics Program collected Fall 2015 ticket revenue on or before June 30, 2015 of approximately \$17,812,000. Recognition of these revenues has been deferred until the year ended June 30, 2016. The Statement for the year ended June 30, 2015 reflects approximately \$18,166,000 in revenues which were collected on or before June 30, 2014 and which were reflected as deferred revenue at June 30, 2014. This amount is included in ticket sales in the Statement.

Note 6. Revenue Concentration

The Intercollegiate Athletics Program received significant revenue from the Atlantic Coast Conference, including NCAA distributions. This revenue source and amount are included in the Statement. The Atlantic Coast Conference provided revenue in distributions totaling approximately \$25,103,000.