

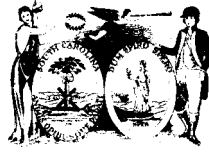


**CLEMSON UNIVERSITY
NCAA REPORT**

Report on Applying Agreed-Upon Procedures

Year ended June 30, 2002

State of South Carolina



Office of the State Auditor

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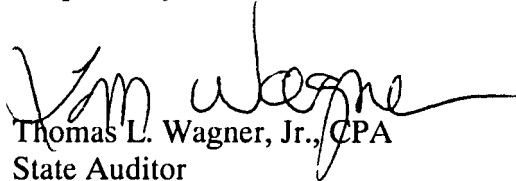
December 19, 2002

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, 2002, was issued by KPMG, LLP, 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/trb



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Independent Accountants' Report on Applying Agreed-Upon Procedures

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 management of Clemson University (the University) solely to assist you in evaluating whether the Statement of Revenues, Expenditures and Transfers of the Intercollegiate Athletic Program of Clemson University is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 6.2.3.1 for the year ended June 30, 2002 and the effectiveness of the University's internal control over financial reporting as of June 30, 2002. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of 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. Materiality for the purposes of this report has been determined to be \$25,000.

Procedures Related to Statement of Revenues, Expenditures and Transfers

- A. We obtained the Statement of Revenues, Expenditures and Transfers for the year ended June 30, 2002, as prepared by management and shown in Schedule I herein. We recalculated the mathematical accuracy of the amounts on the schedule and agreed the amounts to the University's general ledger.

We found such amounts to be materially in agreement.

- B. We scanned the University's general ledger for individual contributions that constituted more than 10% of the IPTAY contributions - restricted gift revenue included in Schedule I.

We found no individual contributions that exceeded 10% of IPTAY contributions - restricted gift revenue.

- C. We obtained the reconciliation of revenue from football ticket sales between the general ledger and the University's Paciolan System Ticket Status Report for the year ended June 30, 2002 prepared by the Athletics Administration accountants and reviewed by the Associate Athletic Director for Finance, and compared such revenue to the corresponding amount in Schedule I.

The Ticket Status Report and the revenue from football ticket sales per Schedule I were materially in agreement.





- D. For IPTAY contributions - restricted gift revenue, we compared the amount per the general ledger to the corresponding amount in Schedule I.

The schedule and the general ledger were materially in agreement.

- E. For athletic guarantees revenue, we obtained a detail of the revenue reported and compared the amount per the detail to the corresponding amount in Schedule I. The balance represents Atlantic Coast Conference distributions and one contractual obligation. We agreed the contractual obligation to a copy of the signed contract, and agreed the amount reflecting Atlantic Coast Conference distributions to the Atlantic Coast Conference distributions statement.

The schedule and the detail were materially in agreement; and we found such amounts to be in agreement with supporting contracts.

- F. We obtained the Corporate Sponsorship revenue detail and compared the amount per the detail to the corresponding amount in Schedule I. We chose 2 corporate sponsors: Nike, Inc. and Belk and agreed the revenue per signed contract to the sponsorship revenue recorded by the University on the general ledger.

The schedule and the detail were materially in agreement; and we found the amounts recorded in the general ledger for sponsorship for Nike, Inc. and Belk in agreement to the signed corporate sponsorship contract.

Procedures Related to Internal Control Over Financial Reporting

- G. Four days' deposits for the year ended June 30, 2002 were haphazardly selected from daily receipt reports from the University's point of sale units located in the ticket office.

Each days' cash receipts were compared to validated deposit slips.

	<u>Reference</u>	<u>Date</u>	<u>Amount</u>
Football	02-0028803	October 19, 2001	\$ 3,201
	02-0034291	June 13, 2002	\$ 35,007
Basketball (men's)	01-0020908	November 02, 2001	\$ 28,638
	01-0011425	November 30, 2001	\$ 2,135

We found such amounts off the daily receipt reports to be in agreement to the validated deposit slips.



H. Thirty cash disbursements for the Intercollegiate Athletic Program for the year ended June 30, 2002 were haphazardly selected from the University's general ledger. For each of these thirty disbursements, we compared the disbursed amount and payee information to supporting documentation (i.e. signed receipts, invoices and documentation of receipt). For employee compensation we used the signed employee contract or the most recent salary adjustment form as supporting documentation for the disbursement amount. Each disbursement was authorized by the signature of the Associate Athletic Director for Finance. The items selected were as follows:

<u>Description</u>	<u>Voucher number</u>	<u>Disbursement amount</u>
1 Coaches Salaries -- Football	N/A	\$ 165,500.00
2 Coaches Salaries -- Baseball	N/A	100,000.00
3 Coaches Salaries -- Basketball	N/A	132,600.00
4 Coaches Salaries -- Football	N/A	130,000.00
5 Coaches Salaries -- Football	N/A	101,430.00
6 Atlantic Coast Conference	00112632	900,000.00
7 Atlantic Coast Conference	00115660	559,200.00
8 Delta Airlines	00107393	443,520.00
9 Wofford College	00096486	210,000.00
10 Georgia Tech Athletic Association	00101059	200,384.00
11 University of Central Florida	00094892	200,000.00
12 Pinnacle Systems	00092311	152,850.00
13 Irwin Seating Company	00121460	138,942.60
14 Athletic Department	00106153	130,000.00
15 Atlantic Coast Conference	00121276	127,235.74
16 Nike, Inc.	00096039	125,777.97
17 USC-Columbia	00111730	121,200.00
18 Printsource Inc	00097146	115,348.64
19 Boir-Doubletree Boise-Riverside	00115203	109,855.18
20 Southern Bleacher Company	00125210	103,966.00
21 Eagle Aviation, Inc.	00112536	98,242.91
22 North Carolina State University	00102502	96,488.00
23 NCAA	00128192	86,465.41
24 Architectural Systems	00103945	82,483.42
25 Keys Printing Co	00100356	79,464.00
26 Flighttime Sports	00097600	76,760.04
27 NCAA	00129032	76,488.82
28 Orange & White	00105049	75,173.56
29 University of Maryland	00105474	69,800.00
30 Nike, Inc.	00123095	56,973.70

We found the disbursement amounts to be in agreement with supporting documentation.



I. Fifteen gift receipts for the year ended June 30, 2002 were haphazardly selected from the University's general ledger. For each of these fifteen gift receipts, we compared the amount of the gift and donor information to supporting check copies, receipts and acknowledgment letters. The items selected were as follows:

	<u>Donor</u>	<u>Batch date</u>	<u>Bursar number</u>	<u>Amount</u>
1	00000019946	12/31/01	11942	\$ 10,000
2	000000597777	03/22/02	13204	2,000
3	000000195478	03/22/02	13204	5,000
4	000000093882	04/05/02	13353	2,500
5	000000033560	03/20/02	13184	2,000
6	000000609001	04/02/02	32037	5,000
7	000000014477	04/02/02	32037	2,000
8	000000838601	04/02/02	32037	2,000
9	000000605001	03/21/02	13205	5,000
10	000000268786	03/21/02	13205	1,000
11	000000045584	03/19/02	13173	2,000
12	000000426582	02/26/02	31639	2,000
13	000000040051	12/19/01	11860	1,000
14	000000493381	12/19/01	11860	2,500
15	000000140075	02/21/02	31512	2,000

We found the gift receipts to be in agreement with the supporting check copies, receipts and acknowledgment letters.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Statement of Revenues, Expenditures and Transfers of the Intercollegiate Athletic Program of Clemson University or the effectiveness of Clemson University Intercollegiate Athletic Department's internal control over financial reporting for the year ended June 30, 2002. 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 State Auditor and management of Clemson University and is not intended to be, and should not be, used by anyone other than these specified parties.

KPMG LLP

September 19, 2002

CLEMSON UNIVERSITY
INTERCOLLEGIATE ATHLETIC PROGRAM
STATEMENT OF REVENUES, EXPENDITURES AND TRANSFERS
FOR THE YEAR ENDED JUNE 30, 2002
(UNAUDITED - SEE ACCOMPANYING AGREED-UPON PROCEDURES LETTER)

	Football	Basketball	Other Sports	NonProgram Specific	IPTAY	IPTAY LEARNING CENTER	Total
REVENUES:							
Ticket sales	\$ 8,262,879	\$ 1,139,474	\$ 297,118	\$ -	\$ -	\$ -	\$ 9,699,471
Bowl revenues	1,141,250	-	-	-	-	-	1,141,250
Athletic guarantees	1,015,568	334,616	6,500	-	-	-	1,356,684
Program sales	208,400	3,905	4,793	-	-	-	217,098
Radio and TV rights	-	-	-	377,851	-	-	377,851
Concessions	539,738	52,679	88,749	-	-	-	681,166
Conference distribution	4,101,640	3,527,842	54,274	-	-	-	7,683,756
Executive box rental	1,245,799	-	-	-	-	-	1,245,799
Licensing	-	-	-	611,446	-	-	611,446
Corporate sponsorship	-	-	-	1,413,226	-	-	1,413,226
IPTAY contributions - restricted	1,162,023	440,553	1,680,504	1,160,155	2,276,257	1,011,763	7,731,255
Donated services	74,962	60,164	79,898	94,694	20,303	8,667	338,688
Investment income - restricted	-	-	-	706,208	-	-	706,208
Other	237,829	126,434	277,303	100,907	-	-	742,473
Total Revenues	17,990,088	5,685,667	2,489,139	4,464,487	2,296,560	1,020,430	33,946,371
EXPENDITURES AND MANDATORY TRANSFERS:							
Coaches salaries	1,288,453	739,770	1,270,761	-	-	-	3,298,984
Other salaries	401,801	101,204	101,572	2,946,963	429,631	674,052	4,655,223
Fringe benefits	420,012	242,265	398,833	1,051,606	119,315	130,716	2,362,747
Travel:							
Recruiting	234,119	168,151	189,301	-	-	-	591,571
Non-recruiting	1,208,079	653,948	992,174	168,309	47,146	9,883	3,079,539
Telephone	57,573	47,589	65,515	91,277	16,640	11,746	290,340
Utilities	-	-	2,492	473,180	-	-	475,672
Financial aid	1,162,023	440,553	1,680,504	1,160,155	-	-	4,443,235
Maintenance and general administration	3,493,764	741,265	1,180,076	3,940,229	1,571,766	194,033	11,121,133
Athletic guarantees	1,335,000	469,744	26,769	-	-	-	1,831,513
Insurance	7,550	-	3,321	121,379	35,998	-	168,248
Equipment and improvements	5,300	-	127,711	161,595	37,250	-	331,856
Total expenditures	9,613,674	3,604,489	6,039,029	10,114,693	2,257,746	1,020,430	32,650,061
EXPENDITURES AND MANDATORY TRANSFERS (CONTINUED):							
Mandatory transfers:							
Principal and interest	-	-	-	80,000	-	-	80,000
Total Expenditures and mandatory transfers	9,613,674	3,604,489	6,039,029	10,194,693	2,257,746	1,020,430	32,730,061

(Continued)

CLEMSON UNIVERSITY
INTERCOLLEGIATE ATHLETIC PROGRAM
STATEMENT OF REVENUES, EXPENDITURES AND TRANSFERS
FOR THE YEAR ENDED JUNE 30, 2002
(UNAUDITED - SEE ACCOMPANYING AGREED-UPON PROCEDURES LETTER)

	Football	Basketball	Other Sports	NonProgram Specific	IPTAY	IPTAY LEARNING CENTER	Total
NONMANDATORY TRANSFERS (IN)/OUT:							
Student fees	(1,118,352)	(151,590)	-	-	-	-	(1,269,942)
Construction projects	-	-	-	883,788	1,314	-	885,102
Student band support	(125,000)	-	-	-	37,500	-	(87,500)
Total	(1,243,352)	(151,590)	-	883,788	38,814	-	(472,340)
Excess (deficiency) of revenues over expenses and transfers	<u>\$ 9,619,766</u>	<u>\$ 2,232,768</u>	<u>\$ (3,549,890)</u>	<u>\$ (6,613,994)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,688,650</u>

See accompanying notes to Statement of Revenues, Expenditures and Transfers.

CLEMSON UNIVERSITY
(Intercollegiate Athletic Program)

Notes to Statement of Revenues, Expenditures and Transfers

June 30, 2002

(Unaudited – See Accompanying Agreed-Upon Procedures Letter)

(1) Summary of Significant Accounting Policies and Reporting Practices

The accompanying Statement of Revenues, Expenditures and Transfers includes revenue, expenditure and transfer accounts of Clemson University (the University) which relate to the Clemson University Athletic Department (the Department) which oversees the University's intercollegiate athletic program. The Department uses the accrual basis of accounting for revenues, expenditures and transfers.

(2) Financial Aid

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

Financial aid to individuals who assist the Athletic Department in either an administrative or coaching position is classified as non-program specific.

(3) Booster Activities

Activities of IPTAY, the University's booster organization, are included in the accompanying statement.