

**Clemson University
Intercollegiate Athletics Program**

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

For the year ended June 30, 2014

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 in evaluating whether the accompanying Intercollegiate Athletics Program Statement of Revenues, Expenditures, and Transfers (the "Statement") of the University is in compliance with the National Collegiate Athletic Association ("NCAA") Constitution 3.2.4.16 for the fiscal year ended June 30, 2014. The University's management is responsible for the Statement and the Statement's compliance with those 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, 2014, as shown on Attachment A of this report. We recalculated the mathematical accuracy of the Statement, traced those 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 discussed the nature of the worksheet adjustments with management to determine if adjustments had a supported explanation.

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, 2014, to the prior year amounts (fiscal year 2013). We identified actual variances of greater than 10% and \$100,000 from the prior year amounts and obtained explanations for variances from management.

Football Expenditures – Football expenditures increased \$4,819,907, or 23.59%, compared to fiscal year 2013. The increase is attributable to increases in athletic student aid, coaching salaries and benefits, administrative salaries and benefits, team travel, game expenses, and direct facilities, maintenance and rental.

Basketball Expenditures – Basketball expenditures increased \$1,156,428, or 16.21%, compared to fiscal year 2013. The increase is attributable to increases in athletic student aid, guarantees, and team travel.

Other Sports Revenue – Other sports revenue increased \$982,317, or 14.99%, compared to fiscal year 2013. The increase is attributable to increases in contributions and direct institutional support.

Other Sports Expenditures – Other sports expenditures increased \$1,339,237, or 10.10%, compared to fiscal year 2013. The increase is attributable to increases in athletic student aid, team travel, and equipment.

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, 2014. 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. Individual transactions greater than 10% of operating revenue (\$8,208,718) were investigated to determine that underlying documentation was consistent with the classification as revenue in the Statement.

We found the amounts were in agreement. One individual transaction of \$13,988,396 exceeded 10% of total operating revenue and was related to recognition of deferred ticket revenue recorded at June 30, 2013. 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, 2014, 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/USC 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 obtained from the University a report detailing all third-party support revenue recorded by the University for the year ended June 30, 2014. We haphazardly selected three coaches from the report; and for each coach selected, we compared the third-party support revenue on the schedule provided by the University to amounts specified in the related contracts. We recalculated the mathematical accuracy of the third-party support revenue per the report provided by the University. We compared the total third-party 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.

8. We obtained a report from the University detailing direct institutional support revenue recorded by the University for the year ended June 30, 2014. 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, 2014. 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, 2014. 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, 2014. 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, 2014. 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, 2014. 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, 2014. 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, 2014. 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 obtained a listing of University coaches who received other compensation and benefits paid by a third party during the year ended June 30, 2014. From this listing, we selected two coaches and compared the compensation and benefits paid by a third party to their contracts. We also compared 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.

We found no exceptions as a result of these procedures.

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, 2014. 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, 2014 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, 2014 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, 2014 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, 2014 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, 2014, 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, 2014. 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, 2014 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, 2014.

27. We obtained a report detailing nonmandatory transfers from the University for the year ended June 30, 2014. 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, 2014 were 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>Day Tested</u>	<u>Amount</u>
1	7/12/2013	\$ 123,348.00
2	8/15/2013	37,942.00
3	8/15/2013	37,086.00
4	9/6/2013	2,092.00
5	9/18/2013	27,343.00
6	9/25/2013	532,500.00
7	9/26/2013	28,164.00
8	10/15/2013	23,267.00
9	11/18/2013	259,446.00
10	1/8/2014	58,610.00
11	1/24/2014	15,497.00
12	1/27/2014	11,476.00
13	3/12/2014	45,161.00
14	3/26/2014	72,586.00
15	4/9/2014	16,860.00

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, 2014 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 observed 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>
The Reserve at Lake Keowee	Other Fringe	9/12/2013	\$ 4,297.32
Barnes and Noble College Bkstore	Scholarships	2/21/2014	5,846.91
Dan Brooks	TOS:Mileage Personal Reimburse	12/16/2013	1,199.50
Raleigh Marriott	TOS-A:Team Travel Meals	10/31/2013	25,363.78
Delta Airlines	TOS-A:Team Travel Char Airfare	12/20/2013	290,710.00
Bluechip Athletic Solutions	Other Services	4/4/2014	68,309.34
Printsource Inc.	Printing & Binding External	2/11/2014	19,284.53
Event Partners LLC	Other Services	1/14/2014	6,732.39
Tamis Corporation	Supplies:Maintenance	9/9/2013	7,023.09
The Atlanta Tennis Co.	Supplies:Athletic Equipment	1/14/2014	4,932.09
Nike	Non-Taxable Prizes & Awards	1/21/2014	3,514.20
Paradigm Sports	Contract Services	3/31/2014	3,000.00
Aramark	Official Functions & Events	9/9/2013	10,698.93
Daktronics	Maintenance Contracts	10/4/2013	98,509.54
Aramark	ARAMARK Catering	12/4/2013	2,297.83
ACO Medical Supply, Inc.	Supplies:Scientific/Technical	8/21/2013	12,457.76
Knights Apparel Inc.	Supplies:Promotional Materials	12/3/2013	60,000.00
WH Platts Co.	Non-Cap Equip Other	11/7/2013	5,148.40
Xerox Corp	Op Lease Pmts - Equipment	1/9/2014	4,572.51
Custom Dock Systems	Equip Other (>\$5000)	1/21/2014	52,800.00
Paciolan	Other Services	12/4/2013	6,916.95
Shealy	Supplies:Maintenance	3/5/2014	2,709.46
James Martin Inn	TOS-A: Prospect Lodging	12/17/2013	6,353.64
Agile Sports Tech	Subscriptions	8/6/2013	19,500.00
Anthony Travel	TOS-A:Team Travel Lodging	10/28/2013	8,042.00
Hilton	TOS-A:Team Travel Lodging	4/4/2014	48,436.80
Woody McCorvey	TOS:Lodging	12/19/2013	1,556.17
United Van Lines	EE Moving Exp Non-Taxable to EE	8/16/2013	14,982.96
CytoSport	Refreshments	8/16/2013	1,483.02
CytoSport	Refreshments	10/18/2013	3,440.61

We found no exceptions as a result of these procedures.

30. A sample of twenty gift receipts for the year ended June 30, 2014 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	286550	8/13/2013	\$ 40.00
2	719171	10/14/2013	700.00
3	42970	10/23/2013	800.00
4	55786	11/18/2013	1,400.00
5	213878	12/30/2013	2,800.00
6	21467	2/4/2014	2,100.00
7	52998	2/14/2014	700.00
8	19663	2/17/2014	550.00
9	236679	2/21/2014	2,800.00
10	46148	2/24/2014	140.00
11	65387	3/25/2014	120.00
12	115530	4/21/2014	175.00
13	294227	5/6/2014	2,800.00
14	149156	5/7/2014	350.00
15	55470	5/15/2014	100.00
16	310173	5/19/2014	5,600.00
17	294098	5/27/2014	550.00
18	272394	6/12/2014	700.00
19	311088	6/24/2014	130.00
20	311520	6/30/2014	10,000.00

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. Two employees received severance payments from the University during the year ended June 30, 2014. We agreed severance payments for both employees 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 institutional sports-camps or clinics for the year ended June 30, 2014. The nature of the arrangements with sports camps or clinics is such that revenues are not received from sports camps.

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 9 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.

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive, flowing style.

Greenville, South Carolina
October 1, 2014

Clemson University
Intercollegiate Athletics Program
Statement of Revenues, Expenditures, and Transfers
for the year ended June 30, 2014
(Unaudited)

Attachment A

	Football	Basketball	Other Sports	NonProgram Specific	Total
Revenues					
Ticket Sales	\$ 21,645,341	\$ 1,470,871	\$ 569,581	\$ -	\$ 23,685,793
Away Game Sales & Guarantees	250,000	-	4,000	-	254,000
Contributions	2,930,562	927,602	4,079,354	15,271,055	23,208,573
Direct Institutional Support	1,281,455	508,223	2,582,396	3,670	4,375,744
NCAA/Conference Distributions including all Tournament Revenues	15,629,983	4,526,269	-	269,683	20,425,935
Broadcast, Television, Radio and Internet Rights	555,000	175,000	-	1,960,000	2,690,000
Program Sales, Concessions, Novelty Sales and Parking	1,703,267	130,738	112,190	123,166	2,069,361
Royalties, Advertisements and Sponsorships	468,311	179,519	159,886	4,073,201	4,880,917
Endowment and Investment Income	-	-	-	306,026	306,026
Other	60	-	27,689	163,077	190,826
Total operating revenue	<u>44,463,979</u>	<u>7,918,222</u>	<u>7,535,096</u>	<u>22,169,878</u>	<u>82,087,175</u>
Operating expenditures					
mandatory transfers:					
Athletic Student Aid	4,108,962	1,376,311	6,329,616	1,191,397	13,006,286
Guarantees	850,000	456,539	49,051	-	1,355,590
Coaching Salaries, Benefits and Bonuses Paid by the Institution and Related Entities	8,122,016	3,051,174	3,766,278	302,589	15,242,057
Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the Institution and Related Entities	3,220,962	473,806	165,962	11,420,898	15,281,628
Recruiting	682,740	331,710	446,949	-	1,461,399
Team Travel	2,758,253	1,442,568	1,814,371	-	6,015,192
Equipment, Uniforms and Supplies	824,086	252,347	759,924	473,727	2,310,084
Game Expenditures	2,766,439	589,053	443,193	-	3,798,685
Fundraising, Marketing and Promotion	-	-	-	2,924,359	2,924,359
Direct Facilities, Maintenance and Rental	303,774	42,464	15,224	1,294,889	1,656,351
Indirect Facilities and Administrative Support	-	-	-	1,181,770	1,181,770
Other Operating Expenditures	1,614,290	275,076	810,364	5,828,994	8,528,724
Total operating expenditures	<u>25,251,522</u>	<u>8,291,048</u>	<u>14,600,932</u>	<u>24,618,623</u>	<u>72,762,125</u>
Nonmandatory transfers					
transfers (in)/out:					
Debt Service	661,369	5,809	-	382,512	1,049,690
Clemson Athletic Trust	-	-	-	9,648,363	9,648,363
Annual Contributions	(2,827,507)	(868,088)	(3,747,220)	7,692,815	250,000
Student Services	-	-	-	164,653	164,653
Construction projects	-	-	-	4,585,447	4,585,447
Student Band Support	-	-	-	219,001	219,001
Operations Support	-	(4,995)	-	-	(4,995)
Total nonmandatory transfers	<u>(2,166,138)</u>	<u>(867,274)</u>	<u>(3,747,220)</u>	<u>22,692,791</u>	<u>15,912,159</u>
Total operating expenditures and transfers	<u>23,085,384</u>	<u>7,423,774</u>	<u>10,853,712</u>	<u>47,311,414</u>	<u>88,674,284</u>
Excess (deficiency) of revenue over expenditures and transfers	<u>\$ 21,378,595</u>	<u>\$ 494,448</u>	<u>\$ (3,318,616)</u>	<u>\$ (25,141,536)</u>	<u>\$ (6,587,109)</u>

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

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 \$2,822,507 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, 2014, 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 \$1,640,737 in Indirect Facilities and Administrative Support for the year ended June 30, 2014.

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 \$5,157,000 for capital items, which were funded by revenues related to athletics. Of these additions, \$572,000 related to equipment expenditures are included in the Statement under other operating expenditures and fundraising. The remaining \$4,585,000 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. Certain activities of IPTAY have been included in the Statement.

Note 5. Deferred Revenue

The University's Intercollegiate Athletics Program collected Fall 2014 ticket revenue on or before June 30, 2014 of approximately \$18,166,000. Recognition of these revenues has been deferred until the year ended June 30, 2015. The Statement for the year ended June 30, 2014 reflects approximately \$13,988,000 in revenues which were collected on or before June 30, 2013 and which were reflected as deferred revenue at June 30, 2013. 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, and IPTAY. These two revenue sources and amounts are included in the Statement. The Atlantic Coast Conference provided revenue in distributions totaling approximately \$18,835,000. IPTAY provided approximately \$22,626,000 for scholarships, fundraising and support staff. The Statement does not include all revenues and expenditures of IPTAY.