

**Clemson University
Intercollegiate Athletics Program**

*Independent Accountant's
Report on Applying Agreed-Upon Procedures*

For the year ended June 30, 2018

Clemson University Intercollegiate Athletics Program

Contents

Page

Independent Accountant's Report on Applying Agreed-Upon Procedures..... 1-11

Attachment A

Statement of Revenues, Expenditures, and Transfers.....12

Notes to Statement of Revenues, Expenditures, and Transfers..... 13-15

**Independent Accountant's Report on
Applying 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 3.2.4.15 for the fiscal year ended June 30, 2018. 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. The sufficiency of these 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 compared and agreed each operating revenue category reported in the Statement for the year ended June 30, 2018 to supporting schedules provided by the University. If a specific reporting category was less than 4.0% of the total revenues, no procedures were required for that specific category.

We found no exceptions as a result of these procedures.

2. We selected a sample of five operating revenue receipts obtained from the above operating revenue supporting schedules. We compared and agreed each selection to supporting documentation (e.g. invoices, receipts, etc.).

We found no exceptions as a result of these procedures.

3. We compared each major revenue account over 10% of the total revenues to prior period amounts and budget estimates. We inquired of management and obtained explanations from management for any variations greater than 10%.

Management has informed us of the following revenue accounts with variations that exceeded the threshold:

- Contributions

We found no exceptions as a result of these procedures.

4. We compared tickets sold, complimentary tickets provided and unsold tickets for the year ended June 30, 2018 to the related revenue reported by the University in the Statement and the related attendance figures and recalculated totals.

We found no exceptions as a result of these procedures.

5. We planned to compare the direct institutional support recorded by the University for the year ended June 30, 2018 with the institutional supporting budget transfers documentation and other corroborative supporting documentation and recalculate totals.

The revenue reported for the direct institutional support reporting category was less than 4.0% of total revenues; therefore, no procedures were required for this specific category.

6. We compared the transfers back to University with permanent transfers back to University from the athletics department and recalculated totals.

We found no exceptions as a result of these procedures.

7. We requested from the University a report detailing revenues derived from guaranteed contests by the University for the year ended June 30, 2018. We planned to select one contractual agreement pertaining to revenues derived from guaranteed contests to compare and agree the selection to the University's general ledger and/or the Statement and recalculate totals.

The revenue reported for the guarantees income reporting category was less than 4.0% of total revenues; therefore, no procedures were required for this specific category.

8. 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 obtained a schedule of contributions from management and recalculated totals for any contributions of moneys, goods or services received directly by an intercollegiate athletics program from IPTAY that constituted 10 percent or more in aggregate for the year ended June 30, 2018 of all contributions received for intercollegiate athletics for the year ended June 30, 2018.

We found no exceptions as a result of these procedures.

9. We planned to compare the in-kind contributions recorded by the University for the year ended June 30, 2018 with a schedule of in-kind donations provided by management and recalculate totals.

The revenue reported for the in-kind contributions reporting category was less than 4.0% of total revenues; therefore, no procedures were required for this specific category.

10. We obtained the summary of revenues from affiliated and outside organizations (the "Summary") for the year ended June 30, 2018 from the University and selected a sample of three funds from the Summary and compared and agreed each selection to supporting documentation, the University's general ledger and recalculated totals.

We found no exceptions as a result of these procedures.

11. We obtained agreements for the University's total media (broadcast, television, radio, internet) rights received by the University or through their conference offices as reported in the Statement.

Management informed us that the University only receives media rights revenues through conference distributions.

12. We compared and agreed the media right revenues per a summary statement provided by management to the University's general ledger and recalculated totals.

We found no exceptions as a result of these procedures.

13. We planned to compare the amounts recorded for NCAA distributions to other corroborative supporting documents and recalculate totals.

The revenue reported for the NCAA distributions reporting category was less than 4.0% of total revenues; therefore, no procedures were required for this specific category.

14. We planned to obtain agreements related to the University's conference distributions and participation in revenues from tournaments for the year ended June 30, 2018.

The revenue reported for the conference distributions reporting category was less than 4.0% of total revenues; therefore, no procedures were required for this specific category.

15. We planned to compare and agree the related conference distribution revenues to the University's general ledger, and/or the Statement and recalculate totals.

The revenue reported for the conference distributions reporting category was less than 4.0% of total revenues; therefore, no procedures were required for this specific category.

16. We planned to compare the amount recorded in the program sales, concessions, novelty sales and parking revenue reporting category to a general ledger detail of program sales, concessions, novelty sales and parking as well as any other corroborative supporting documents and recalculate totals.

The revenue reported for the program sales, concessions, novelty sales and parking reporting category was less than 4.0% of total revenues; therefore, no procedures were required for this specific category.

17. We obtained agreements related to the University's participation in revenues from royalties, licensing, advertisements and sponsorships for the year ended June 30, 2018.

We found no exceptions as a result of these procedures.

18. We compared and agreed the related royalties, licensing, advertisements and sponsorships revenues to the University's general ledger, and/or the Statement and recalculated totals.

We found no exceptions as a result of these procedures.

19. We planned to obtain sports camp contract(s) between the University and person(s) conducting University sports-camps or clinics during the year ended June 30, 2018 and we planned to inquire of management the University's methodology for recording revenues from sports camps.

The revenue reported for the sports camps reporting category was less than 4.0% of total revenues; therefore, no procedures were required for this specific category.

20. For the sports camp contract(s) identified in procedure #19, we planned to obtain schedules of camp participants and select three individual camp participant cash receipts from the schedule of sports camp participants and agree each selection to the University's general ledger and/or the Statement and recalculate totals.

The revenue reported for the sports camps reporting category was less than 4.0% of total revenues; therefore, no procedures were required for this specific category.

21. We planned to obtain from the University a report detailing all endowment agreements in order to select three endowment agreements.

The revenue reported for the endowment and investment income reporting category was less than 4.0% of total revenues; therefore, no procedures were required for this specific category.

22. For agreements selected in procedure #21, we planned to compare and agree the classification and use of endowment and investment income reported in the Statement for the year ended June 30, 2018 to the uses of income defined within the endowment agreement and recalculate totals.

The revenue reported for the endowment and investment income reporting category was less than 4.0% of total revenues; therefore, no procedures were required for this specific category.

23. We planned to obtain agreements related to the University's revenues from post-season bowl participation for the year ended June 30, 2018.

The revenue reported for the bowl revenues reporting category was less than 4.0% of total revenues; therefore, no procedures were required for this specific category.

24. We planned to compare and agree the revenues from post-season bowl participation to the University's general ledger, and/or the Statement and recalculate totals.

The revenue reported for the bowl revenues reporting category was less than 4.0% of total revenues; therefore, no procedures were required for this specific category.

25. We compared and agreed each expense category reported in the Statement for the year ended June 30, 2018 to supporting schedules provided by the University. If a specific reporting category was less than 4.0% of the total expenses, no procedures were required for that specific category.

We found no exceptions as a result of these procedures.

26. We selected a sample of five operating expenses obtained from the above operating expense supporting schedules. We compared and agreed each selection to adequate supporting documentation (e.g. invoices, receipts, etc.).

We found no exceptions as a result of these procedures.

27. We compared each major expense category over 10% of the total expenses to prior period amounts and budget estimates. We inquired of management and obtained explanations from management for any variations greater than 10%.

Management has informed us of the following expense accounts with variations that exceeded the threshold:

- Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities

We found no exceptions as a result of these procedures.

28. The University uses the NCAA's Compliance Assistant ("CA") software to prepare the athletic aid detail. We selected 10% of the total student-athletes from the listing of University student aid recipients for the year ended June 30, 2018.

We found no exceptions as a result of these procedures.

29. We obtained individual student account details for each student selected in procedure #28 and compared total aid in the University's student system to the student's detail in CA.

We found no exceptions as a result of these procedures.

30. For each student selected in procedure #28, we compared the student's information per the University's student system to their information reported in the NCAA's CA software using the following criteria:

- The equivalency value for each student-athlete in all sports, including head-count sports, were converted to a full-time equivalency value. The full-time equivalency value was calculated using the athletic grant amount reported on the Calculation of Revenue Distribution Equivalencies Report (CRDE) from CA as the numerator and the full grant amount which was the total cost for tuition, fees, course-related books, room and board for an academic year as the denominator. If using the NCAA CA software, that equivalency value was calculated on the CRDE report labeled "Revenue Distribution Equivalent Award".
- Grants-in-aid was calculated by using the revenue distribution equivalencies by sport and in aggregate. (Athletic grant amount divided by the full grant amount).
- Other expenses related to attendance (also known as gap money or cost of attendance) were not included in grants-in-aid revenue distribution equivalencies. Only tuition, fees, room, board and course-related books were countable for grants-in-aid revenue distribution per Bylaw 20.02.07.
- Full grant amounts were entered as a full year of tuition, not a semester or quarter.
- Student-athletes were only counted once and did not receive a revenue distribution equivalency greater than 1.00
- Athletic grants were valid for revenue distribution purposes only in sports in which the NCAA conducts championship competitions, emerging sports for women and football was included in the calculations.
- Grants-in-aid was valid for revenue distribution purposes in NCAA sports that did not meet the minimum contests and participants' requirements of Bylaw 20.9.6.3.
- Grants awarded to student-athletes listed on the CRDE as "Exhausted Eligibility (fifth-year)" or "Medical" received credit in the grants-in-aid component.
- The athletics aid equivalency did not exceed maximum equivalency limits set by Bylaw 15.5.3.1.
- If a sport was discontinued and the grant(s) were still being honored by the University, the grant(s) were included in student-athlete aid for revenue distribution purposes.
- All equivalency calculations were rounded to two decimal places.

- If a student selected received a Pell Grant, the value of the grant was not included in the calculation of equivalencies or the total dollar amount of student athletic aid expense for the University.
- If a student selected received a Pell Grant, the student's grant was included in the total number and total value of Pell Grants reported for Revenue Distribution purposes in the NCAA Membership Financial Reporting System.

We found no exceptions as a result of these procedures.

31. We recalculated totals for each sport and overall.

We found no exceptions as a result of this procedure.

32. We planned to obtain visiting institution's away-game settlement reports received by the University for the year ended June 30, 2018 and agree related expenses to the University's general ledger and/or the Statement and recalculate totals.

The expenditures reported for the guarantees expense reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

33. We planned to obtain two contractual agreements that pertained to expenses recorded by the University from guaranteed contests for the year ended June 30, 2018. We planned to compare and agree related amounts expensed by the University during to the University's general ledger and/or the Statement and recalculate totals.

The expenditures reported for the guarantees expense reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

34. We obtained a listing of coaches employed by the University and related entities for the year ended June 30, 2018. We selected a sample of three coaches' contracts that had to include football, and men's and women's basketball from the listing.

We found no exceptions as a result of these procedures.

35. We compared and agreed the financial terms and conditions of each coach selected in procedure #34 to the related coaching salaries, benefits, and bonuses recorded by the University and related entities in the Statement for the year ended June 30, 2018.

We found no exceptions as a result of these procedures.

36. We obtained payroll summary registers for the year ended June 30, 2018 for each coach selected in procedure #34. We compared and agreed payroll summary registers from the year ended June 30, 2018 to the related coaching salaries, benefits and bonuses paid by the University and related entities expense recorded by the University in the Statement for the year ended June 30, 2018.

We found no exceptions as a result of these procedures.

37. We compared and agreed the totals recorded within the payroll summary registers to employment contracts executed for the sample of three coaches selected in procedure #34 and recalculated totals.

We found no exceptions as a result of these procedures.

38. We selected a sample of three support staff/administrative personnel employed by the University and related entities for the year ended June 30, 2018.

We found no exceptions as a result of these procedures.

39. We obtained the summary payroll register for the year ended June 30, 2018 for each support staff/administrative personnel selected in procedure #38. We compared and agreed the related summary payroll register to the related support staff administrative salaries, benefits and bonuses paid by the University and related entities expense recorded by the University in the Statement for the year ended June 30, 2018 and recalculated totals.

We found no exceptions as a result of these procedures.

40. We planned to select a sample of two employees that received severance during the year ended June 30, 2018 and agree the severance payments to the related termination letter or employment contract and recalculated totals.

The expenditures reported for the severance reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

41. We planned to obtain the University's recruiting expense policies from management.

The expenditures reported for the recruiting reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

42. We planned to compare and agree the University's recruiting expense policies to existing institutional- and NCAA-related recruiting policies.

The expenditures reported for the recruiting reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

43. We planned to obtain the general ledger detail for recruiting expenditures and compare to the total expenses reported and recalculate totals.

The expenditures reported for the recruiting reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

44. We obtained an understanding of the University's team travel policies.

We found no exceptions as a result of these procedures.

45. We compared and agreed the University's team travel policies to existing institutional and NCAA-related team travel policies.

We found no exceptions as a result of these procedures.

46. We obtained a general ledger detail for team travel expenditures and compared to the total expenses reported and recalculated totals.

We found no exceptions as a result of these procedures.

47. We planned to obtain general ledger detailing total equipment, uniforms and supplies expenditures and compare to the total expenses reported. We planned to select a sample of three transactions and obtain support of existence of transactions and accuracy of recording and recalculate totals.

The expenditures reported for the equipment, uniforms, and supplies reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

48. We obtained a general ledger detailing total game expenditures and compared to the total expenses reported. We selected a sample of three transactions and obtained support of existence of transactions and accuracy of recording and recalculated totals.

We found no exceptions as a result of these procedures.

49. We obtained a general ledger detailing total fund raising, marketing and promotion expenditures and compared to the total expenses reported. We selected a sample of three transactions and obtained support of existence of transactions and accuracy of recording and recalculated totals.

We found no exceptions as a result of these procedures.

50. We planned to obtain a general ledger detailing total sports camp expenditures and compare to the total expenses reported. We planned to select a sample of three transactions and obtain support of existence of transactions and accuracy of recording and recalculate totals.

The expenditures reported for the sports camp expenses reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

51. We planned to obtain a general ledger detailing spirit group expenditures and compare to the total expenses reported. We planned to select a sample of three transactions and obtain support of existence of transactions and accuracy of recording and recalculate totals.

The expenditures reported for the spirit group expenses reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

52. We planned to obtain a listing of debt service schedules, lease payments and rental fees for athletics facilities for the year ended June 30, 2018. We planned to select a sample of three facility payments, including the top two highest facility payments, and compare to additional supporting documentation.

The expenditures reported for the debt service schedules, lease payments and rental fees reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

53. We planned to compare amounts recorded for each payment selected in procedure #52 to the amounts listed in the general ledger detail and recalculate totals.

The expenditures reported for the debt service schedules, lease payments and rental fees reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

54. We obtained a general ledger detailing total direct overhead and administrative expenditures and compared to the total expenditures reported. We selected a sample of three transactions and obtained support of existence of transactions and accuracy of recording and recalculated totals.

We found no exceptions as a result of these procedures.

55. We planned to obtain a general ledger detailing total medical and insurance expenditures and compare to the total expenditures reported. We planned to select a sample of three transactions and obtain support of existence of transactions and accuracy of recording and recalculate totals.

The expenditures reported for the medical and insurance reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

56. We planned to obtain a general ledger detailing total memberships and dues expenditures and compare to the total expenses reported. We planned to select a sample of three transactions and obtain support of existence of transactions and accuracy of recording and recalculate totals.

The expenditures reported for the memberships and dues reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

57. We obtained a general ledger detailing other operating expenditures and transfers to University and compared to the total expenditures reported. We selected a sample of three transactions and obtained support of existence of transactions and accuracy of recording and recalculated totals.

We found no exceptions as a result of these procedures.

58. We planned to obtain a general ledger detailing student-athlete meals (non-travel) and compare to the total expenditures reported. We planned to select a sample of three transactions and obtain support of existence of transactions and accuracy of recording and recalculate totals.

The expenditures reported for the student athlete meals (non-travel) reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

59. We planned to obtain a general ledger detailing total bowl expenditures and compare to the total expenditures reported. We planned to select a sample of three transactions and obtain support of existence of transactions and accuracy of recording and recalculate totals.

The expenditures reported for the total bowl expenditures reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

60. We compared and agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the CRDE from CA for the University. The NCAA Membership Financial Reporting System populates the sports from the NCAA Membership Database as they are reported by the University. If there was a discrepancy in the Sports Sponsored between the NCAA Membership Financial Reporting System and the squad lists, we would inquire about the discrepancy and report the justification in this report.

We found no exceptions as a result of these procedures.

61. We obtained the University's Sports Sponsorship and Demographics Forms Report for the year ended June 30, 2018. We obtained the countable sports reported by the University and compared the amounts reported to the minimum requirements set forth in Bylaw 20.9.6.3 for the number of contests and the number of participants in each contest that was counted toward meeting the minimum contest requirement. We inquired of management that sports countable for revenue distribution purposes were reported within the NCAA Membership Financial Reporting System.

We found no exceptions as a result of these procedures.

62. We agreed the total number of Division I student-athletes who, during the academic year, received a Pell Grant award (e.g. Pell Grant recipients on Full Grant-in-Aid, Pell Grant recipients on Partial Grants-in-Aid and Pell Grant recipients with no Grants-in-Aid) and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report, generated out of the University's financial aid records, of all student-athlete Pell Grants.

We found no exceptions as a result of these procedures.

63. We obtained repayment schedules for all outstanding intercollegiate athletics debt during the year ended June 30, 2018. We recalculated annual maturities (consisting of principal and interest) provided in the schedules obtained.

We found no exceptions as a result of these procedures.

64. We agreed the total annual maturities and total outstanding athletic related debt to supporting documentation and the University's general ledger, as applicable.

We found no exceptions as a result of these procedures.

65. We agreed the total outstanding institutional debt to supporting documentation and the University's audited financial statements, if available, or the University's general ledger.

We found no exceptions as a result of these procedures.

66. We obtained a schedule of all athletics dedicated endowments maintained by athletics, the University, and affiliated organizations. We selected a sample of three athletics dedicated endowments and agreed the fair market value in the schedule to supporting documentation and the general ledger.

We found no exceptions as a result of these procedures.

67. We agreed the total fair market value of institutional endowments to supporting documentation, the University's general ledger and/or audited financial statements, for each endowment selected in procedure #66.

We found no exceptions as a result of these procedures.

68. We obtained a schedule of athletics related capital expenditures made by athletics, the University, and affiliated organizations during the reporting period.

We found no exceptions as a result of these procedures.

69. We obtained a general ledger detailing total athletics related capital expenditures and compared to the total expenditures reported. We selected a sample of three transactions and obtained support of existence of transactions and accuracy of recording and recalculated totals.

We found no exceptions as a result of these procedures.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review, the objective of which would be the expression of an opinion or conclusion, respectively, 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 11 of this report. Accordingly, we do not express such an opinion or conclusion. 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
September 28, 2018

Intercollegiate Athletics Program
Statement of Revenues, Expenditures, and Transfers
For the year ended June 30, 2018
(Unaudited)

	Football	Basketball	Other Sports	NonProgram Specific	University Total	IPTAY	Enterprise Total
Revenues							
Ticket Sales	\$ 24,856,086	\$ 1,807,810	\$ 985,702	\$ -	\$ 27,649,598	\$ -	\$ 27,649,598
Direct Institutional Support	1,551,104	598,134	3,155,510	-	5,304,748	-	5,304,748
Guarantees & Away Game Sales	-	65,000	5,000	-	70,000	-	70,000
Contributions	5,220,176	1,401,031	5,204,852	36,594,206	48,420,265	58,772,003	107,192,268
In Kind Car Leases	42,828	57,858	42,118	50,159	192,963	-	192,963
Broadcast, Television, Radio and Internet Rights	14,413,500	4,804,500	-	-	19,218,000	-	19,218,000
NCAA Distributions including all Tournament Revenues	273,143	1,805,964	965,441	-	3,044,548	-	3,044,548
Conference Distributions including all Tournament Revenues	1,659,741	2,100,727	194,346	748,659	4,703,473	-	4,703,473
Program Sales, Concessions, Novelty Sales and Parking	1,268,336	131,463	137,682	176,869	1,714,350	-	1,714,350
Royalties, Advertisements and Sponsorships	750,000	200,000	133,750	12,533,038	13,616,788	-	13,616,788
Sports Camp Revenues	919,005	-	-	-	919,005	-	919,005
Endowment and Investment Income	20,103	-	-	3,694	23,797	2,620,997	2,644,794
Other Revenue	-	-	136,875	725,747	862,622	-	862,622
Bowl Revenues	2,891,254	-	-	-	2,891,254	-	2,891,254
Total revenues	<u>53,865,276</u>	<u>12,972,487</u>	<u>10,961,276</u>	<u>50,832,372</u>	<u>128,631,411</u>	<u>61,393,000</u>	<u>190,024,411</u>
Expenditures							
Athletic Student Aid	5,362,977	1,724,754	8,360,362	1,200,888	16,648,981	-	16,648,981
Guarantees	1,100,000	606,332	83,912	-	1,790,244	-	1,790,244
Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities	14,012,943	4,273,105	5,041,257	-	23,327,305	-	23,327,305
Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities	4,894,467	1,065,163	485,509	14,487,556	20,932,695	-	20,932,695
Severance	-	195,000	-	-	195,000	-	195,000
Recruiting	1,790,976	419,920	593,575	-	2,804,471	-	2,804,471
Team Travel	2,027,624	1,511,970	2,535,011	-	6,074,605	-	6,074,605
Equipment, Uniforms and Supplies	1,756,802	405,124	1,108,480	327,653	3,598,059	-	3,598,059
Game Expenses	3,363,973	587,858	695,881	221,931	4,869,643	-	4,869,643
Fund Raising, Marketing and Promotion	237,910	200,981	216,743	4,390,707	5,046,341	-	5,046,341
Sports Camp Expenses	1,103,645	-	-	-	1,103,645	-	1,103,645
Spirit Group Expenses	-	-	-	201,827	201,827	-	201,827
Direct Facilities, Maintenance and Rental	1,554,878	667,264	590,485	4,256,755	7,069,382	-	7,069,382
Medical and Insurance	95,182	62,194	220,237	213,302	590,915	-	590,915
Memberships and Dues	6,240	3,405	16,832	41,935	68,412	-	68,412
Student Athlete Meals (Non-Travel)	1,624,135	127,176	185,499	294,107	2,230,917	-	2,230,917
Other Operating Expenditures	3,852,767	459,818	580,381	4,326,357	9,219,323	671,160	9,890,483
Bowl Expenses	2,152,956	-	-	-	2,152,956	-	2,152,956
Bowl Bonuses	1,345,515	-	-	-	1,345,515	-	1,345,515
Total expenditures	<u>46,282,990</u>	<u>12,310,064</u>	<u>20,714,164</u>	<u>29,963,018</u>	<u>109,270,236</u>	<u>671,160</u>	<u>109,941,396</u>
Nonmandatory transfers (in)/out							
Debt Service from Athletic Operations	1,835,300	188,918	154,554	6,502,100	8,680,872	-	8,680,872
Student Services Support from Athletic Operations	-	-	-	25,000	25,000	-	25,000
Construction Projects from Athletic Operations and University Resources	-	-	-	8,153,940	8,153,940	-	8,153,940
Surplus Property Proceeds	-	-	-	(2,494)	(2,494)	-	(2,494)
Campus Parking from Athletic Operations	-	-	-	351,820	351,820	-	351,820
Personnel Support from Athletic Operations	-	-	-	289,229	289,229	-	289,229
Diversity Initiatives Support from Athletic Operations	-	-	-	25,000	25,000	-	25,000
External IPTAY Support for Construction and Capital Projects	-	-	-	-	-	5,472,858	5,472,858
External IPTAY Support for Debt Service	-	-	-	-	-	6,501,600	6,501,600
External IPTAY Support for University Scholarships and Operations	-	-	-	-	-	37,549,832	37,549,832
Student Band Support from Athletic Operations	-	-	-	151,950	151,950	-	151,950
Total nonmandatory transfers, net	<u>1,835,300</u>	<u>188,918</u>	<u>154,554</u>	<u>15,496,545</u>	<u>17,675,317</u>	<u>49,524,290</u>	<u>67,199,607</u>
Total expenditures and transfers	<u>48,118,290</u>	<u>12,498,982</u>	<u>20,868,718</u>	<u>45,459,563</u>	<u>126,945,553</u>	<u>50,195,450</u>	<u>177,141,003</u>
Excess (deficiency) of revenues over expenditures and transfers	<u>\$ 5,746,986</u>	<u>\$ 473,505</u>	<u>\$ (9,907,442)</u>	<u>\$ 5,372,809</u>	<u>\$ 1,685,858</u>	<u>\$ 11,197,550</u>	<u>\$ 12,883,408</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.

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. IPTAY is a discretely presented component unit of Clemson University and the activities of IPTAY have been included in the Statement.

Basis of presentation:

The accompanying statement presents the recorded amounts of revenues, expenditures, and transfers of Clemson University's Intercollegiate Athletics Program. It is not intended to be a complete presentation of the revenues, expenditures, and transfers 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 \$2,500,000 were recorded within non-program specific direct facilities, maintenance and rental expense.

Beginning fiscal year 2017, the University and the Intercollegiate Athletics Program entered into an agreement related to administrative fees. As part of this agreement, the Intercollegiate Athletics Program will provide \$10,400,000 of administrative fees over five years from fiscal year 2017 to fiscal year 2022. The only adjustment to this amount is the credit that Intercollegiate Athletics Program will receive for the sale of Vickery Hall back to the University. No other credits or reductions (including the previous event ticket credit) will be factored into the calculation of the administrative fee.

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).

Note 1. Summary of Significant Accounting Policies, Continued

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.

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 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 \$8,584,000 for capital items, which were funded by revenues related to athletics. Of these additions, approximately \$430,000 related to equipment expenditures are included in the Statement under other operating expenditures and fundraising. The remaining \$8,154,000 of capital expenditures are not included as part of expenditures as these amounts were capitalized by the University.

Note 4. Unearned Revenue

The University's Intercollegiate Athletics Program collected Fall 2018 ticket revenue on or before June 30, 2018 of approximately \$22,167,000. Recognition of these revenues has been deferred until the year ended June 30, 2019. The Statement for the year ended June 30, 2018 reflects approximately \$21,867,000 in revenues which were collected on or before June 30, 2017 and which were reflected as unearned revenue at June 30, 2017. This amount is included in ticket sales in the Statement.

Note 5. 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 \$29,835,000. Of this amount approximately \$19,218,000 is included within the broadcast, television, radio, and internet rights revenues line item, approximately \$3,045,000 is included within the NCAA distributions including tournament revenues line item, approximately \$4,703,000 is included within the conference distributions including tournament revenues line item, and the remaining amount is included within the bowl revenues line item on the Statement.