

EXH	MOTION
	SECOND
	ACTION APPROVED BY THE REGENTS
JUN 16 2005	

THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION

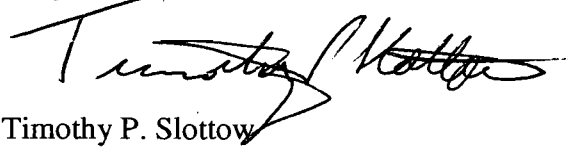
ITEM FOR INFORMATION

SUBJECT: Supplemental Information to the Certified Audited Financial Report of the Advisory Board on Intercollegiate Athletics of the University of Michigan for the Year Ended June 30, 2004

BACKGROUND:

Attached is supplemental information to the certified audited financial report of the Advisory Board on Intercollegiate Athletics of the University of Michigan for the Year Ended June 30, 2004. The supplemental information is based on The National Collegiate Athletic Association's Financial Audit Guideline requirements and is contained within an independent auditors' report, less than a certified audit.

Respectfully submitted,



Timothy P. Slottow
Executive Vice President and
Chief Financial Officer

June 2005
attachment

**Report of Independent Auditors on the
 Application of Agreed-Upon Procedures**

Mary Sue Coleman, President
 The University of Michigan

We have performed the procedures enumerated below, to the accounting records of the University of Michigan (the "University") and the related booster and alumni organizations, which were agreed to by the University's administration, solely to assist the University's compliance with National Collegiate Athletic Association Bylaw 6.2.3.1 in connection with activities of the intercollegiate athletics program (the "Program"), for the year ended June 30, 2004. This agreed-upon procedures engagement was performed 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. Our procedures and findings are as follows:

Agreed-Upon Substantive Procedures

- (a) We obtained the following list of booster and alumni organizations and related financial activities (unaudited) for the year ended June 30, 2004, from the Director of Athletics. We verified the mathematical accuracy of the related financial report without exception. We traced and agreed all amounts within the financial statement to the general ledger and the third party Disclosure Statement confirmations obtained directly from the officers or directors of the programs. No exceptions were noted.

Organization (1)	Beginning cash balance	Cash receipts	Contributions Expenditures		Ending cash balance
			To or in behalf of program (2)	Not in behalf of program (3)	
Booster organizations					
Graduate "M" Club	\$ 82,472	\$ 104,297	\$ (18,418)	\$ (88,071)	\$ 80,280
Dekers Blue Line Club	28,527	90,441	(49,998)	(36,128)	32,842
Bob Ufer Quarterbacks Club	746	45,460	(2,320)	(33,692)	10,194
University of Michigan Diamond Club	28,517	3,729	(373)	(2,494)	29,379
Michigan Women's Athletic Association	49,885	26,504	(9,710)	(8,202)	58,477
University of Michigan Club of Ann Arbor	2,061	62,790	(7,211)	(49,065)	8,575
Total booster organizations	192,208	333,221	(88,030)	(217,652)	219,747

	<u>Contributions Expenditures</u>				
	Beginning cash balance	Cash receipts	To or in behalf of program (2)	Not in behalf of program (3)	Ending cash balance
Organization (1), continued					
Alumni organizations					
University of Michigan Club of Greater Detroit					
Operating Fund	66,363	164,253	(19,566)	(135,836)	75,214
Scholarship Fund	210,562	33,187	-	-	243,749
University of Michigan Club of Greater Flint	71,908	41,131	(20,744)	(32,855)	59,440
University of Michigan Club of Chicago	106,017	23,460	(275)	(17,784)	111,418
University of Michigan Club of Grand Rapids	15,421	60,982	(3,477)	(50,494)	22,432
University of Michigan Club of Northville	2,475	18,004	(1,348)	(11,821)	7,310
University of Michigan Club of Toledo	82,225	70,873	(1,545)	(77,302)	74,251
University of Michigan Club of Mt. Clemens	7,449	10,508	-	(8,071)	9,886
Total alumni organizations	<u>562,420</u>	<u>422,398</u>	<u>(46,955)</u>	<u>(334,163)</u>	<u>603,700</u>
Total booster and alumni organizations	<u>\$ 754,628</u>	<u>\$ 755,619</u>	<u>\$ (134,985)</u>	<u>\$ (551,815)</u>	<u>\$ 823,447</u>

(1) Booster organizations are organizations sanctioned by the athletic department to promote and support the athletic program in general and/or a particular sport. Alumni organizations are chartered clubs of The University of Michigan Alumni Association whose overall alumni activities include support to the athletic program.

(2) Contributions to or in behalf of the Program include \$108,633 of direct donations received and reported by the Program primarily for scholarships and support of specific sports programs and \$26,352 of expenditures incurred for the benefit of athletes or athletic department staff. The expenditures incurred for the benefit of athletes or athletic department staff are primarily the cost of sports banquets and outings allocable to athletes and athletic department staff and the cost of rings, trophies and other awards given to players or teams.

(3) Expenditures not in behalf of the Program include the following:

Administrative expenses	\$ 87,199
Banquets and outings	225,749
Tickets	91,178
Scholarships	66,571
Meetings	25,088
Raffles	12,055
Other club activities *	<u>43,975</u>
Total expenditures not in behalf of program	<u>\$ 551,815</u>

* Other club activities include expenses for various miscellaneous items such as newsletters lecture series, pep rallies, bumper stickers, coupon books, etc.

- (b) We obtained written confirmation of the financial activities presented in item (a) directly from the booster and alumni organization officers. We traced and agreed amounts to the financial statements. Refer to agreed upon procedure (a) for details. No exceptions were noted.
- (c) We reconciled all direct donations to revenues recorded in the Program's general ledger. No exceptions were noted.
- (d) We obtained a listing of all contributions received by the Program for the year ended June 30, 2004. We compared this listing to the amounts reported on the general ledger, noting no differences. We verified the mathematical accuracy of the related listing of all contributions without exception. We also noted that there were no contributions received directly by the Program from any outside organization, agency or group of individuals that consisted of more than 10% of all contributions received by the Program during the year ended June 30, 2004.

We were not engaged to, and did not, perform an audit in accordance with generally accepted auditing standards, the objective of which would be the expression of an opinion on any of the accounts or items referred to above of the University at June 30, 2004. Accordingly, we do not express such an opinion. Had we performed additional procedures or had we made an audit of the accounts or items referred to above, other matters might have come to our attention that would have been reported to you. This report relates only to the accounts and items specified above and does not extend to any financial statements of the University of Michigan or related outside organizations, taken as a whole.

This report is intended solely for the information and use of management and governing boards of the University of Michigan and the National Collegiate Athletic Association and is not intended to be and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

PricewaterhouseCoopers LLP

May 13, 2005