University of South Carolina - Columbia
Department of Athletics

Independent Accountant’s Report On
Applying Agreed-Upon Procedures

For the year ended June 30, 2015
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Independent Accountant’s Report on Applying Agreed-Upon Procedures

The Audit and Compliance Committee
University of South Carolina
Columbia, South Carolina

We have performed the procedures described below, which were agreed to by the Audit and Compliance Committee and management of the University of South Carolina - Columbia Department of Athletics (the Department), solely to assist the Department’s management in its evaluation of compliance with National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.16 for the fiscal year ended June 30, 2015. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the parties specified in the 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.

Per your instructions, this report includes only those exceptions exceeding $100,000 unless otherwise specified below.

Procedures Related to the Statement of Revenues, Expenses, and Transfers

AGREED-UPON PROCEDURE #1

We obtained from the Department’s management the Statement of Revenues, Expenses and Transfers (the Statement) for the year ended June 30, 2015, as shown in Attachment A of this report. We footed and cross-footed the Statement and compared actual revenues and expenses over 10% of total revenues/expenses in the Statement to the prior year amounts (fiscal year 2014). We inquired of management to obtain explanations for variances over the lesser of $1,000,000 or 10% compared to the prior year.

Findings:

Management’s explanations for the variances are as follows:

Revenues:

Ticket Sales - Increased by $8,612,168, or 40%. The increase is attributable to reporting the revenues associated with the debt service account on the Statement for fiscal year 2015 due to definition changes implemented by the NCAA; these amounts were not required to be reported in the Statement for fiscal year 2014 resulting in an increase of $4,027,000 in fiscal year 2015. Included in Ticket Sales for the current year was the bond fee associated with ticket sales for football and men and women’s basketball. In addition, the Department reclassified the student activity/ticket fees of approximately $2,636,000 to Ticket Sales from Student Fees in fiscal year 2015. The Department has also reported the Athletic Facility Fee of $1,724,000 associated with ticket sales in this revenue amount during the current fiscal year. This amount was not required to be reported in fiscal year 2014.
Findings, Continued:

Management’s explanations for the variances are as follows (continued):

Broadcast TV, Radio and Internet - Increased by $21,923,261 or 8,432%. The increase is attributable to the reclassification of media rights received through the Southeastern Conference (SEC) distribution from Conference Distributions to Broadcast, TV, Radio and Internet revenues for fiscal year 2015 due to a change in definition by the NCAA. Media rights received through the SEC distribution were approximately $21,910,000 for fiscal year 2015.

Expenses:

Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University and related entities - Increased by $1,378,868 or 8%. The increase is attributable to the addition of three full time event coverage staff related to the launch of the SEC Network resulting in an additional $335,000 during fiscal year 2015. In addition, the Department assumed management of Colonial Life Arena, which was previously managed by a third party and football created five new positions as quality control coordinators resulting in increases of $246,000 and $370,000, respectively. There was also a state-wide cost of living increase of 2% from fiscal year 2014 resulting in an additional $207,000 for fiscal year 2015. Lastly, the Department created several new positions during fiscal year 2015: special assistant for student-athlete welfare, football nutritionist, IT help desk manager and a learning specialist. These positions resulted in $210,000 of additional expenses during fiscal year 2015.

Direct Facilities and Administrative Support - Decreased by $2,252,995 or 16%. The decrease is attributable to definition changes by the NCAA. In fiscal year 2014, transfers to capital projects and debt service were reported in this line item. For fiscal year 2015, the NCAA changed its definition for capital projects and created a new line item to report debt service. As such, these items were reclassified to Transfers to Institution and Athletic Facilities, Debt Service, Leases and Rentals resulting in decreases of $2,989,000 and $750,000, respectively. In addition, indirect costs, telephone and computer network fees, and non-athletic event security were transferred from Other Expenses to this line item resulting in increases of $650,000, $567,000 and $440,000, respectively, during fiscal year 2015.

AGREED-UPON PROCEDURE #2

We obtained the Statement and compared all revenues, expenses and transfers to management’s worksheets and compared the amounts on management’s worksheets to the related series of accounts in the Department’s general ledger.

Findings:

We found no exceptions as a result of these procedures.

AGREED-UPON PROCEDURE #3

We compared the revenue from football and men’s basketball ticket sales per the Department’s general ledger to the Department’s ticketing system’s Event Audit Reports for the year ended June 30, 2015.

Findings:

We found no exceptions as a result of these procedures.
**AGREED-UPON PROCEDURE #4**

We obtained the Department’s calculation of student activity/ticket fees and performed the following procedures:

a. Recalculated student activity/ticket fees by multiplying total student enrollment by activity/ticket fee per student.

b. Compared total student enrollment used in the calculation to the University’s official enrollment data obtained from the Institutional Assessment and Compliance (IAC) for the Fall 2014 and Spring 2015 semesters.

c. Compared the total of the Department’s calculation for student activity/ticket fees to the Statement.

*Findings:*

We found no exceptions as a result of these procedures.

**AGREED-UPON PROCEDURE #5**

We attempted to select two settlement statements (one football and one basketball) for away games from a schedule provided by the Department. For each of these settlement statements, we compared the settlement revenue on the schedule to amounts specified in the contracts provided by the Department.

*Findings:*

Per management, there were no settlement statements for football or men’s basketball away games during the current year. We did note one settlement statement from the University of South Alabama home game entered into with the University of Georgia to switch opponents for the 2014 football season. We compared the settlement revenue on the schedule provided by the Department to the amount specified in the game agreement and related contract with the University of Georgia. We found no exceptions as a result of these procedures.

**AGREED-UPON PROCEDURE #6**

We obtained a schedule of contributions for the year ended June 30, 2015 and identified any contributions in excess of 10% of total contributions.

*Findings:*

We noted no individual contributions in excess of 10% of total contributions.

**AGREED-UPON PROCEDURE #7**

We compared the direct institutional support recorded by the Department during the year ended June 30, 2015 with State appropriations, institutional authorizations and/or other corroborative supporting documentation.

*Findings:*

We found no exceptions as a result of these procedures.
AGREED-UPON PROCEDURE #8
We obtained from the Department a report detailing all third-party support revenue recorded by the Department for the year ended June 30, 2015. We haphazardly selected three coaches from the report. For each coach selected, we compared the third-party support revenue on the schedule provided by the Department to amounts specified in the related Under Armor and Gamecock Sports Properties contracts. We footed and cross-footed the schedule of the third-party support revenue per the report provided by the Department.

Findings:
We found no exceptions as a result of these procedures.

AGREED-UPON PROCEDURE #9
We obtained the revenue distribution agreements from the Southeastern Conference and Duck Commander Independence Bowl detailing revenue distributions for the football and men’s basketball teams. We compared the settlement revenue on the schedule provided by the Department to amounts reported in the revenue distribution agreements.

Findings:
We found no exceptions as a result of these procedures.

AGREED-UPON PROCEDURE #10
We obtained a detail of contracts for broadcast television, radio and internet rights for the year ended June 30, 2015 and judgmentally selected two contracts. For each contract selected, we compared the amounts reflected in the contracts with Gamecock Sports Properties and the Southeastern Conference to the corresponding revenue amounts in the Statement.

Findings:
We found no exceptions as a result of these procedures.

AGREED-UPON PROCEDURE #11
We obtained a detail of contracts for royalties, licensing, advertisements, and sponsorships for the year ended June 30, 2015 and judgmentally selected two contracts. For each contract selected, we compared the amounts reflected in the contracts with Gamecock Sports Properties and Colonial Life & Accident Insurance Company to the corresponding revenue amounts in the Statement.

Findings:
We found no exceptions as a result of these procedures.

AGREED-UPON PROCEDURE #12
We haphazardly selected two guarantees for visiting teams from a schedule provided by the Department. For each of these guarantees, we compared the guarantee expenses on the schedule to the amounts specified in game contracts.

Findings:
We found no exceptions as a result of these procedures.
**AGREED-UPON PROCEDURE #13**

We obtained a listing of Department coaches employed by the Department for the year ended June 30, 2015. From this listing, we haphazardly selected three men’s sport and three women’s sport coaches. For each of the selected coaches, we compared the recorded salary expense, including salary, benefits, and bonuses paid by the Department per the Department’s general ledger to the employees’ contracts.

*Findings:*

We found no exceptions as a result of these procedures.

**AGREED-UPON PROCEDURE #14**

We obtained a listing of Department coaches who received other compensation and benefits paid by a third party during the year ended June 30, 2015. From this listing, we haphazardly selected two coaches and compared the compensation and benefits paid by the third party to amounts specified in each respective employee contract.

*Findings:*

We found no exceptions as a result of these procedures.

**AGREED-UPON PROCEDURE #15**

We obtained a listing of support staff/administrative employees who were employed by the Department for the year ended June 30, 2015. From this listing, we selected three support/administrative staff and compared their recorded salary, benefits and bonuses, if any, from the general ledger to their employment contracts.

*Findings:*

We found no exceptions as a result of these procedures.

**AGREED-UPON PROCEDURE #16**

We obtained a listing of support staff/administrative salaries, benefits and bonuses paid by a third party during the year ended June 30, 2015. From this listing, we haphazardly selected two support/administrative staff and compared the compensation and benefits paid by the third party to amounts specified in each respective employee contract.

*Findings:*

We found no exceptions as a result of these procedures. Per management, there was only one support/administrative staff who received compensation and benefits paid by a third party during the current year.

**AGREED-UPON PROCEDURE #17**

We obtained a listing of employees who received severance payments during the year ended June 30, 2015 and compared each severance payment amount to the Statement.

*Findings:*

Per management, there were no severance payments made during the year. We noted no exceptions as a result of these procedures.
AGREED-UPON PROCEDURE #18
We obtained a copy of the Department’s team recruiting expense policies and compared it to related policies documented in the NCAA Division I Manual. In addition, we obtained a general ledger detail of recruiting expenses for the year ended June 30, 2015 and compared it to the amount reported in the Statement.

Findings:
Based on the inspection of these documents, requirements are substantially the same. We noted no exceptions as a result of these procedures.

AGREED-UPON PROCEDURE #19
We obtained a copy of the Department’s travel expense policies and compared it to related policies documented in the NCAA Division I Manual. In addition, we obtained a general ledger detail of travel expenses for the year ended June 30, 2015 and compared it to the amount reported in the Statement.

Findings:
Based on the inspection of these documents, requirements are substantially the same. We noted no exceptions as a result of these procedures.

For procedures 20 through 28 all exceptions are reported regardless of dollar amount.

AGREED-UPON PROCEDURE #20
We randomly selected a sample of twenty-five receipts for the year ended June 30, 2015 from the Department’s point of sale units located in the ticket office. For each receipt selected, we performed the following procedures:

a. Compared the receipt to the daily cash receipts report,
b. Compared the daily cash receipts report to the validated deposit slip,
c. Compared the receipt to posting in the general ledger, and
d. Haphazardly sub-selected three receipts for each day and compared the ticket application to the Department’s Archtics ticketing system.

Findings:
We found no exceptions as a result of these procedures.

AGREED-UPON PROCEDURE #21
We randomly selected twenty-five contribution receipts for the year ended June 30, 2015 from a contribution report provided by the Department and compared the amount of the contribution and donor information per the report to supporting check copies and receipts.

Findings:
We found no exceptions as a result of these procedures.
AGREED-UPON PROCEDURE #22

We obtained the general ledger detail for the following expense categories:

- Equipment, uniforms and supplies,
- Game expenses,
- Fundraising, marketing and promotion,
- Direct facilities and administrative support,
- Medical expenses and insurance, and
- Other operating expenses.

For each category, we compared the general ledger detail to the total expenses reported and randomly selected a sample of three transactions. For each transaction selected, we compared the amount reported to a supporting invoice.

Findings:
We found no exceptions as a result of these procedures.

AGREED-UPON PROCEDURE #23

We obtained from management for the fiscal year ended June 30, 2015 a detail of Department endowments and a detail of endowment expenses. From the detail of Department endowments we haphazardly selected two endowments and performed the following procedures:

a. Haphazardly selected five transactions from the detail of endowment expenses and obtained the related invoice.

b. Compared the description of the goods or services reflected in the invoices obtained in procedure “a” to stipulations noted in the selected endowment’s agreement.

Findings:
We noted total endowment income was less than 0.5% of total revenues for the year ended June 30, 2015. As such, no procedures were required for the current year.

AGREED-UPON PROCEDURE #24

We randomly selected a sample of 43 student athletes (10% of total student athletes who received financial aid during the fiscal year ended June 30, 2015) from a schedule provided by the Department. For each of the student athletes selected, we performed the following procedures:

a. Obtained the individual student account detail and compared total aid allocated from the related award letter to the student’s account.

b. Compared each student’s account to the amounts reported in the NCAA Compliance Assistant software.

c. Recalculated the full-time equivalency value.
**Findings:**

<table>
<thead>
<tr>
<th>Student Athlete</th>
<th>Student Account</th>
<th>Per NCAA Detail Software*</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$32,040</td>
<td>$31,794</td>
<td>$246</td>
</tr>
<tr>
<td>2</td>
<td>25,208</td>
<td>25,000</td>
<td>208</td>
</tr>
<tr>
<td>3</td>
<td>17,328</td>
<td>17,000</td>
<td>328</td>
</tr>
<tr>
<td>4</td>
<td>26,041</td>
<td>25,833</td>
<td>208</td>
</tr>
<tr>
<td>5</td>
<td>16,656</td>
<td>16,448</td>
<td>208</td>
</tr>
<tr>
<td>6</td>
<td>20,768</td>
<td>20,560</td>
<td>208</td>
</tr>
<tr>
<td>7</td>
<td>37,964</td>
<td>37,756</td>
<td>208</td>
</tr>
<tr>
<td>8</td>
<td>16,656</td>
<td>16,448</td>
<td>208</td>
</tr>
<tr>
<td>9</td>
<td>11,457</td>
<td>11,533</td>
<td>(76)</td>
</tr>
<tr>
<td>10</td>
<td>42,309</td>
<td>41,981</td>
<td>328</td>
</tr>
<tr>
<td>11</td>
<td>41,666</td>
<td>41,293</td>
<td>373</td>
</tr>
<tr>
<td>12</td>
<td>20,838</td>
<td>20,674</td>
<td>164</td>
</tr>
<tr>
<td>13</td>
<td>40,754</td>
<td>40,546</td>
<td>208</td>
</tr>
<tr>
<td>14</td>
<td>42,384</td>
<td>41,981</td>
<td>403</td>
</tr>
<tr>
<td>15</td>
<td>20,461</td>
<td>20,674</td>
<td>(213)</td>
</tr>
<tr>
<td>16</td>
<td>41,636</td>
<td>41,293</td>
<td>343</td>
</tr>
<tr>
<td>17</td>
<td>40,402</td>
<td>41,293</td>
<td>(891)</td>
</tr>
<tr>
<td>18</td>
<td>40,036</td>
<td>39,743</td>
<td>293</td>
</tr>
<tr>
<td>19</td>
<td>40,041</td>
<td>39,743</td>
<td>298</td>
</tr>
<tr>
<td>20</td>
<td>7,142</td>
<td>6,438</td>
<td>704</td>
</tr>
<tr>
<td>21</td>
<td>30,015</td>
<td>29,807</td>
<td>208</td>
</tr>
<tr>
<td>22</td>
<td>41,393</td>
<td>41,120</td>
<td>273</td>
</tr>
<tr>
<td>23</td>
<td>21,392</td>
<td>21,064</td>
<td>328</td>
</tr>
<tr>
<td>24</td>
<td>6,169</td>
<td>5,961</td>
<td>208</td>
</tr>
<tr>
<td>25</td>
<td>41,698</td>
<td>41,120</td>
<td>578</td>
</tr>
<tr>
<td>26</td>
<td>20,080</td>
<td>19,871</td>
<td>208</td>
</tr>
<tr>
<td>27</td>
<td>39,951</td>
<td>39,743</td>
<td>208</td>
</tr>
<tr>
<td>28</td>
<td>40,071</td>
<td>39,743</td>
<td>328</td>
</tr>
<tr>
<td>29</td>
<td>41,600</td>
<td>41,120</td>
<td>480</td>
</tr>
<tr>
<td>30</td>
<td>20,080</td>
<td>19,871</td>
<td>208</td>
</tr>
<tr>
<td>31</td>
<td>41,241</td>
<td>41,293</td>
<td>(52)</td>
</tr>
<tr>
<td>32</td>
<td>42,993</td>
<td>42,670</td>
<td>323</td>
</tr>
<tr>
<td>33</td>
<td>40,191</td>
<td>39,743</td>
<td>448</td>
</tr>
<tr>
<td>34</td>
<td>24,721</td>
<td>24,388</td>
<td>333</td>
</tr>
<tr>
<td>35</td>
<td>24,671</td>
<td>24,388</td>
<td>283</td>
</tr>
<tr>
<td>36</td>
<td>42,998</td>
<td>42,670</td>
<td>328</td>
</tr>
<tr>
<td>37</td>
<td>40,191</td>
<td>39,743</td>
<td>448</td>
</tr>
<tr>
<td>38</td>
<td>16,105</td>
<td>15,897</td>
<td>208</td>
</tr>
<tr>
<td>39</td>
<td>24,054</td>
<td>23,846</td>
<td>208</td>
</tr>
<tr>
<td>40</td>
<td>16,105</td>
<td>15,897</td>
<td>208</td>
</tr>
<tr>
<td>41</td>
<td>16,105</td>
<td>15,897</td>
<td>208</td>
</tr>
<tr>
<td>42</td>
<td>40,156</td>
<td>39,743</td>
<td>413</td>
</tr>
<tr>
<td>43</td>
<td>41,016</td>
<td>39,743</td>
<td>373</td>
</tr>
<tr>
<td>44</td>
<td>41,428</td>
<td>41,120</td>
<td>308</td>
</tr>
</tbody>
</table>

*Per NCAA Bylaws Section 15, an institution with several official on-campus housing rates listed in its catalog may use the average of the room cost for all students living on campus. In addition, the NCAA allows the institution to use a $800 set fee for its books equivalency computation even though the institution may pay less than, equal to or greater than $800 for each student-athlete’s actual books cost. The amounts listed in the student’s account detail are based on actual costs.

We found no other exceptions as a result of these procedures.
AGREED-UPON PROCEDURE #25
We obtained a schedule of debt service, lease payments, and rental fees recorded by the Department for the year ended June 30, 2015. From the schedule provided, we selected the two highest facility payments and haphazardly selected an additional three facility payments and compared amounts reported in the schedule to supporting debt/rental agreements.

Findings:
We found no exceptions as a result of these procedures.

AGREED-UPON PROCEDURE #26
We obtained from the Department a schedule of all transfers recorded by the Department for the year ended June 30, 2015. We haphazardly selected three transfers from the schedule and, for each transfer selected, compared amounts reported in the schedule to supporting transfer requests from the University.

Findings:
We found no exceptions as a result of these procedures.

AGREED-UPON PROCEDURE #27
We obtained from the Department a schedule of in-kind donations recorded by the Department for the year ended June 30, 2015. We recalculated totals and agreed amounts in the schedule to amounts reported in the Statement.

Findings:
We found no exceptions as a result of these procedures.

AGREED-UPON PROCEDURE #28
We compared the sports sponsored reported in the NCAA Membership Financial Reporting System to the squad lists of the Department.

Findings:
We found no exceptions as a result of these procedures.

We were not engaged to, and we did not, perform 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 described in this report. Accordingly, we do not express such an opinion. Had we performed additional procedures or had we conducted an audit or review of the financial statements of the Department or any part thereof, 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 Audit and Compliance Committee and management of the University of South Carolina - Columbia Department of Athletics and is not intended to be and should not be used by anyone other than these specified parties.

Elliott Davis Decosimo, LLC

Columbia, South Carolina
December 7, 2015
Department of Athletics

Statement of Revenues, Expenses and Transfers (Unaudited)

For the year ended June 30, 2015

<table>
<thead>
<tr>
<th>Program</th>
<th>Football</th>
<th>Men's Basketball</th>
<th>Women's Basketball</th>
<th>Other Sports</th>
<th>Non-Program Specific</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admissions/ticket sales</td>
<td>$21,944,220</td>
<td>$1,621,316</td>
<td>$411,374</td>
<td>$1,475,328</td>
<td>$4,506,677</td>
<td>$29,958,915</td>
</tr>
<tr>
<td>Direct institutional support</td>
<td>925,400</td>
<td>140,416</td>
<td>137,038</td>
<td>1,709,269</td>
<td>35,306</td>
<td>2,947,429</td>
</tr>
<tr>
<td>Less transfers to institution</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(2,947,429)</td>
<td>(2,947,429)</td>
</tr>
<tr>
<td>Guarantees</td>
<td>100,000</td>
<td>-</td>
<td>3,000</td>
<td>-</td>
<td>-</td>
<td>103,000</td>
</tr>
<tr>
<td>Contributions</td>
<td>11,421,617</td>
<td>256,875</td>
<td>50</td>
<td>711,407</td>
<td>18,233,251</td>
<td>30,623,200</td>
</tr>
<tr>
<td>In-kind gifts</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>586,208</td>
<td>586,208</td>
</tr>
<tr>
<td>Compensation and benefits provided by a third party</td>
<td>3,545,000</td>
<td>1,500,000</td>
<td>56,350</td>
<td>338,970</td>
<td>4,413,324</td>
<td>5,945,000</td>
</tr>
<tr>
<td>NCAA distributions</td>
<td>-</td>
<td>1,885,289</td>
<td>224,503</td>
<td>110,892</td>
<td>4,011,974</td>
<td>22,269,684</td>
</tr>
<tr>
<td>Conference distributions</td>
<td>7,507,904</td>
<td>383,196</td>
<td>-</td>
<td>830,288</td>
<td>8,721,388</td>
<td></td>
</tr>
<tr>
<td>Broadcast television, radio and internet rights</td>
<td>11,408,334</td>
<td>3,001,927</td>
<td>10,000</td>
<td>-</td>
<td>2,220,684</td>
<td></td>
</tr>
<tr>
<td>Program, concession, novelty sales and parking</td>
<td>2,902,439</td>
<td>4,584</td>
<td>1,780</td>
<td>-</td>
<td>3,861,155</td>
<td></td>
</tr>
<tr>
<td>Royalties, licensing, advertisements and sponsorships</td>
<td>10,000</td>
<td>-</td>
<td>65,000</td>
<td>-</td>
<td>14,133,324</td>
<td></td>
</tr>
<tr>
<td>Sports camp revenues</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>91,326</td>
<td></td>
</tr>
<tr>
<td>Endowment and investment income</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>465,335</td>
<td></td>
</tr>
<tr>
<td>Other operating revenues</td>
<td>3,708</td>
<td>1,575</td>
<td>206,501</td>
<td>87,478</td>
<td>4,022,172</td>
<td></td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>$59,768,622</td>
<td>$8,795,178</td>
<td>$1,581,246</td>
<td>$4,662,490</td>
<td>$38,365,009</td>
<td>$113,172,545</td>
</tr>
</tbody>
</table>

| **EXPENSES**     |                                       |                  |                    |              |                      |             |
| Athletic student financial aid | 3,908,058                        | 607,127          | 718,191            | 7,265,446    | 548,616              | 13,047,438  |
| Guarantees       | 2,350,000                            | 289,669          | 39,500             | 91,326       | -                    | 2,770,495   |
| Coaching salaries, benefits, and bonuses paid by the University and related entities | 5,050,598                  | 1,816,222        | 1,515,979         | 4,870,479    | -                    | 13,253,278  |
| Coaching salaries, benefits, and bonuses paid by a third party | 3,545,000              | 1,500,000        | 525,000            | 175,000      | -                    | 5,745,000   |
| Support staff/administrative salaries, benefits, and bonuses paid by the University and related entities | 1,746,906               | 440,901          | 305,401            | 604,843      | 15,740,047           | 18,838,098  |
| Support staff/administrative salaries, benefits, and bonuses paid by a third party | -                               | -                | -                  | 200,000      | -                    | 200,000     |
| Severance payments | -                                   | -                | -                  | -            | 1,325,408            |             |
| Recruiting       | 359,824                              | 228,367          | 139,874            | 597,343      | -                    | 1,325,408   |
| Team travel      | 1,358,140                            | 785,896          | 1,134,365          | 2,964,027    | -                    | 6,242,428   |
| Equipment, uniforms and supplies | 1,500,012                  | 178,229          | 142,016            | 1,424,909    | 138,074              | 3,383,240   |
| Game expenses   | 3,881,868                            | 600,583          | 623,087            | 1,534,016    | 821,012              | 7,460,566   |
| Fundraising, marketing and promotion | 67,537                         | 27,147           | 30,680             | 23,802       | 2,157,331            | 2,306,497   |
| Sports camp expenses | -                               | -                | -                  | -            | 110,455              |             |
| Direct facilities and administrative support | 2,306,989                | 181,883          | 193,232            | 933,075      | 8,385,432            | 12,000,611  |
| Athletic facilities, debt service, leases and rentals | 1,153,571               | -                | -                  | 127,624      | 8,689,159            | 9,970,354   |
| Spirit groups    | -                                     | -                | -                  | -            | 388,612              |             |
| Medical expenses and insurance | -                               | -                | -                  | -            | 1,051,062            |             |
| Memberships and dues | 3,681                         | 980              | 1,756              | 34,197       | 45,010               | 85,624      |
| Other operating expenses | 1,246,292              | 46,596           | 56,579             | 247,317      | 7,654,094            | 9,250,878   |
| **Total expenses** | $28,478,476             | $6,703,600       | $5,425,660         | $20,839,404  | $45,928,904          | $107,430,044 |

| **TRANSFERS TO INSTITUTION** |                                       |                  |                    |              |                      |             |
| Excess (deficiencies) of revenues over (under) expenses and transfers | $29,336,806              | $2,083,040        | $(4,756,730)      | $(16,674,918) | $(9,547,928)         | $(440,270)   |
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The University of South Carolina – Columbia Department of Athletics (the Department) is an auxiliary enterprise of the University of South Carolina (the University) and as such is responsible for the Intercollegiate Athletic Program of the University. The Department’s transactions are reported in the University’s unrestricted current funds in the auxiliary enterprises subgroup.

Basis of Presentation - The accompanying Statement of Revenues, Expenses and Transfers (the Statement) presents the recorded amounts of revenues, expenses and transfers of the University of South Carolina - Columbia’s Department of Athletics. It is not intended to be a complete presentation of the revenues, expenses and transfers of the University of South Carolina or the University of South Carolina - Columbia campus. The Statement has been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are 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 Department pays explicitly for Department services.

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 Activity/Ticket Fees - For the year ended June 30, 2015, the University provided revenue (funding) to the Department 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. The Department recognized student activity/ticket fees of approximately $2,636,000 in Admission/Ticket Sales for the year ended June 30, 2015.

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

NOTE 2 - NCAA LEGISLATION

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

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, 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.
NOTE 2 - NCAA LEGISLATION, Continued

As a Division I member of the NCAA, the Department is required to have agreed-upon procedures performed on the Statement each 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 - OUTSIDE ORGANIZATIONS

The Gamecock Club is a 501(C)(3) organization with its own charter and Board which has as its primary mission to promote intercollegiate athletics at the University of South Carolina through scholarship fundraising, general fundraising and awareness of the University’s athletic program. Certain activities of the Gamecock Club have been included in the Statement.

NOTE 4 - UNEARNED REVENUE

The Department collected Fall 2015 ticket revenue on or before June 30, 2015 of approximately $10,894,000. Recognition of these revenues has been deferred until the year ended June 30, 2016. The Statement for the year ended June 30, 2015 reflects approximately $11,179,000 in revenues which were collected on or before June 30, 2014 and which were reflected as unearned revenue at June 30, 2014. This amount is included in ticket sales in the Statement.

NOTE 5 - REVENUE CONCENTRATION

The Department received significant revenue from the Southeastern Conference and the Gamecock Club. These two revenue sources and amounts are included in the Statement. The Southeastern Conference provided revenue in distributions totaling approximately $31,342,000. The Gamecock Club provided approximately $13,896,000.