

UNIVERSITY OF SOUTH CAROLINA-COLUMBIA

**Department of Athletics
Statement of Revenues and Expenses**

**Independent Accountants' Report on
Applying National Collegiate Athletic Association
Agreed-Upon Procedures**

Year Ended June 30, 2023



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INDEPENDENT ACCOUNTANTS' REPORT

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

We have performed the procedures enumerated below on the accompanying Statement of Revenues and Expenses (the Statement) of the Department of Athletics of the University of South Carolina - Columbia (the Department) for the year ended June 30, 2023. The Department is responsible for the Statement and compliance with the National Collegiate Athletic Association (NCAA) Bylaw 20.2.4.17 and 20.2.4.17.1 for the year ended June 30, 2023.

Management of the Department and NCAA have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of applying procedures and reporting associated findings related to the Department's compliance with the NCAA Bylaw 20.2.4.17 and 20.2.4.17.1 for the year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

Per your instructions, this report includes only those exceptions exceeding \$100,000 unless otherwise specified below. The procedures and the associated findings are as follows:

Agreed-Upon Procedures Related to the Statement of Revenues and Expenses:

If a specific reporting category is less than 4.0% of the total revenues or expenses, no procedures are required for that specific category.

A. Procedures Related to Operating Revenue

1. We obtained the Statement for the year ended June 30, 2023, as prepared by Department management. We recalculated the additional amounts in each column without exception and compared the amounts in each line of the Statement to supporting lead schedules prepared by the Department's management and to the Department's general ledger.
2. For each major revenue account over 10% of the total revenues, we compared actual revenue for the year ended June 30, 2023, per the Statement by line item to revenue per the Statement for the year ended June 30, 2022. For the major revenue accounts, we identified variances exceeding 10% of the prior year amount for each line item and discussed the reasons for the variances with the Director of Finance of the Department (the Director). No additional procedures were performed with respect to management's representations as to the reasons for the variances.

Current Year to Prior Year Revenues:

Ticket Sales – Increase of \$4,816,566 or (16.5%): This increase was primarily due to football ticket revenue increasing by \$3.43M from higher prices and higher demand than the previous fall. In fall 2021, football season tickets were set at \$320 as a promotion to entice fans back to the stadium after the COVID pandemic. In fall 2022, tickets reverted closer back to pre-COVID pricing to an average of around \$378 depending on seat location, and ticket sales for increased by 9%. Women’s Basketball ticket revenue also saw an increase of \$630,000 in FY23, nearly 88%, mainly due to ticket price increases implemented for the 2022/23 season following the 2022 National Championship. Men’s Basketball ticket revenue increased by \$257,000 in FY23, approximately 17%, due to higher demand because of fans wanting to see new head coach. Lastly, baseball ticket revenue increased \$230,000 in FY23, approximately 18%, due to a 7% increase in ticket sales following the team’s success in the post season.

3. We attempted to compare each revenue account over 10% of the total revenues (except for contribution revenue, direct institutional support, indirect facilities and administrative support revenue, and endowment and investment income, for which no budget is adopted) for the year ended June 30, 2023. Per management, budgets are not prepared on a basis consistent with NCAA definitions for the revenue reporting categories. As such, we did not compare each major revenue reporting category to budget estimates.

Ticket Sales

4. For ticket sales revenue, we compared tickets sold during the reporting period, complimentary tickets provided during the reporting period and unsold tickets to the related revenue reported by the Department in the Statement and the related attendance figures and recalculated totals. We selected 5 days of ticket sales and agreed the information on the ticket office report to the deposit slip and credit card settlement report. No exceptions noted.

Direct State or Other Governmental Support

5. For direct state or other governmental support, compare support recorded by the Department during the reporting period with state appropriations, institutional authorizations and/or other corroborative supporting documentation and recalculate totals. Select 5 cash receipts to vouch to Department bank deposits. There were no direct state or other governmental support recorded by the Department for the year ended June 30, 2023. As such, no procedures were performed.

Student Fees

6. For student fees, compare and agree student fees reported by the Department in the Statement for the reporting period to student enrollments during the same reporting period and recalculate totals. Obtain documentation of the Department’s methodology for allocating student fees to intercollegiate athletics programs. If the athletics department is reporting that student fees should be countable as generated revenue, recalculate the totals of their methodology for supporting that they are able to count each sport. Tie the calculation to supporting documents such as seat manifests, ticket sales reports and student fee totals. There were no student fees recorded by the Department for the year ended June 30, 2023. As such, no procedures were performed.

Direct Institutional Support

7. For Direct Institutional Support, obtained a schedule of direct institutional support revenue from Department management, compared the direct institutional support recorded by the Department during the reporting period with the institutional supporting budget transfers documentation and other supporting documentation and recalculated totals. No exceptions noted.

Transfers Back to University

8. For transfers back to the University, compare transfers back to the University with permanent transfers back to Department from the athletics department and recalculate totals. As the category was less than 4.0% of the total revenues for the Department, this procedure was not performed.

Indirect Institutional Support

9. For indirect institutional support, obtain a schedule of revenue from Department management, recalculate the totals in the schedule without exception and compare all amounts to the Statement. Compare the indirect institutional support recorded by the Department during the period with expense payments, cost allocation detail and other corroborative supporting documentation and recalculate totals. Select 5 underlying transactions within the schedule and agree to the related invoice. There were no indirect institutional support recorded by the Department for the year ended June 30, 2023. As such, no procedures were performed.

Guarantees

10. For guarantee revenue, obtain a schedule of revenue from Department management, recalculate the totals in the schedule without exception, and compare the amounts to the Statement. Select a sample of 5 settlement reports for away games during the reporting period and agree each selection to the institution's general ledger and/or the statement and recalculate totals. Select a sample of 5 contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period and compare and agree each selection to the general ledger and/or the statement and recalculate totals. As the category was less than 4.0% of the total revenues for the Department, this procedure was not performed.

Contributions

11. For contribution revenue, we obtained a schedule of revenue from Department management, recalculated the totals in the schedule and compared all amounts to the Statement. For contributions greater than 10% of total contribution revenue, vouched to supporting documentation and recalculated totals. No exceptions noted.

In-Kind

12. For in-kind revenue, compare revenue recorded by the institution during the reporting period with a schedule of in-kind donations and recalculate totals. As the category was less than 4.0% of the total revenues for the Department, this procedure was not performed.

Compensation and Benefits Provided by a Third-Party

13. For compensation and benefits provided by a third-party, we obtained the summary of revenues from affiliated and outside organizations (the Summary) as of the end of the reporting period from the institution and selected a sample of funds from the Summary and compared and agreed each selection to supporting documentation, the Department's general ledger and/or the Summary and recalculated totals. If the third party was audited by independent auditors, we obtained the related independent auditors' report. No exceptions noted.

Media Rights

14. For media rights, we selected and inspected 5 agreements to understand the Department's total media (broadcast, television, radio) rights received by the Department or through their conference offices as reported in the Statement. We selected 5 cash receipts to trace to supporting checks and deposits, and recalculated payment from contract. We compared and agreed the media right revenues to a summary statement of all media rights identified, if applicable, and the Department 's general ledger and recalculated totals. Ledger totals may be different for total conference distributions if media rights are not broken out separately. No exceptions noted.

NCAA Distributions

15. For NCAA distributions revenue, obtain a schedule of revenue from Department management and recalculate the totals in the schedule. Compare the total from the schedule of NCAA distributions to the general ledger and Statement and determine such amounts to be in agreement. Select 5 NCAA distributions from the schedule, compare the amount recorded to the amount shown in the University's bank statement and to the settlement statement and determine such amounts to be in agreement. As the category was less than 4.0% of the total revenues for the Department, this procedure was not performed.

Conference Distributions and Conference Distributions of Football Bowl Generated Revenue

16. For conference distributions and conference distributions of football bowl generated revenue, we obtained a schedule of revenue from Department management and recalculated the totals in the schedule. Compared the total from the schedule of conference distributions to the general ledger and the Statement and determine such amounts to be in agreement. Selected 5 conference distributions from the schedule, obtained and inspected agreements related to the distributions for relevant terms and conditions, compared the amount recorded to the amount shown in the University's bank statement and to the settlement statement and determine such amounts to be in agreement. No exceptions noted.

Program Sales, Concessions, Novelty Sales, and Parking

17. For program sales, concessions, novelty sales, and parking revenue, we obtained a schedule of revenue from Department management, recalculated the totals in the schedule and compared the totals with the amounts reported in the general ledger and the Statement. We selected 5 events from the schedule and agreed the settlement amount to the invoice and agreed the payment to a copy of the check. We compared the sales support recorded by the Department with other corroborative supporting documentation. No exceptions noted.

Royalties, Licensing, Advertisements and Sponsorships

18. For royalties, licensing, advertisements, and sponsorship revenue, we obtained a schedule of revenue from Department management, recalculated the totals in the schedule without exception, and compared the totals with the amounts reported in the general ledger and the Statement. We selected 5 items from the schedule, obtained and inspected the related contract from Department management for relevant terms and compared the amount in the contract to the amount on the schedule. No exceptions noted.

Sports Camp Revenues

19. For sports camp revenues, obtain a schedule of revenues from Department management, recalculate the total, and compare the total per the schedule to the amount in the general ledger and the Statement. Inspect a sample of 5 sports-camp contracts between the institution and persons conducting institutional sports- camps or clinics during the reporting period to obtain documentation of the Department's methodology for recording revenues from sports-camps. Obtain a schedule of camp participants and select a sample of 5 participant cash receipts from the schedule of sports camp participants and agree each selection to the related check copy, University bank deposit and the institution's general ledger and schedule. As the category was less than 4.0% of the total revenues for the Department, this procedure was not performed.

Athletics Restricted Endowment and Investment Income

20. For athletics endowment and investment income, obtain a schedule of revenue from Department management and compare the total per the schedule to the amount in the Statement. Select, obtain, and inspect 5 endowments for relevant terms and conditions. Compare and agree the classification and use of endowment and investment income reported in the Statement during the reporting period to the uses of income deferred within the related and selected endowment agreement and recalculate totals. As the category was less than 4.0% of the total revenues for the Department, this procedure was not performed.

Other

21. For other operating revenue, we obtained a schedule of revenue from Department management, recalculated the total, and compared the total per the schedule to the amount on the Statement. We selected 5 transactions and compared the amount per the schedule to supporting documentation and a copy of the check. No exceptions noted.

Football Bowl Revenues

22. For football Bowl Revenues, obtain and inspect agreements related to the Department's revenues from post-season football bowl participation during the reporting period to gain an understanding of the relevant terms and conditions. Compare and agree the related revenues to the Department's general ledger, and/or the Statement and recalculate totals. As the category was less than 4.0% of the total revenues for the Department, this procedure was not performed.

B. Procedures Related to Operating Expenses

23. We obtained the Statement for the year ended June 30, 2023, as prepared by Department management. We recalculated the addition of the amounts in each column without exception and compared the amounts in each line of the Statement to supporting lead schedules prepared by the Department and to the Department's general ledger.
24. For each major expense account over 10% of the total expenses, we compared actual expenses for the year ended June 30, 2023, per the Statement by line item to actual expenses per the Statement for the year ended June 30, 2022. For the major expense accounts, we identified variances exceeding 10% of the prior year amount for each line item and discussed the reasons for the variances with the Director. No additional procedures were performed with respect to management's representations as to the reasons for the variances.

Current Year to Prior Year Expenses:

Support Staff/Administrative Compensation, Benefits and Bonuses Paid by the University and Related Entities – Increase of \$3,721,215 or (11.1%): This increase was due to Support staff salaries increasing by \$725,000 and \$325,000 due to the 3% raise and bonus that was provided by the state legislature. Also, athletics increased investment in 2 separate areas – customer service and student-athlete mental health/nutrition. The customer support investment was split between Athletics and the Gamecock Club. Salaries increased by \$200,000 for the ticket sales area of customer service funded by Athletics and \$275,000 for student-athlete wellness. Support staff salaries in Women's Basketball increased by \$250,000 for raises and new positions after winning the 2022 National Championship. After a successful season in 2022, raises were provided to both the coaching and support staff in Football. Football support staff salaries increased by \$550,000. The remaining \$1.27M increase in support staff salaries is due to multiple aspects including back-filling open positions vacant since COVID, the pay scale market assessment implemented by USC, and raises provided to employees above the state increases. These occurred over multiple areas across the entire Athletics Department.

25. We attempted to compare each expense account over 10% of the total expenses (except for indirect facilities and administrative support expenses and severance payments, for which no budget is adopted) for the year ended June 30, 2023. Per management, budgets are not prepared on a basis consistent with NCAA definitions for the expense reporting categories. As such, we did not compare each major expense reporting category to budget estimates.

Athletic Student Aid

26. For athletic student aid expense, we obtained a listing of institutional student aid recipients during the reporting period from the Department's management, recalculated the total aid received without exception, and compared the total from the listing to the athletics student aid expense in the Statement. We selected a sample of students (10% of the total student-athletes for institutions who have used NCAA's Compliance Assistant (CA) software to prepare athletic aid detail, with a maximum sample size of 40) from the listing of institutional student aid recipient during the reporting period. For each selection, we compared the amount of aid from the listing to the amount in the institution's student system to the student's detail in the NCAA's Compliance Assistant (CA) or the institution report that ties directly to the NCAA Membership Financial Reporting System and to the student's account in Banner. No exceptions noted.
- a. We performed procedures for each student selected above with respect to their information as reported in either the NCAA's Compliance Assistant software or the NCAA Membership Financial Reporting System using the following criteria without exception:
 - i. The equivalency for each student-athlete in all sports, including headcount sports, needs to be converted to a full-time equivalency value. The full-time equivalency value is 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 is the total cost for tuition, fees, required course-related books, room, and board for an academic year as the denominator. If using the NCAA CA software, this equivalency value will be calculated for you on the CRDE report labeled Revenue Distribution Equivalent Award.
 - ii. Grants-in-aid is calculated by using the revenue distribution equivalencies by sport and in aggregate. (Athletic grant amount dividend by the full grant amount).
 - iii. Other expenses related to attendance (also known as gap money or cost of attendance) should not be included in grants-in-aid revenue distribution equivalencies. Only tuition, fees, room, board, and course-related books are countable for grants-in-aid revenue distribution per bylaw 20.02.10.
 - iv. The full grant amount should be entered as a full year of tuition, not a semester or quarter.
 - v. Student-athletes are to be counted once, regardless of multiple sport participation, and should not receive a revenue distribution equivalency greater than 1.00.
 - vi. Athletics grants are valid for revenue distribution purposes only in sports in which the NCAA conducts championships competition, emerging sports for women and bowl subdivision football.

- vii. Grants-in-aid are valid for revenue distribution purposes in NCAA sports that do not meet the minimum contests and participants' requirements of bylaw 20.10.6.3.
- viii. Institutions providing grants to student-athletes listed on the CRDE as "Exhausted Eligibility (fifth-year)" or Medical receive credit in the grants-in-aid component.
- ix. The athletics aid equivalency cannot exceed minimum equivalency limits. However, the total revenue distribution equivalency can exceed maximum equivalency limits due to exhausted eligibility and medical equivalencies (reference bylaw 15.5.3.1).
- x. If a sport is discontinued and the athletic grant(s) are still being honored by the institution, the grant(s) may be included in student-athlete aid for revenue distribution purposes.
- xi. All equivalency calculations should be rounded to two decimal places.
- xii. If a selected student received a Pell Grant, ensured that the value of the grant is not included in the calculation of equivalencies or the total dollar amount of student athletic aid expense for the institution.
- xiii. If a selected student received a Pell Grant, ensured the student's grant was included in the total number and total dollar value of Pell Grants reported for Revenue Distribution purposes in the NCAA Membership Financial Reporting Database.
- xiv. We recalculated totals for each sport and overall, without exception.

Guarantees

- 27. For guarantees expense, obtain a schedule of expenses from the Department's management, recalculate the total per the schedule without exception, and compare the amount to the Statement. Obtain and inspect a sample of 5 away-game settlement reports received by the institution during the reporting period and agree related expenses to the Department's general ledger and Statement and recalculate totals. Obtain and inspect a sample of 5 contractual agreements pertaining to expenses recorded by the Department from guaranteed contests during the reporting period. Compare and agree related amounts expensed by the institution to the Department's general ledger and Statement and recalculate totals. As the category was less than 4.0% of the total expenses for the Department, this procedure was not performed.

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

28. For coaching salaries, benefits, and bonuses paid by the University and related entities, we obtained a listing of coaches and their related salaries, benefits, and bonuses from Department management. We recalculated the total salaries and bonuses per the listing without exception and compared the amounts to the Statement. We selected a sample of 5 coaches (that included men’s and women’s basketball) and compared the amount of salaries, benefits, and bonuses from the listing to each coach’s contract. We obtained and inspected payroll summary registers for the reporting year for each selection. We compared and agreed payroll summary registers from the reporting period to the related coaching salaries, benefits and bonuses paid by the University and related entities expense recorded by the institution in the statement during the reporting period. We compared and agreed the totals recorded to any employment contracts executed for the sample selected and recalculated totals. No exceptions noted.

Coaching Compensation and Benefits Paid by a Third-Party

29. For coaching compensation and benefits paid by a third party, we obtained and inspected a listing of coaches employed by third parties during the reporting period. We selected a sample of 5 coaches' contracts (that must include and men's and women's basketball) from the listing. We compared and agreed the financial terms and conditions of each selection to the related coaching other compensation and benefits paid by a third party and recorded by the Department in the Statement during the reporting period. We obtained and inspected reporting period payroll summary registers for each selection. We compared and agreed related payroll summary register to the coaching other compensation and benefits paid by a third-party expenses recorded by the Department in the Statement during the reporting period and recalculated totals. No exceptions noted.

Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University and Related Entities

30. For support staff/administrative salaries, benefits, and bonuses paid by the University and related entities, we obtained a listing of support staff/administrative personnel and their related salaries and benefits from Department management. We recalculated the total salaries and benefits without exception and compared the amounts to the Statement. We selected a sample of 5 personnel. We obtained and inspected the reporting period summary payroll register for each selection. 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 Department in the Statement during the reporting period and recalculated totals. No exceptions noted.

Support Staff/Administrative Compensation and Benefits Paid by a Third-Party

31. For support staff/administrative compensation and benefits paid by a third party, obtain a listing of support staff/administrative personnel and their related salaries and benefits from Department management. Recalculate the total salaries and benefits without exception and compare the amounts to the Statement. Select a sample of 5 personnel. Obtain and inspect reporting period summary payroll register for each selection. Compare and agree related summary payroll register to the related support staff administrative salaries, benefits and bonuses paid by the institution and related entities expense recorded by the Department in the Statement during the reporting period and recalculate totals. As the category was less than 4.0% of the total expenses for the Department, this procedure was not performed.

Severance Payments

32. Select a sample of 5 employees receiving severance payments by the institution during the reporting period and agree each severance payment to the related termination letter or employment contract and recalculate totals. As there were no severance payments, this step was not performed.

Recruiting

33. For recruiting expense, obtain documentation of the Department's recruiting expense policies from Department management. Compare the policies to the NCAA-related policies. Obtain a schedule of recruiting expenses from Department management, recalculate the total per the schedule without exception, and compare the amount to the general ledger and the Statement. Select 5 recruiting expenses and compare the amount on the schedule to supporting documentation. As the category was less than 4.0% of the total expenses for the Department, this procedure was not performed.

Team Travel

34. For team travel expense, we obtained documentation of the Department's team travel policy from Department management. We compared the policy to the institutional- and NCAA-related policies. We obtained a schedule of travel expenses from Department management, recalculated the total per the schedule without exception, and compared the amount to the general ledger and the Statement. We selected a sample of 5 travel expenses and compared the amount on the schedule to supporting documentation. No exceptions noted.

Equipment, Uniforms and Supplies

35. For equipment, uniforms, and supplies expense, obtain a schedule from Department management, recalculate the total per the schedule without exception, and compare the amount to the general ledger and the Statement. Select a sample of 5 equipment, uniforms, and supplies expenses and compare the amount on the schedule to supporting documentation. As the category was less than 4.0% of the total expenses for the Department, this procedure was not performed.

Game Expenses

36. For game expenses, we obtained a schedule from Department management, recalculated the total per the schedule without exception, and compared the amount to the general ledger and the Statement. We selected a sample of 5 game expenses and compared the amount on the schedule to supporting documentation. No exceptions noted.

Fund Raising, Marketing, and Promotion

37. For fund-raising, marketing, and promotion expense, obtain a schedule from Department management, recalculate the total per the schedule without exception, and compare the amount to the general ledger and Statement. Select a sample of 5 fundraising, marketing, and promotion expenses and compare the amount on the schedule to supporting documentation. As the category was less than 4.0% of the total expenses for the Department, this procedure was not performed.

Sports Camp Expenses

38. For sports camp expenses, obtain a schedule from Department management, recalculate the total per the schedule without exception, and compare the amount to the general ledger and Statement. Select a sample of 5 sports camp expenses and compare the amount on the schedule to supporting documentation. As the category was less than 4.0% of the total expenses for the Department, this procedure was not performed.

Spirit Groups

39. For spirit groups' expenses, obtain a schedule from Department management, recalculate the total per the schedule without exception, and compare the amount to the general ledger and Statement. Select a sample of 5 spirit groups' expenses and compare the amount on the schedule to supporting documentation. As the category was less than 4.0% of the total expenses for the Department, this procedure was not performed.

Athletic Facility Debt Service, Leases and Rental Fees

40. For athletic facility debt service, leases, and rental fees, we obtained a listing of debt service schedules, lease payments and rental fees for athletics facilities for the reporting year. We compared a sample of 5 facility payments including the top two highest facility payments to additional supporting documentation (e.g. debt financing agreements, leases, rental agreements). We compared amounts recorded to amounts listed in the general ledger detail and recalculated totals. No exceptions noted.

Direct Overhead and Administrative Expenses

41. For direct overhead and administrative expenses, we obtained the general ledger detail for all expenses and agreed it to the schedule and recalculated the total per the schedule without exception and compared the amount to the Statement. We selected 5 transactions on which to perform procedures, obtained the supporting invoice, and compared amounts and other information. No exceptions noted.

Indirect Institutional Support

42. Procedures are performed on indirect institutional support within the revenue section - indirect institutional support. There were no indirect institutional support recorded by the Department for the year ended June 30, 2023. As such, no procedures were performed.

Medical Expenses and Medical Insurance

43. For medical expenses and medical insurance, obtain the general ledger detail for all expenses and agree it to the lead schedule and recalculate totals without exception, and compare the amount to the Statement. Select 5 medical insurance and medical expenses on which to perform procedures, obtain the supporting invoice, and compare amounts and other information. As the category was less than 4.0% of the total expenses for the Department, this procedure was not performed.

Memberships and Dues

44. For membership and dues expenses, obtain the general ledger detail for all expenses and agree it to the schedule and recalculate totals without exception, and compare the amount to the Statement. Select 5 memberships and dues expenses on which to perform procedures, obtain the supporting invoice, and compare amounts and other information. As the category was less than 4.0% of the total expenses for the Department, this procedure was not performed.

Other Operating Expenses

45. For other operating expenses, we obtained the general ledger detail from Department management, recalculated the total per the schedule, and compared the amount to the Statement. We selected a sample of 5 other operating expenses and obtained the supporting invoice and compared the amount on the schedule to supporting documentation. No exceptions noted.

Student-Athlete Meals (Nontravel)

46. For student-athlete meals (nontravel) expenses, obtain the general ledger detail and compare to the total expenses reported. Select a sample of 5 transactions and recalculate totals. As the category was less than 4.0% of the total expenses for the Department, this procedure was not performed.

Football Bowl Expenses

47. For football bowl expenses, obtain the general ledger and compare to the total expenses reported. Select a sample of 5 transactions and recalculate totals. As the category was less than 4.0% of the total expenses for the Department, this procedure was not performed.

C. Additional Minimum Agreed Upon Procedures

48. For Grants-in-Aid:

- a. We compared and agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the Calculation of Revenue Distribution Equivalencies Report (CRDE) from CA or equivalent supporting equivalency calculations from the institution. The NCAA Membership Financial Reporting System populates the sports from the NCAA Membership Database as they are reported by the institution. If there is a discrepancy in the sports sponsored between the NCAA Membership Financial Reporting System and the CRDE or other report that supports the equivalency calculations, inquire about the discrepancy and report the justification in the AUP report. There were no discrepancies or exceptions noted.
- b. We compared current year Grants-in-Aid revenue distribution equivalencies to prior year reported equivalencies per the Membership Financial Report submission. No variances greater than +/- 4% were noted.

49. For Sports Sponsorship:

- a. We obtained the Department's Sports Sponsorship and Demographics Form submitted to the NCAA for the reporting year between May and August. We validated that the countable NCAA sports reported by the institution met the minimum requirements, set forth in bylaw 20.10.6.3, related to the number of contests and the number of participants. If the institution requested and/or received a waiver related to minimum contests or minimum participants for a sport, that sport would not qualify as a sponsored sport for the purposes of revenue distribution. Also, only in sports in which the NCAA conducts championships competition, emerging sports for women and bowl subdivision football are eligible. Once countable sports have been validated, ensure that the institution has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System. Any discrepancies MUST be resolved within the NCAA Membership Financial Reporting System prior to the report being submitted to the NCAA. No exceptions noted.
- c. We compared the current year number of Sports Sponsored to prior year reported total per the Membership Financial Report submission and inquired about any variances. No variances noted. No exceptions noted.

50. For Pell Grants:

- d. 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 Athletics Aid, Pell Grant recipients on Partial Athletics Aid and Pell Grant recipients with no Athletic Aid) and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report, generated out of the institution's financial aid records, of all student-athlete Pell Grants. We observed that individual student-aid files procedures mentioned above for students who received Pell Grants agreed back to the report of all student athlete Pell Grants. No variances noted. No exceptions noted.

- e. We compared current year Pell Grants total to prior year reported total per the Membership Financial Report submission and inquired and documented an explanation for any variance greater than +/- 20 grants. The decrease of 19 Pell Grants was below 20 so no explanation was deemed necessary.

Minimum Agreed Upon Procedures Program for Other Reporting Items

Excess Transfers to Institution

51. For excess transfers to institution, obtain general ledger detail and compare to the total expenses reported. Select a sample of 5 transactions. As no related expenses were reported, this procedure was not performed.

Conference Realignment Expenses

52. For conference realignment expenses, obtain general ledger detail and compare to the total expenses reported. Select a sample of 5 transactions to validate existence of transaction and accuracy of recording and recalculate totals. As no related expenses were reported, this procedure was not performed.

Total Athletics Related Debt

53. For total athletics related debt, we obtained repayment schedules for all outstanding intercollegiate athletics debt during the reporting period. We recalculated annual maturities (consisting of principal and interest) provided in the schedules obtained. We agreed the total annual maturities and total outstanding athletic related to supporting documentation and the Department's general ledger, as applicable. No exceptions noted.

Total Institutional Debt

54. For total institutional debt, we agreed the total outstanding institutional debt to supporting documentation and the institution's audited financial statements. No exceptions noted.

Value of Athletics Dedicated Endowment

55. For the value of athletics dedicated endowments, obtain a schedule of all athletics dedicated endowments maintained by athletics, the institution, and affiliated organizations. Agree the fair market value in the schedule to supporting documentation, the general ledger, and audited financial statements, if available. No exceptions noted.

Value of Institutional Endowments

56. For the value of institutional endowments, we agreed the total fair market value of institutional endowments to supporting documentation, the Department's general ledger. No exceptions noted.

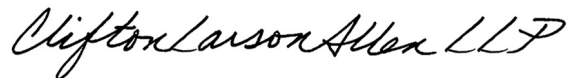
Total Athletics Related Capital Expenditures

57. For total athletics related capital expenditures, we obtained a schedule of athletics related capital expenditures made by athletics, the institution, and affiliated organizations during the reporting period. We obtained general ledger detail and compared to the total expenses reported. We selected a sample of 5 transactions and recalculated totals. No exceptions noted.

We were engaged by the president and management of the University of South Carolina – Columbia to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Statement of Revenues and Expenses of the Department of the University of South Carolina for the year ended June 30, 2023. 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.

We are required to be independent of the University of South Carolina and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Audit and Compliance Committee and management of the University of South Carolina and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Charlotte, North Carolina
November 30, 2023

UNIVERSITY OF SOUTH CAROLINA – COLUMBIA DEPARTMENT OF ATHLETICS
STATEMENT OF REVENUES AND EXPENSES
For the Year Ended June 30, 2023 (Unaudited)

	Football	Men's Basketball	Women's Basketball	Other Sports	Non-Sports Specific	Total
REVENUES:						
Ticket Sales	\$ 19,034,544	\$ 1,734,806	\$ 1,351,948	\$ 1,651,763	\$ 5,345,367	\$ 29,118,428
Direct State or Other	-	-	-	-	-	-
Student Fees	-	-	-	-	-	-
Direct Institutional Support	1,348,942	98,235	190,275	2,529,802	5,304,976	9,472,230
Less-Transfers to Institution	(60,000)	-	-	-	(4,907,017)	(4,967,017)
Indirect Facilities and Admin.	-	-	-	-	-	-
Guarantees	-	-	-	14,000	-	14,000
Contributions	13,868,732	368,783	519,422	1,636,003	18,212,057	34,604,997
In-Kind	-	-	-	-	598,711	598,711
Compensation and Benefits- 3rd Party	3,225,000	1,700,000	2,000,000	175,000	492,813	7,592,813
Media Rights	15,415,000	4,255,307	-	-	19,068,746	38,739,053
NCAA Distributions	-	2,724,004	282,882	211,196	-	3,218,082
SEC Conf. Distribution(non Media non bowl)	771,924	450,580	9,600	51,593	849,505	2,133,202
SEC Conf. Distribution(Bowl)	9,155,146	-	-	-	-	9,155,146
Program, Concessions, Novelty, Parking	3,549,067	232,083	437,977	1,106,590	2,168,127	7,493,844
Royalties, Licensing, Adv. Sponsor.	10,500	-	55,000	455,000	10,987,516	11,508,016
Sports Camp Revenues	-	-	-	-	4,032	4,032
Endowment and Investment Inc	-	-	-	-	390,000	390,000
Other	737,930	825	202,734	772,114	8,047,906	9,761,508
Bowl Revenues	1,652,340	-	-	-	-	1,652,340
Total Revenues	68,709,125	11,564,622	5,049,838	8,603,062	66,562,739	160,489,386
EXPENSES:						
Athletics Student Aid	\$ 5,715,519	\$ 823,998	\$ 960,679	\$ 11,941,800	\$ 542,449	\$19,984,445
Guarantees	3,350,000	450,000	99,500	90,547	-	3,990,047
Coaching Sal & Benf., Bonus Pd. By Univ.	8,729,918	1,942,633	3,285,706	7,564,872	-	21,523,129
Coaching Other Comp- 3rd Party	3,225,000	1,700,000	2,000,000	175,000	-	7,100,000
Support Staff/Admin. Salaries/Ben.	-	-	-	-	-	-
Support Staff/Admin. 3rd Party	5,860,335	719,999	940,405	1,195,605	24,939,217	33,655,560
Severance Payments	-	-	-	-	492,813	492,813
Recruiting	1,627,381	125,891	274,345	727,133	4,357	2,759,108
Team Travel	2,339,861	1,070,376	1,387,749	4,454,872	-	9,252,858
Equipment, Uniforms, & Supplies	2,442,461	231,011	204,948	1,738,730	29,773	4,646,924
Game Expenses	4,612,461	715,125	838,532	3,098,462	-	9,264,580
Fund Raising, Mktg. and Promotion	29,201	13,066	116,922	37,375	2,177,359	2,373,923
Sports Camp Exp.	-	-	-	-	120,874	120,874
Spirit Groups	-	-	-	-	544,134	544,134
Ath. Facilities, Debt Service, Leases and Rental	1,258,787	6,750	6,750	160,966	13,047,085	14,480,338
Direct Overhead And Admin. Expenses	248,555	34,335	537,482	1,141,719	16,600,168	18,562,258
Indirect Fac. Admin. Support	-	-	-	-	-	-
Medical Exp. And Insurance	-	-	-	13,176	1,396,084	1,409,260
Memberships and Dues	395	870	-	39,652	110,815	151,732
Student Athlete Meals (non-travel)	914,831	73,560	32,919	197,425	-	1,218,736
Other Operating	462,382	46,064	81,678	326,603	5,934,259	6,850,987
Bowl Expenditures	1,420,787	-	-	-	-	1,420,787
Bowl Bonus	617,657	-	-	-	-	617,657
Total Expenses	\$ 42,855,531	\$7,953,678	\$10,767,616	\$32,903,937	\$65,939,386	\$160,420,147
Excess (Deficiency) of Operating Revenues over Expenses	\$ 25,853,594	\$ 3,610,945	\$ (5,717,777)	\$ (24,300,876)	\$ 623,353	\$ 69,238

See accompanying Notes to Statements of Revenue and Expenses.

UNIVERSITY OF SOUTH CAROLINA – COLUMBIA DEPARTMENT OF ATHLETICS
NOTES TO STATEMENT OF REVENUES AND EXPENSES
Year Ended June 30, 2023 (Unaudited)

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 - Columbia (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 and Expenses (the Statement) presents the recorded amounts of revenues and expenses of Department. It is not intended to be a complete presentation of the revenues and expenses of the University. 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, 2023, 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 \$-0- in Admission/Ticket Sales for the year ended June 30, 2023.

Athletic Student Financial 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.

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 Revenue and Expenses.

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.

UNIVERSITY OF SOUTH CAROLINA – COLUMBIA DEPARTMENT OF ATHLETICS
NOTES TO STATEMENT OF REVENUES AND EXPENSES
Year Ended June 30, 2023 (Unaudited)

2. NCAA LEGISLATION (CONTINUED)

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 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.

3. ADMISSIONS/TICKET SALES

The Department collected Fall 2023 football ticket sales on or before June 30, 2023, of approximately \$7,995,000. Recognition of these sales has been deferred until the year ended June 30, 2024. The Statement for the year ended June 30, 2022, reflects approximately \$7,153,000 in Fall 2023 football ticket sales which were collected on or before June 30, 2023.

4. CAPITAL ASSETS

Capital assets are recorded at cost at the date of acquisition or acquisition value at the date of donation in the case of gifts. The Department capitalizes movable personal property with a unit value in excess of \$5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements, and intangible assets costing in excess of \$100,000.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 3 to 60 years for buildings and improvements and land improvements; 2 to 25 years for machinery, equipment, and vehicles; and 3 to 10 years for intangibles. A full month of depreciation is taken the month the asset is placed in service and no depreciation is taken in the month of disposition.

The University capitalized approximately \$6,620,246 of expenditures related to Department facilities and equipment during the year ended June 30, 2023.

5. RESTRICTED GIFTS

There were no significant additions to Department endowment funds held by the Gamecock Club or University during the year ended June 30, 2023.

6. OTHER REPORTING ITEMS

Category	Amount
Excess Transfers to Institution	\$ -
Conference Realignment Expenses	\$ -
Total Athletics-Related Debt (principal balance)	\$ 164,250,000
Total Institutional Debt (principal balance)	\$ 579,833,000
Value of Athletics Dedicated Endowments	\$ 3,854,955
Value of Institutional Endowments	\$ 124,430,188