



South Carolina State University Intercollegiate Athletics Program

Independent Accountants' Report on the
Application of Agreed-Upon Procedures
Year Ended June 30, 2012

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Independent Accountants' Report on the Application of Agreed-Upon Procedures

Dr. Cynthia Warrick, President
South Carolina State University
Orangeburg, South Carolina

We have performed the procedures enumerated below, which were agreed to by the Interim President of South Carolina State University (the "University"), solely to assist you in evaluating whether the accompanying statement of revenues and expenses of the University (the "Statement") is in compliance with the National Collegiate Athletic Association (the "NCAA") Bylaw 3.2.4.16 for the year ended June 30, 2012. The University's management is responsible for the Statement and the Statement's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of 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.

For the procedures described below, the materiality scope utilized was \$30,000.

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

The procedures that we performed and our results are as follows:

1. We obtained the accompanying statement of revenues and expenses of the University (the "Statement") for the year ended June 30, 2012 as prepared by management. We performed a recalculation of the mathematical accuracy of the amounts on the Statement to management's worksheets, and agreed the amounts on management's worksheets to the appropriate series of accounts on the University's June 30, 2012 general ledger.

We found no exceptions as a result of the procedures.

2. We performed an analytical review as described below for each revenue and expense category on the Statement by comparing it to the prior period and budgeted estimates provided by the University.

We inquired of management and requested explanations for fluctuations greater than \$30,000 and 10%. Management indicated that the budget is based on a pool. Funds budgeted for certain items were aggregated into a pool amount. As a result, not all individual accounts will have a budget; rather the budget is included in the amount for a pool of accounts. Additionally, we noted that budgeted amounts were not prepared for the South Carolina State University Foundation, Inc. (the "Foundation"). As a result, an analytical review of the Foundation budgeted estimates were not specifically performed.



The following summarizes the fluctuations explanations obtained for the variances between prior year balances and current year balances:

- Guarantees revenue (increase of \$718,200 and 131%) - Contracts for game guarantees are negotiated on an annual basis and as a result can fluctuate. In the current year, two rather large game guarantees occurred totaling \$800,000. Additionally, the Foundation game guarantees of \$131,000 were included in the current year total whereas they were excluded from the prior year total.
- Contributions revenues (decrease of \$212,284 and 45%) - Contributions are primarily made through private donations and can fluctuate from year to year.
- Direct institutional support revenues (decrease of \$524,521 and 7%) - The University provided decreased support to the intercollegiate athletics program in the current year to fund its activities. In the prior year, the excess of expenses over revenues was presented as a deficit in the Statement rather than reported as direct institutional support.
- NCAA/conference distributions including all tournament revenues (increase of \$120,523 and 31%) - NCAA/conference distributions vary each year and are dependent upon various factors including the number of grant-in-aids, sports offered, etc. Additionally, the Foundation NCAA/conference distributions of \$61,664 were included in the current year total whereas they were excluded from the prior year total.
- Royalties, licensing, advertisements and sponsorships revenues (increase of \$124,560 and 100%) - The Foundation revenues of \$124,560 were included in the current year whereas they were excluded from the prior year total.
- Other revenues (increase of \$58,197 and 156%) - Additional funds were deposited to support the softball field renovations in the current year. Additionally, the Foundation revenues of \$41,035 were included in the current year whereas they were excluded from the prior year total.
- Guarantees expenses (decrease of \$73,300 and 98%) - Game guarantee expenses decreased during the current year to the change in the home game count in the current year as compared to the prior year.
- Support staff/administrative salaries, benefits and bonuses paid by the University and related entities (increase of \$211,228 and 16%) - In the prior year, individuals were incorrectly classified as coaches rather than support staff, resulting in an increase in the current year as the misclassifications were corrected.
- Recruiting expenses (decrease of \$39,887 and 34%) - In 2012, there budget reductions and restrictions within recruiting that ultimately decreased the total 2012 expense as compared to 2011
- Team travel expenses (increase of \$230,600 and 32%) - Overall team travel expenses increased in the current year as the football team participated in two



guarantee games in Michigan and Indiana requiring travel by air. In the prior year, the football team travelled to one guarantee game by bus, thus resulting in reduced travel expenses compared to the current year.

- Fund raising, marketing and promotion expenses (increase of \$125,812 and 489%) - The Foundation fund raising, marketing and promotion expenses were included in the current year total whereas they were excluded from the prior year total.
- Direct facilities, maintenance and rental expenses (increase of \$45,839 and 19%) - Increase was due to the current year renovations to the softball field.
- Spirit groups expenses (increase of \$68,948 and 100%) - Expenses related to spirit groups were accounted for within other operating expenses in the prior year. The University created a new account to appropriately record spirit group expenses in the current year.
- Medical expenses and medical insurance expenses (decrease of \$39,181 and 82%) - There were less student athletes with injuries during the current year as compared to the prior year, resulting in lower medical expenses and medical insurance expense.
- Other operating expenses (decrease of \$229,157 and 38%) - Budget reductions in the current year resulted in actual other operating expenses to decrease as compared to prior year.

Management's explanations of variances greater than \$30,000 and 10% as compared to the University's budget are as follows:

- Ticket Sales (under budget by \$246,510 and 20%) - The budget for both season ticket and gate sales was overstated in the current year because it was carried forward from the prior year.
- Guarantees (over budget by \$215,000 and 23%) - The game guarantees are negotiated annually resulting in the number of guarantee games played and the amount received to fluctuate annually.
- NCAA/conference distributions including all tournament revenues (over budget by \$77,571 and 21%) - Difference is the result of the funds received from the University's conference and the NCAA fluctuating on an annual basis due to the a number of factors including the number of student athletes, the number of sports, and other related factors.
- Coaching, salaries, benefits and bonuses paid by the University and related entities (under budget by \$2,187,820 and 100%) - The amounts budgeted for these expenses was included within the budget for support staff/administrative salaries, benefits and bonuses paid by the University and related entities. Taking this into consideration the fluctuation was less than \$30,000 and 10%.
- Support staff/administrative salaries, benefits and bonuses paid by the University and related entities (over budget by \$2,141,579 and 58%) - As noted previously,



the amounts budgeted for these expenses included the amounts budgeted for coaching, salaries, benefits and bonuses paid by the University and related entities. Taking this into consideration the fluctuation was less than \$30,000 and 10%.

- Recruiting (under budget by \$47,878 and 100%) - The University did not specifically budget for recruiting expenses in the current year. As a result, there was a 100% variance between budgeted and actual amounts.
- Team travel (under budget by \$801,929 and 826%) - Actual team travel expenses included contractual travel services which were not budgeted within team travel expenses. The University budgeted for such costs within direct facilities, maintenance and rental expenses. Actual expenses were redistributed throughout the year into the correct category instead of the initial budgeted category to appropriately reflect the nature of the expenses.
- Equipment, uniforms and supplies (under budget by \$125,992 and 815%) - The budgeted amount for uniforms was accounted for within the budget for other operating expenses. Similarly, the budgeted amount for equipment was accounted for within the budget for direct facilities, maintenance and rental expenses. Actual expenses were redistributed throughout the year into the correct categories instead of the initial budgeted categories to appropriately reflect the nature of the expenses.
- Game expenses (under budget by \$158,074 and 100%) - The University did not specifically budget for game expenses in the current year. As a result, there was a 100% variance between budgeted and actual amounts.
- Fund raising, marketing and promotion (under budget by \$30,218 and 100%) - The budgeted amount for fund raising, marketing and promotion was accounted for within the budget for other operating expenses. Actual expenses were redistributed throughout the year into the correct category instead of the initial budgeted category to appropriately reflect the nature of the expenses.
- Direct facilities, maintenance and rental (over budget by \$1,240,038 and 82%) - The budgeted amount included budgeted allocations for contractual travel services which are not actually recorded as direct facilities, maintenance and rental expenses, rather as team travel expenses. Actual expenses were redistributed throughout the year into the correct category instead of the initial budgeted category to appropriately reflect the nature of the expenses.
- Memberships and dues (under budget by \$82,446 and 100%) - The budgeted amount for membership and dues was accounted for within the budget for direct facilities, maintenance and rental expenses. Actual expenses were redistributed throughout the year into the correct category instead of the initial budgeted category to appropriately reflect the nature of the expenses.
- Other operating expenses (over budget by \$59,930 and 19%) - The other operating expenses budget included the budget for other expenses such as equipment, uniforms and supplies and fund raising, marketing and promotion. Actual expenses



were redistributed throughout the year into the correct categories instead of the initial budgeted categories to appropriately reflect the nature of the expenses.

3. We obtained a consolidated schedule from management that summarized ticket sales for both football and basketball for the year ended June 30, 2012. We obtained the University's Ticket Sales Reconciliation Report and the University's Ticketmaster Audit Report for each of the home football and basketball games played during the year ended June 30, 2012. We performed a recalculation of the mathematical accuracy of these reports and compared football and basketball ticket sales revenue in the reconciliation report prepared by the University's intercollegiate athletics department to the amount of football and basketball ticket sales revenue on the Statement for the year ended June 30, 2012.

We found that the ticket sales totals per the general ledger agreed to the corresponding totals per the Statement. We found that ticket sales totals per the Ticketmaster Audit Report and Ticket Sales Reconciliation Report did not agree to the totals per the general ledger. The following is a reconciliation of gate and season ticket sales for football and basketball revenue to the general ledger as of June 30, 2012:

Gate Sales

Per Ticketmaster Audit Report	\$	627,941
Per General Ledger		632,518
<hr/>		
Difference		(4,577)

Season Ticket Sales

Per Ticket Sales Reconciliation Report		351,938
Per General Ledger		326,611
<hr/>		
Difference		25,327

Net Difference 20,750

Amounts Reconcilable and Explainable (17,827)

Net Un-Reconciled Difference \$ 2,923

4. We obtained a detail of all guarantees paid to the University during the year ended June 30, 2012. We performed a recalculation of the mathematical accuracy of this detail and agreed the totals per this detail to the corresponding totals per the Statement. In reviewing this detail, we noted that there were eight game guarantees above \$30,000. For each of the eight game guarantees above \$30,000, we agreed the amounts to signed guarantee contracts and the journal entries posted to the general ledger.

We found no exceptions as a result of the procedures.



5. We obtained a detail of contributions to the University's intercollegiate athletic programs for the year ended June 30, 2012, which was prepared by management. We performed a recalculation of the mathematical accuracy of this detail and agreed the totals per this detail to the corresponding totals per the Statement. In reviewing this detail, we noted that 100% of contributions revenue recognized on the Statement consisted of individual athletic contributions received directly by the Foundation on behalf of the University. We confirmed directly with responsible officials of the Foundation the amount of contributions revenue reported in the Statement. In reviewing the contributions detail, we noted two individual contributions in excess of 10% of the total contributions revenue for the year ended June 30, 2012. We selected these two contributions for testing and vouched the amounts to the copy of the check received or transfer authorization.

We found no exceptions as a result of the procedures.

6. We obtained a general ledger detail for the direct institutional support reflected on the Statement for the year ended June 30, 2012. We performed a recalculation of the mathematical accuracy of this detail and agreed the totals per this detail to the corresponding totals per the Statement.

We found no exceptions as a result of the procedures.

7. We requested agreements related to the University's participation in revenues from the NCAA/conference tournaments for the year ended June 30, 2012.

Management indicated that there were no executed agreements related to the University's participation in revenues from the NCAA/conference tournaments for the year ended June 30, 2012.

8. We obtained a detail of the NCAA/conference distributions to the University for the year ended June 30, 2012. We performed a recalculation of the mathematical accuracy of this detail and agreed the totals per this detail to the corresponding totals per the general ledger and the Schedule. We selected all receipts greater than or equal to \$30,000 and agreed the distribution to a copy of the check, miscellaneous receipt and/or the bank generated ACH print-out. Management indicated that the miscellaneous receipt (the "Receipt") provided for each sample was a Banner system generated report.

We found no exceptions as a result of the procedures.

9. We obtained a detail of program sales, concessions, novelty sales and parking revenue for the year ended June 30, 2012. We performed a recalculation of the mathematical accuracy of this detail and agreed the totals of this detail to the corresponding totals per the Statement. There were no individual revenue balances greater than \$30,000. Therefore, we randomly selected a sample of eleven items for testing and agreed the amounts of each sample to the respective Receipt.

We found no exceptions as a result of the procedures.

10. We obtained a detail of royalties, licensing, advertisements and sponsorship revenue for the year ended June 30, 2012. We performed a recalculation of the mathematical



accuracy of this detail and agreed the totals of this detail to the corresponding totals per the Statement. There were no individual revenue balances greater than \$30,000. Therefore, we randomly selected a sample of five items for testing. We obtained supporting documentation for each sample, including contracts and copies of the checks and vouched the samples to the supporting documentation.

We found no exceptions as a result of the procedures.

11. We obtained the detail of other income for the year ended June 30, 2012. We performed a recalculation of the mathematical accuracy of this detail and agreed the totals of this detail to the corresponding totals per the Statement. There were no individual revenue balances greater than \$30,000. Therefore, we randomly selected a sample of twenty-five items for testing. We requested supporting documentation for each sample, including source document (i.e. miscellaneous receipt report, deposit verification, deposit receipt, deposit transmittal, or donation letter) and check receipt.

Excluding the information summarized in the table below, we found no exceptions as a result of the procedures.

For the following sample, the management of the Foundation indicated that this amount of this selection was erroneously included in other income for the year ended June 30, 2012 and that the balances should have been \$0:

Account	Description	Document	Date	Amount
Other income	Lockheed	N/A	5/8/2012	\$1,000

12. We prepared a detail of athletic student aid for the year ended June 30, 2012 using schedules provided by University management. We performed a recalculation of the mathematical accuracy of this detail and agreed the totals of this detail to the corresponding totals per the Statement. There were no individual amounts greater than \$30,000. Therefore, we randomly selected a sample of twenty-five items for testing. For the each of the book store samples selected for testing, we agreed each expense amount to an invoice and check copy. For each of the non-book store samples selected for testing, we agreed the amount to the financial aid award letter and the student transaction summary report crediting the student account balance for the award amount.

We found no exceptions as a result of the procedures.

13. We obtained a detail of all coaching staff salaries, benefits and bonuses paid by the University and related entities for the year ended June 30, 2012. We performed a recalculation of the mathematical accuracy of this detail and agreed the totals of this detail to the corresponding totals per the Statement. We randomly selected six coaches for testing and requested each sampled coaches' employee contract, W-2 and/or 1099, as applicable.

Excluding the information summarized below, we found no exceptions as a result of the procedures.



For the following five samples, we were not able to directly match the salaries, benefits, and bonuses paid to a W-2 or 1099 due to these forms being on a calendar year end and the expenses being on a fiscal year ended June 30, 2012. As alternative, we vouched the salaries and bonuses to the payroll system records and employee contracts.

- H. Judge
- C. Cook
- J. Harris
- M. Garvin
- L. Golden

For the following sample, we were not able to directly match the salary, benefits, and bonuses paid to a 1099 due to this form being on a calendar year end and the expenses being on a fiscal year ended June 30, 2012. Additionally, no employee contract was provided for this sample. As an alternative, we vouched the salaries and bonuses to the Foundation's check requisition form and backup documents attached to this form. This requisition form was signed by the Athletic Director authorizing payments to be made by the Foundation to this coaching staff.

- D. Robertson

14. We obtained a detail of all support staff/administrative salaries, benefits and bonuses incurred by the University and related entities for the year ended June 30, 2012. We performed a recalculation of the mathematical accuracy of this detail and agreed the totals of this detail to the corresponding totals per the Statement. We randomly selected eight support staff/administrative personnel for testing and requested each sampled employee's contract, W-2 and/or 1099, as applicable.

Excluding the information summarized below, we found no exceptions as a result of the procedures.

For the following seven samples, we were not able to directly match the salaries, benefits, and bonuses paid to a W-2 or 1099 due to these forms being on a calendar year end and the expenses being on a fiscal year ended June 30, 2012. As alternative, we vouched the salaries and bonuses to the payroll system records and employee contracts.

- J. Bailey
- A. Caldwell
- E. Jones
- D. Shableski
- R. Miro
- L. Aiken
- J. Williams

For the following sample, we were not able to directly match the salary, benefits, and bonuses paid to a W-2 or 1099 due to these forms being on a calendar year end and the expenses being on a fiscal year ended June 30, 2012. Additionally, no employee contract was provided for this sample was a classified administrative employee and



management indicated that contracts are not drafted or executed for such employees. As an alternative, we vouched the salaries and bonuses of this sample to the payroll system records. We were also obtained and reviewed a letter dated November 29, 1999 stating the employee's starting salary that was signed by the Human Resources Director and the employee.

- G. Bamberg

15. We obtained a detail of the following expenses for the year ended June 30, 2012: Recruiting; Team Travel; Equipment, Uniforms, and Supplies; Game Expenses; Fund Raising, Marketing, and Promotions; Direct Facilities, Maintenance, and Rental; Spirit Groups; Membership Dues & Fees; and Other Operating Expenses. We performed a recalculation of the mathematical accuracy of this detail and agreed the totals of this detail to the corresponding totals per the Statement.

We found no exceptions as a result of the procedures.

16. We selected a random sample of twenty-five operating expenses from a detail of expenses for the following categories: Recruiting; Team Travel; Equipment, Uniforms, and Supplies; Game Expenses; Fund Raising, Marketing, and Promotions; Direct Facilities, Maintenance, and Rental; Spirit Groups; Membership Dues & Fees; and Other Operating Expenses. For each sample, we requested a copy of the vendor invoice (or equivalent), receipt, check payment support, and approval of payment support.

Excluding the information summarized below, we found no exceptions as a result of the procedures.

For the following two samples, we noted that the underlying expenses pertained to the Foundation and that the requisitions pertaining to these expenses were not signed by the Executive Director but were signed by the Athletic Director and the University President:

Date	Check No.	Payee	Amount
1/5/2012	31817	Time Warner Cable-Computer Check-31817	\$71
7/8/2012	31003	Douglas Robertson-Computer Check-31003	\$800

17. We requested from management a detail of all outside organizations not under the accounting control of the University that have as one of their primary purposes the generation of resources for, or on behalf of, the University's intercollegiate athletic program or the promotion of this program. We also requested from management financial statements of identified outside organizations for the year ended June 30, 2012.

Management indicated that the Foundation and The S.T.A.T.E. Club were the only outside organizations not under the accounting control of the University, that had as one of their primary purposes the generation of resources for, or on behalf of, the University's intercollegiate athletic program. However, as The S.T.A.T.E Club is a private organization and can only make contributions to the University's



intercollegiate athletic program through the Foundation, there are no direct payments to or on behalf of the University's intercollegiate athletic program except for those made by the Foundation. Management provided audited financial statements of the Foundation for the year ended December 31, 2011. Because the year end of the Foundation differs from the year end on the Statement, we were not able to agree the amounts reported in the audited financial statements of the Foundation to the amounts reported in the Statement. However, we were able to confirm directly with the Foundation that the amounts reported in the Statement were in agreement with the Foundation's records.

18. We inquired of management of the key elements of the internal control environment and accounting systems of the University's intercollegiate athletics program. Management indicated that the University's internal controls over the financial reporting of its intercollegiate program was substantially the same as the University's internal controls over financial reporting of its basic financial statements for the year ended June 30, 2012. This includes the control environment and accounting systems for acquiring, approving, depreciating and disposing of intercollegiate athletics-related assets. We noted that these controls were all subject to our audit over the University's basic financial statements for the year ended June 30, 2012.

We found no exceptions as a result of the procedures.

19. We obtained the organization chart of the Athletic Department and discussed it with representatives of the Athletic Department.

We found no exceptions as a result of the procedures.

We were not engaged to, and did not; conduct an examination, the objective of which would be the expression of an opinion on the compliance of the Statement. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified parties listed above, and is not intended to and should not be used by anyone other than these specified parties.

BDO USA, LLP

January 11, 2013

Statement of Revenues and Expenses

South Carolina State University Intercollegiate Athletics Program

Statement of Revenues and Expenses

	Football	Basketball	Other Sports	Non-program Specific Sports	Total
Revenues					
Ticket Sales	\$ 930,835	\$ 28,294	\$ -	\$ -	\$ 959,129
Guarantees	800,000	468,500	-	-	1,268,500
Contributions	35,822	11,519	53,984	157,479	258,804
Compensation and Benefits Provided by a Third Party	-	-	-	14,035	14,035
Direct Institutional Support	1,155,583	1,334,051	2,405,578	2,052,579	6,947,791
NCAA/Conference Distributions Including All Tournament Revenues	-	-	-	511,918	511,918
Program Sales, Concessions, Novelty Sales and Parking	90,014	-	-	-	90,014
Royalties, Advertisements and Sponsorships	-	-	-	124,560	124,560
Sports Camp Revenue	-	2,105	-	-	2,105
Other Operating Revenue	14,386	14,590	37,296	29,143	95,415
Total Revenues	3,026,640	1,859,059	2,496,858	2,889,714	10,272,271
Expenses					
Athletic Student Aid	1,419,371	649,397	1,525,203	507,501	4,101,472
Guarantees	-	1,200	-	-	1,200
Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities	934,420	713,603	577,336	8,025	2,233,384
Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University and Related Entities	31,778	19,238	-	1,499,968	1,550,984
Support Staff/Administrative Other Compensation Paid by a Third Party	-	-	-	14,035	14,035
Recruiting	10,199	60,215	8,662	-	79,076
Team Travel	336,125	244,521	314,569	64,053	959,268
Equipment, Uniforms and Supplies	32,794	32,929	52,571	45,604	163,898
Game Expenses	56,521	84,293	15,221	2,040	158,075
Fund Raising, Marketing and Promotion	104,565	7,865	12,024	27,081	151,535
Sports Camp Expenses	1,400	4,852	-	-	6,252
Direct Facilities, Maintenance and Rental	113,188	(8,871)	26,883	159,658	290,858
Spirit Groups	-	-	-	68,948	68,948
Medical Expenses & Medical Insurance	-	-	-	8,501	8,501
Memberships and Dues	1,395	17,546	2,668	67,802	89,411
Other Operating Expenses	120,410	40,486	47,149	171,836	379,881
Total Expenses	3,162,166	1,867,274	2,582,286	2,645,052	10,256,778
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENSES	\$ (135,526)	\$ (8,215)	\$ (85,428)	\$ 244,662	\$ 15,493

South Carolina State University Intercollegiate Athletics Program

Notes to Statement of Revenues and Expenses

1. Summary of Significant Accounting Policies and Reporting Practices

The Department of Athletics (the "Department") is responsible for the intercollegiate athletic program (the "Program") of South Carolina State University (the "University"). The University is classified as a NCAA Division I school. The Department's transactions are reported in the University's unrestricted current funds.

Basis of Presentation

The accompanying statement of revenues and expenses (the "Statement") includes revenue and expense accounts of the Program. It is not intended to be a complete presentation of revenues and expenses of the University or the Department. The Statement has been prepared using the modified accrual basis of accounting. Equipment costs are recognized as expenditures and no provision has been made for depreciation of physical plant assets. Revenue is recognized when earned and expenses when supplies or services are received.

Intercollegiate Athletics-Related Assets

The University's policies and procedures for acquiring, approving, depreciating, and disposing of intercollegiate athletics-related assets are consistent with those policies and procedures of processing all of the University's assets and reported in the basic financial statements of the University.

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).

Athletic Student Financial Aid

The Statement includes athletic student financial aid awards for students participating in athletic programs. Financial aid awarded to student athletes on the basis of other criteria, such as need or academic excellence, is not reflected in the Statement.

2. National Collegiate Athletic Association Legislation

A summary of the select National Collegiate Athletic Association (the "NCAA") legislation is as follows:

- 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 expenses.

South Carolina State University Intercollegiate Athletics Program

Notes to Statement of Revenues 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.
- 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 completed and presented to the chief executive (or equivalent) on the Statement on or before January 15th following the end of the University's fiscal year.

3. Outside Organizations

South Carolina State University Foundation, Inc. (the "Foundation") is a legally separate tax-exempt component unit of the University. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the University in support of its programs. Certain activities of the Foundation have been included in the Statement.

The S.T.A.T.E. Club is a separate tax-exempt chartered entity organized exclusively to solicit and provide funds to the athletic department in the form of scholarships and general revenues from season ticket sales.

4. Contributions

For the year ended June 30, 2012, contributions from individual donors to the Program in excess of 10% of all contributions to the Department were as follows:

<u>Donor</u>	<u>Amount</u>
S.T.A.T.E. Club	\$96,470
Zeus Industrial	\$53,984