

**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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**University of South Carolina - Columbia**  
**Department of Athletics**  
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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.

**AGREED-UPON PROCEDURE #24 (continued)**

**Findings:**

	<u>Student Account</u> <u>Detail</u>	<u>Per NCAA</u> <u>Software*</u>	<u>Difference</u>
Student Athlete 1	\$ 32,040	\$ 31,794	\$ 246
Student Athlete 2	25,208	25,000	208
Student Athlete 3	17,328	17,000	328
Student Athlete 4	26,041	25,833	208
Student Athlete 5	16,656	16,448	208
Student Athlete 6	20,768	20,560	208
Student Athlete 7	37,964	37,756	208
Student Athlete 8	16,656	16,448	208
Student Athlete 9	11,457	11,533	(76)
Student Athlete 10	42,309	41,981	328
Student Athlete 11	41,666	41,293	373
Student Athlete 12	20,838	20,674	164
Student Athlete 13	40,754	40,546	208
Student Athlete 14	42,384	41,981	403
Student Athlete 15	20,461	20,674	(213)
Student Athlete 16	41,636	41,293	343
Student Athlete 17	40,402	41,293	(891)
Student Athlete 18	40,036	39,743	293
Student Athlete 19	40,041	39,743	298
Student Athlete 20	7,142	6,438	704
Student Athlete 21	30,015	29,807	208
Student Athlete 22	41,393	41,120	273
Student Athlete 23	21,392	21,064	328
Student Athlete 24	6,169	5,961	208
Student Athlete 25	41,698	41,120	578
Student Athlete 26	20,080	19,871	208
Student Athlete 27	39,951	39,743	208
Student Athlete 28	40,071	39,743	328
Student Athlete 29	41,600	41,120	480
Student Athlete 30	20,080	19,871	208
Student Athlete 31	41,241	41,293	(52)
Student Athlete 32	42,993	42,670	323
Student Athlete 33	24,721	24,388	333
Student Athlete 34	24,671	24,388	283
Student Athlete 35	42,998	42,670	328
Student Athlete 36	40,191	39,743	448
Student Athlete 37	16,105	15,897	208
Student Athlete 38	24,054	23,846	208
Student Athlete 39	16,105	15,897	208
Student Athlete 40	40,156	39,743	413
Student Athlete 41	42,450	41,870	580
Student Athlete 42	40,116	39,743	373
Student Athlete 43	41,428	41,120	308

\*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.



Columbia, South Carolina  
December 7, 2015

**University of South Carolina - Columbia**

Attachment A

**Department of Athletics**

Statement of Revenues, Expenses and Transfers (Unaudited)

For the year ended June 30, 2015

	Football	Men's Basketball	Women's Basketball	Other Sports	Non- Program Specific	Total
<b>REVENUES</b>						
Admissions/ticket sales	\$ 21,944,220	\$ 1,621,316	\$ 411,374	\$ 1,475,328	\$ 4,506,677	\$ 29,958,915
Direct institutional support	925,400	140,416	137,038	1,709,269	35,306	2,947,429
Less transfers to institution	-	-	-	-	(2,947,429)	(2,947,429)
Guarantees	100,000	-	-	3,000	-	103,000
Contributions	11,421,617	256,875	50	711,407	18,233,251	30,623,200
In-kind gifts	-	-	-	-	586,208	586,208
Compensation and benefits provided by a third party	3,545,000	1,500,000	525,000	175,000	200,000	5,945,000
NCAA distributions	-	1,885,289	224,503	110,892	-	2,220,684
Conference distributions	7,507,904	383,196	-	-	830,288	8,721,388
Broadcast television, radio and internet rights	11,408,334	3,001,927	10,000	-	7,763,000	22,183,261
Program, concession, novelty sales and parking	2,902,439	4,584	1,780	333,766	618,586	3,861,155
Royalties, licensing, advertisements and sponsorships	10,000	-	65,000	56,350	4,011,974	4,143,324
Sports camp revenues	-	-	-	-	338,903	338,903
Endowment and investment income	-	-	-	-	465,335	465,335
Other operating revenues	3,708	1,575	206,501	87,478	3,722,910	4,022,172
<b>Total revenues</b>	<b>59,768,622</b>	<b>8,795,178</b>	<b>1,581,246</b>	<b>4,662,490</b>	<b>38,365,009</b>	<b>113,172,545</b>
<b>EXPENSES</b>						
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	-	-	-	-	-	-
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	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	388,612
Medical expenses and insurance	-	-	-	-	1,051,062	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
<b>Total expenses</b>	<b>28,478,476</b>	<b>6,703,600</b>	<b>5,425,660</b>	<b>20,893,404</b>	<b>45,928,904</b>	<b>107,430,044</b>
<b>TRANSFERS TO INSTITUTION</b>	<b>1,953,340</b>	<b>8,538</b>	<b>912,316</b>	<b>444,004</b>	<b>1,984,033</b>	<b>5,302,231</b>
<b>Excess (deficiencies) of revenues over (under) expenses and transfers</b>	<b>\$ 29,336,806</b>	<b>\$ 2,083,040</b>	<b>\$ (4,756,730)</b>	<b>\$ (16,674,918)</b>	<b>\$ (9,547,928)</b>	<b>\$ 440,270</b>

## Department of Athletics

*Notes to Statement of Revenues, Expenses and Transfers (Unaudited)*

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**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.

**Department of Athletics*****Notes to Statement of Revenues, Expenses and Transfers (Unaudited)***

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**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.