

December 4, 1998

The Honorable David M. Beasley, Governor  
and  
Members of the Board of Trustees  
University of South Carolina  
Columbia, South Carolina

This report on the audit of the financial statements of the University of South Carolina Department of Athletics - Columbia Campus for the fiscal year ended June 30, 1998, was issued by Hough, Rowell & Short, PA, Certified Public Accountants, under contract with the South Carolina Office of the State Auditor.

If you have any questions regarding this report, please let us know.

Respectfully submitted,

Thomas L. Wagner, Jr., CPA  
State Auditor

TLWjr/tdc

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

**Columbia, South Carolina**

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Report on Audit of Financial Statements

For the year ended June 30, 1998

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## **INDEPENDENT AUDITORS' REPORT**

Mr. Thomas L. Wagner, Jr., CPA  
State Auditor  
State of South Carolina  
Columbia, South Carolina

We have audited the accompanying balance sheet of the University of South Carolina Department of Athletics - Columbia Campus (the Department) as of June 30, 1998, and the related statements of revenues, expenditures and transfers, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the management of the University of South Carolina Department of Athletics – Columbia Campus. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the Department are intended to present the financial position, results of operations, and cash flows of only that portion of the funds of the University of South Carolina that is applicable to its Department of Athletics – Columbia Campus.

As discussed in Notes 1, 6, 12, and 16, certain assets and the related liabilities from which the Department derives benefits are not recorded by the Department but are instead recorded in the University's endowment and plant funds.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University of South Carolina Department of Athletics – Columbia Campus as of June 30, 1998, and the results of its operations, and its cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 15 to the financial statements, the Department has adopted the provisions of GASB statement number 31 regarding accounting for investments. Additionally, a change has been made in accounting for the sale of tickets for other schools.

Our audit was made for the purpose of forming an opinion on the financial statements referred to above taken as a whole. The supplemental information included in the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements, and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The information presented in the Other Information section is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied to the audit of the financial statements, and accordingly, we express no opinion on it.

November 2, 1998  
Charlotte, North Carolina

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Balance Sheet  
June 30, 1998*

**Assets**

**Current assets:**

Cash and cash equivalents	\$ 10,032,925
Accrued investment and endowment income receivable	62,969
Accounts receivable	361,867
Notes receivable from employees	355,000
Prepaid expenditures	44,983

**Total assets** \$ 10,857,744

**Liabilities and Fund Balance**

**Current liabilities:**

Accounts payable	\$ 312
Accrued payroll and related benefits	16,272
Accrued compensated absences and liabilities	707,371
Deferred revenue:	
Football ticket sales	4,569,037
Other	1,740,018
Other liabilities	142,364

**Total liabilities** 7,175,374

**Fund balance** 3,682,370

**Total liabilities and fund balance** \$ 10,857,744

*The accompanying notes are an integral part of the financial statements.*

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Statement of Revenues, Expenditures and Transfers  
For the year ended June 30, 1998*

**Revenues:**

Admissions, net of \$1,172,778 for bond seat assessment and \$388,493 for admissions taxes and \$318,687 for scholarships	\$ 7,423,624
Guarantees	1,145,575
Student athletic fees	460,703
Gamecock Club	7,226,217
Investment income	518,417
Endowment income	84,014
Premium seating	1,892,450
Southeastern Conference share	5,328,949
Gifts	348,431
Other	2,233,222
Outside sources:	
Block "C" Association	24,126
<b>Total revenues</b>	<b>26,685,728</b>

**Expenditures:**

Personnel	7,899,769
Grants (Scholarships)	3,777,244
Team travel	1,597,320
General travel	325,037
Recruiting	705,464
Game services	1,100,935
Other services	578,132
Supplies and uniforms	814,811
General administration, supplies and services	5,961,312
Guarantees	1,368,100
Outside sources:	
Block "C" Association	24,126
<b>Total expenditures</b>	<b>24,152,250</b>
<b>Excess of revenues over expenditures</b>	<b>2,533,478</b>

*The accompanying notes are an integral part of the financial statements.*

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Statement of Revenues, Expenditures and Transfers, Continued  
For the year ended June 30, 1998*

**Transfers:**

Transfers to the University:	
University general scholarships	350,000
University band	145,000
Debt service	350,000
Other transfers	<u>1,222,579</u>
<b>Total transfers</b>	<u>2,067,579</u>
<b>Excess of revenues over expenditures and transfers</b>	<u><u>\$ 465,899</u></u>

*The accompanying notes are an integral part of the financial statements.*

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Statement of Changes in Fund Balances  
For the year ended June 30, 1998*

<b>Fund balances</b> , at beginning of year, as previously reported	\$ 3,210,698
Add - prior year adjustments (Note 15)	<u>5,773</u>
<b>Fund balances</b> , as restated	3,216,471
Excess of revenues over expenditures and transfers	<u>465,899</u>
<b>Fund balances</b> , at end of year	<u><u>\$ 3,682,370</u></u>

*The accompanying notes are an integral part of the financial statements.*

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Statement of Cash Flows  
For the year ended June 30, 1998*

<b>Cash flows from operating activities:</b>	
Excess of revenues over expenditures	\$ 2,533,478
Investment and endowment income reclassified to investing activity	(602,431)
Adjustments to reconcile excess of revenues over expenditures, net of investment and endowment income, to net cash provided by operating activities:	
Changes in assets and liabilities:	
Increase in accounts receivable	(183,609)
Increase in prepaid expenditures	(22,646)
Decrease in accounts payable	(129,516)
Decrease in accrued compensated absences	(4,208)
Increase in deferred revenues	212,763
Decrease in accrued payroll and related liabilities	(7,079)
Decrease in other liabilities	<u>(379,679)</u>
<b>Net cash provided by operating activities</b>	<u>1,417,073</u>
<b>Cash flows from investing activities:</b>	
Interest income received on investments and endowment funds	622,084
Unrealized gain on investments	<u>5,773</u>
<b>Net cash provided by investing activities</b>	<u>627,857</u>
<b>Cash flows from non-capital financing activities:</b>	
Transfers to the University	<u>(2,067,579)</u>
<b>Net cash used by non-capital financing activities</b>	<u>(2,067,579)</u>
Net decrease in cash and cash equivalents	(22,649)
<b>Cash and Cash Equivalents, at beginning of year</b>	<u>10,055,574</u>
<b>Cash and Cash Equivalents, at end of year</b>	<u><u>\$ 10,032,925</u></u>

*The accompanying notes are an integral part of the financial statements.*

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Statement of Cash Flows, Continued  
For the year ended June 30, 1998*

**SUPPLEMENTARY DISCLOSURE OF ACCOUNTING POLICY FOR CAPITAL AND RELATED FINANCING ACTIVITIES:**

As discussed in Notes 1 and 6, certain assets and the related liabilities from which the Department derives benefit have not been included in the accompanying balance sheet but have instead been recorded in the University's plant funds. Current revenue and expenditures related to those assets specifically associated with the Department's operations have been recorded as revenues and expenditures of the Department. Accordingly, certain capital and related financing activities amounting to \$599,939 for equipment acquisitions are included as operating activities rather than capital and related financing activities on the statement of cash flows.

*The accompanying notes are an integral part of the financial statements.*

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Notes to Financial Statements*

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1. **Summary of Significant Accounting Policies:**

The following are the significant accounting policies used in preparing the accompanying financial statements of the University of South Carolina (the University) Department of Athletics – Columbia Campus (the Department).

**Reporting Entity** – The core of the financial reporting entity is the primary government which has a separately elected governing body. An organization other than a primary government may serve as a nucleus for a reporting entity when it issues separate financial statements. That organization is referred to herein as a primary entity. Both the University and the Department serve as primary entities. The University, a State supported institution of higher education, is subject to the laws of the State and the policies and procedures specified by the State for State agencies and institutions. The University is part of the primary government of the State of South Carolina and its funds are included in the State’s Comprehensive Annual Financial Report.

The Department is an auxiliary enterprise fund of the University and includes the intercollegiate athletics programs of the University – Columbia Campus only. Accordingly, the Department treats as expenditures certain payments made to retire capital lease obligations which are recorded in the University’s plant funds. Certain stadium admissions taxes and seat assessment and student athletic fees are recorded as revenue by the University in its plant fund. The Department is combined with the other University auxiliary enterprises and included in the University’s accounts as follows: revenue and expenditures are reported separately as unrestricted current funds and assets, liabilities and fund balances are combined with other unrestricted funds for reporting purposes.

Within the Department and an integral part thereof is the Gamecock Club (the Club). The Club is a tax-exempt organization under provisions of the Internal Revenue Code 501(c)(3), is governed by a Board of Directors and organized to support the intercollegiate athletics programs of the Columbia Campus of the University. Expenditures are made in accordance with the Gamecock Club constitution and by-laws which state that the Club’s purpose is to provide funds for athletic scholarships, operating expenditures of the Club, and projects and other needs consistent with the policy of promoting the athletic affairs of the University. The Gamecock Club’s Board of Directors forwards its budget proposal recommendations to the Intercollegiate Activities Committee of the University’s Board of Trustees. Adherence to line items of the budget by the Gamecock Club is not required by the University’s Board.

**Accrual Basis of Accounting** – The financial statements of the Department have been prepared on the accrual basis in accordance with accounting practices customarily followed by governmental educational institutions. Revenues are reported in the accounting period when earned and expenditures are reported as the materials or services are received or when incurred. Transfers are reported when made.

In addition, the Department has elected to present a statement of cash flows prepared in conformity with the requirements for such a statement for governmental proprietary funds.

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Notes to Financial Statements, Continued*

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1. **Summary of Significant Accounting Policies, continued**:

**Endowment Income** – Income earned on these funds is recorded as endowment income by the Department; however, endowment principal is not included in the assets of the Department. The endowment principal has been reported as an asset of the University’s endowment fund.

**Prepaid Items** – Expenditures for services paid for in the current or prior fiscal years and benefiting more than one accounting period are allocated among accounting periods.

**Deferred Revenues** – Deferred revenues consist of receipts collected in advance which amounts have not yet been earned primarily for football ticket sales. Other deferred revenues consist primarily of advance collections for special seating areas for athletic events. Amounts are recognized as revenue when the event has occurred.

**Budget** – The Department’s operating budget is approved by the University’s Intercollegiate Activities Committee of the Board of Trustees and the University’s full Board of Trustees.

**Fund Accounting** – In order to ensure observance of limitations and restrictions placed on the use of resources available to the Department, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. Separate accounts are maintained for each fund; however, in the accompanying financial statements, the various funds comprising the Department have been combined because they had similar characteristics.

**Other University Funds** – Certain assets and liabilities from which the Department derives a benefit have not been included in the accompanying balance sheet but have instead been recorded in the University’s endowment and plant funds. Current revenues, expenditures and transfers related to those assets and liabilities specifically associated with the Department’s operations have been recorded as revenues and expenditures in the accompanying financial statements of the Department.

**Cash and Cash Equivalents** – The amounts shown in the financial statements as “cash and cash equivalents” represent petty cash, cash on deposit with the State Treasurer, and cash invested in various instruments by the State Treasurer as part of the State’s cash management pool.

Most State agencies including the University participate in the cash management pool. Because the cash management pool operates as a demand deposit account, amounts invested in the pool are classified as cash and cash equivalents. The State Treasurer administers the cash management pool. The pool includes some long-term investments such as obligations of the United States and certain agencies of the United States, obligations of the State of South Carolina and certain of its political subdivisions, certificates of deposit, collateralized repurchase agreements, and certain corporate bonds. For credit risk information pertaining to the cash management pool, see the deposits disclosure in Note 2.

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Notes to Financial Statements, Continued*

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1. **Summary of Significant Accounting Policies (Continued):**

**Cash and Cash Equivalents (Continued)** – The State’s cash management pool consists of a general deposit account and several special deposit accounts. The State records each fund’s equity interest in the general deposit account; however, all earnings on that account are credited to the General Fund of the State. Investments in the pool are recorded at fair value. Interest earned by the University’s special deposit accounts is retained by the University. Interest earned is allocated based on the percentage of the University’s accumulated daily interest receivable to the total undistributed interest received by the pool

**Accrued Compensated Absences** – Generally all permanent full-time State employees and certain part-time employees scheduled to work at least one-half of the agency’s workweek are entitled to accrue and carry forward at calendar year-end maximums of 180 days sick leave and 45 days annual vacation leave, except that faculty members do not accrue annual leave. Upon termination of State employment, employees are entitled to be paid for accumulated unused annual vacation leave up to the maximum, but are not entitled to any payment for unused sick leave. The compensated absences liability includes accrued annual leave earned for which the employees are entitled to paid time off or payment at termination. The University calculates the compensated absences liability based on recorded balances of unused leave for which the employer expects to compensate employees through paid time off or cash payments. The liability is inventoried at fiscal year-end current salary costs and the cost of the salary-related benefit payments. The net change in the liability is recorded in the current year under personnel expenditures.

**Income Taxes** – The University and its Department of Athletics are a part of the primary government of the State of South Carolina and are consequently exempt from Federal and State income taxes.

An annual tax return of an organization exempt from income tax is filed to report the operations of the Gamecock Club of the University.

**Use of Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Other Significant Accounting Policies** – Other significant accounting policies are set forth in the other notes to the financial statements.

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Notes to Financial Statements, Continued*

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**2. Deposits and Investments:**

The deposits and investments of the Department are under the control of the State Treasurer who, by law, has sole authority for investing State funds.

The following schedule reconciles deposits within the footnotes to the balance sheet amounts:

<u>Balance Sheet</u>		<u>Footnotes</u>	
Cash and Cash Equivalents	\$ 10,032,925	Cash on Hand	\$ 61,236
		Deposits held by State Treasurer	9,971,689
	<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>		<hr style="width: 50%; margin-left: auto; margin-right: 0;"/>
	<u>\$ 10,032,925</u>		<u>\$ 10,032,925</u>

**Deposits Held by State Treasurer** – State law requires full collateralization of all State Treasurer bank balances. The State Treasurer must correct any deficiencies in collateral within seven days. At June 30, 1998, all State Treasurer bank balances were fully insured or collateralized with securities held by the State or by its agents in the State’s name.

With respect to investments in the State’s cash management pool, all of the State Treasurer’s investments are insured or registered or are investments for which the securities are held by the State or its agent in the State’s name. Information pertaining to the carrying amounts, market values and credit risk of the State Treasurer’s investments is disclosed in the Comprehensive Annual Financial Report of the State of South Carolina.

**3. Notes Receivable:**

This amount includes an \$80,000 interest free relocation loan made to the Athletic Director when hired. The conditions of the loan, as modified, state that, if he stays employed by the University through November 30, 1998, the entire amount of the debt will be forgiven.

Also included is a loan to the Head Football Coach in the amount of \$275,000 with interest at 7%. The conditions of the loan state that, if he stays employed by the University through April 15, 2002, the entire amount of the debt will be forgiven.

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Notes to Financial Statements, Continued*

4. **Endowment Income:**

Endowment and similar funds on which income earned is available to the Department are as follows at June 30, 1998:

Endowments	\$ 2,665,781
Quasi-endowment	<u>1,823,665</u>
<b>Total</b>	<b><u><u>\$ 4,489,446</u></u></b>

Endowment funds are subject to the restrictions of donors requiring that the principal be invested in perpetuity and the income only be used. Quasi-endowment funds are funds which the University Board of Trustees, rather than the donor, has determined are to be retained and invested.

5. **NCAA Legislation:**

The National Collegiate Athletic Association has 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 revenue, expenditures and transfers of the institution's athletics department.

The Block C Association has been identified as an outside organization under NCAA legislation. The Block C Association has a fiscal year end of June 30. The following information received from the Block C Association reflects its activity for the year ended June 30, 1998.

<b>Beginning Cash Balance</b>	<b>Cash Receipts</b>	<b>Contributions to or on Behalf of Program</b>	<b>Ending Cash Balance</b>
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
\$ 20,077	\$ 27,226	\$ 24,126	\$ 23,177

The Block C Association expenditures of \$24,126 consist of expenditures made by the Block C Association on behalf of the Gamecock Club primarily for maintenance of football and basketball lounges, sports banquets and cookouts, senior awards, raffles and tickets. This amount is included in the revenue and the expenditures in the accompanying financial statements.

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Notes to Financial Statements, Continued*

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**6. Remittances and Transfers to the University:**

The Department collects, as a bond seat assessment, a debt service tax on each football ticket sold and remits such taxes to the University. The taxes are to be used by the University to fund the cost of the related debt service. The University accounts for these taxes in the University's plant fund. Such amounts collected by the Department and remitted to the University for debt service, totaled \$1,172,778 and is not included in admissions revenue in the accompanying financial statements.

The Department also collects a State admission tax on tickets sold which it remits to the State upon collection and an academic scholarship fee of \$5 per ticket for tickets sold to the USC-Clemson football game, every even-numbered fiscal year, when the game is hosted by the University. The Department remits this academic scholarship fee to the University upon collection. Admissions revenue is presented in the accompanying financial statements net of \$388,492 for state admission tax collected and net of \$318,687 for scholarship fees collected.

The University Board of Trustees adopted a bond resolution during the year ended June 30, 1998 which, among other things, provided for the University to maintain a special student fee in amount sufficient to make the debt service payments on Department-related debt. The University accounts for these fees in the University's plant fund. The total amount collected by the University was \$582,050 for the year ended June 30, 1998. The University's plant fund earned interest on these debt service funds of \$64,770 for the year ended June 30, 1998. Student athletic fees revenue is reported net of the \$582,050 special student fee in the accompanying financial statements.

In addition to the above remittances, the Department made certain transfers to the University as detailed in the financial statements.

Beginning with the 1994-1995 fiscal year, the Department was obligated to remit approximately \$500,000 to the University to pay for various University services which benefit the Department. The \$500,000 is included in general administration expenditures.

**7. Gamecock Club (The Club):**

Specific provisions govern the use of excess revenue over expenditures for the Club. Revenue and expenditures for the Club amounted to \$7,418,496 and \$7,287,743 respectively, and are included in the accompanying financial statements. Such revenues include \$6,802,095 of contributions by Club members and \$616,401 from other sources, principally gifts-in-kind income and endowment and investment income. The Club's fund balance is \$2,360,071 of the total Athletics Department fund balance of \$3,682,370.

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Notes to Financial Statements, Continued*

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**7. Gamecock Club (The Club), continued:**

The Department recognizes revenue from pledges when collected. Outstanding pledges to the Club as of June 30, 1998 amounted to approximately \$1,990,409. These pledges are due in the next fiscal year; and no estimate has been made for uncollectible pledges.

**8. Pension Plans:**

The majority of employees of the Department are covered by a retirement plan through the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Division of the State Budget and Control Board, a public employee retirement system. Generally all State employees are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided in Section 9-1-480 of the South Carolina Code of Laws. This plan provides retirement annuity benefits as well as disability, cost of living adjustment, death, and group-life insurance benefits to eligible employees and retirees.

The Retirement Division maintains four independent defined benefit plans and issues its own publicly available Comprehensive Annual Financial Report (CAFR) which includes financial statements and required supplementary information. A copy of the separately issued CAFR may be obtained by writing to the Retirement Division, 202 Arbor Lake Drive, Columbia, South Carolina 29223. Furthermore, the Division and the four pension plans are included in the CAFR of the State of South Carolina.

Under the SCRS, employees are eligible for a full service retirement annuity upon reaching age 65 or completion of 30 years credited service regardless of age. The benefit formula for full benefits effective since July 1, 1989, for the SCRS is 1.82 percent of an employee's average final compensation multiplied by the number of years of credited service. Early retirement options with reduced benefits are available as early as age 55. Employees are vested for a deferred annuity after five years service and qualify for a survivor's benefit upon completion of 15 years credited service. Disability annuity benefits are payable to employees totally and permanently disabled provided they have a minimum of five years credited service. A group-life insurance benefit equal to an employee's annual rate of compensation is payable upon the death of an active employee with a minimum of one year of credited service.

Since July 1, 1988, employees participating in the SCRS have been required to contribute 6 percent of all compensation. Effective July 1, 1997, the employer contribution rate became 9.466 percent which included a 1.16 percent surcharge to fund retiree health and dental insurance coverage. The Department's actual contributions to the SCRS for the years ended June 30, 1998, 1997 and 1996 were approximately \$230,922, \$209,000 and \$204,000 respectively, and equaled the required contributions of 7.55 percent (excluding the surcharge) for each year. Also, the Department paid employer group-life insurance contributions of approximately \$4,588 in the current fiscal year at the rate of .15 percent of compensation.

The amounts paid by the Department of pension and group-life benefits are reported as employer contribution expenditures within the personnel expenditure category of the Department.

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Notes to Financial Statements, Continued*

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**8. Pension Plans, Continued:**

Article X, Section 16 of the South Carolina Constitution requires that all State-operated retirement systems be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws of 1976, as amended, prescribes requirements relating to membership, benefits and employee/employer contributions for each retirement system. Employee and employer contribution rates to SCRS are actuarially determined. The surcharges to fund retiree health and dental insurance are not part of the actuarially established rates. Annual benefits, payable monthly for life, are based on length of service and on average final compensation (an annualized average of the employee's highest 12 consecutive quarters of compensation).

The Systems do not make separate measurements of assets for individual employers. Under Title 9 of the South Carolina Code of Laws, the Department's liability under the plans is limited to the amount of contributions (stated as a percentage of covered payroll) established by the State Budget and Control Board. Therefore, the Department's liability under the pension plans is limited to the amounts appropriated thereof in the South Carolina Appropriation Act and amounts from other applicable revenue sources. Accordingly, the Department recognizes no contingent liability for unfunded costs associated with participation in the plans.

At retirement, employees participating in the SCRS may receive additional service credit for up to 90 days for accumulated unused sick leave.

Certain State employees may elect to participate in the Optional Retirement Program (ORP), a defined contribution plan. The ORP was established in 1987 under Title 9, Chapter 17, of the South Carolina Code of Laws. The ORP provides retirement and death benefits through the purchase of individual fixed or variable annuity contracts which are issued to, and become the property of, the participants. The State assumes no liability for this plan other than for payment of contributions to designated insurance companies.

ORP participation is limited to faculty and administrative staff of the State's four-year higher education institutions who meet all eligibility requirements for membership in the SCRS. To elect participation in the ORP, eligible employees must irrevocably waive SCRS membership within their first ninety days of employment.

Under State law, contributions to the ORP are required at the same rates as for the SCRS, 7.55 percent, plus the retiree surcharge of 1.916 percent from the employer in fiscal year 1998.

Certain of the Department's employees have elected to be covered under optional retirement plans. For the fiscal year, total contribution requirements to ORP were approximately \$191,924 from the Department as employer (excluding the surcharge) and \$152,522 from its employees as plan members. In addition, the Department paid approximately \$3,813 for group-life insurance coverage for these employees. All amounts were remitted to the South Carolina Retirement Division for distribution to the respective annuity policy providers.

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Notes to Financial Statements, Continued*

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**9. Post-employment and Other Employee Benefits:**

In accordance with the South Carolina Code of Laws and the annual Appropriation Act, the State of South Carolina provides certain health care, dental, and life insurance benefits to active and certain retired State employees and certain surviving dependents of retirees. All permanent full-time and certain permanent part-time employees of the Department are eligible to receive these benefits. The State provides post-employment health and dental benefits to employees who retire from State service or who terminated with at least 20 years of State service who meet one or more of the eligibility requirements, such as age, length of service, and hire date. Generally those who retire must have at least 10 years of retirement service credit to qualify for State-funded benefits. Benefits are effective at date of retirement when the employee is eligible for retirement benefits.

These benefits are provided through annual appropriations by the General Assembly to the Department for its active employees and to the State Budget and Control Board for all participating State retirees except the portions funded through the pension surcharge and provided from other applicable sources of the Department for its active employees who are not funded by State General Fund appropriations. The State finances health and dental plan benefits on a pay-as-you-go basis. Currently, approximately 18,000 State retirees meet these eligibility requirements.

The Department recorded employer contributions expenditures within the functional expenditure categories for these insurance benefits for active employees in the approximate amount of \$267,484 for the year ended June 30, 1998. As discussed in Note 8, the Department paid approximately \$107,308 applicable to the 1.916% surcharge included with the employer contributions for retirement benefits. These amounts were remitted to the South Carolina Retirement Systems for distribution to the Office of Insurance Services for retiree health and dental insurance benefits.

Information regarding the cost of insurance benefits applicable to Department retirees is not available. By State law, the Department has no liability for retirement benefits. Accordingly, the cost of providing these benefits for retirees is not included in the accompanying financial statements.

In addition, the State General Assembly periodically directs the Retirement Systems to pay supplemental (cost of living) increases to retirees. Such increases are primarily funded from Systems' earnings; however, a portion of the required amount is appropriated from the State General Fund annually for the SCRS benefits.

**10. Deferred Compensation Plans:**

Several optional deferred compensation plans are available to State employees and employers of its political subdivisions. Certain employees of the Department have elected to participate. The multiple-employer plans, created under Internal Revenue Code Section 457, 401(k) and 403(b), are accounted for as agency funds of the State and included in the Comprehensive Annual Financial Report of the State of South Carolina. Employees may withdraw the current value of their contributions prior to termination if they meet requirements specified by the applicable plan.

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Notes to Financial Statements, Continued*

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**10. Deferred Compensation Plans, Continued:**

Compensation deferred under the Section 401(k) and 403(b) plans is placed in trust for the contributing employee. The State has no liability for losses under the plans. Under the Section 457 plan, all deferred compensation plan amounts and earnings remain assets of the employer (the State) subject to the claims of the employer's general creditors, one of whom is the employee participant. It is unlikely, however, that the State would ever use plan assets to satisfy claims of the State's general creditors. The portion of assets of the Section 457 plan to which the State has access is disclosed in its annual financial report.

On August 20, 1996, the provisions of Internal Revenue Code Section 457 were amended by adding subsection (g). That subsection provides that new plans will not be considered eligible plans unless all assets and income of the plans are held in trust for the exclusive benefit of the participants and their beneficiaries. Existing plans also must comply with this requirement by January 1, 1999. South Carolina's plan adopted this change effective July 24, 1998.

**11. Leases:**

The Department leases parking spaces for home football games under the following long-term operating leases:

Lease dated March 1, 1995, amended February 13, 1997, with The South Carolina Educational Television Commission (ETV) for 176 parking spaces during the home football games at \$75 per space per year. The lease runs until February 28, 2004 and provides for an increase in the rate of not more than ten percent per year. The expenditure for the year ended June 30, 1998 was \$13,200 under this lease.

Lease dated August 6, 1986 with the State Agricultural and Mechanical Society for use of the State fairgrounds for parking during home football games. The agreement provides for the payment of \$8,500 per home game except those played during the State Fair when no payment shall be made. There are usually six or seven home games and can be as many as two games during the State Fair. The annual cost would range from \$34,000 for four home games to \$59,500 for seven home games. The expenditure for the year ended June 30, 1998 was \$34,000 under this lease.

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Notes to Financial Statements, Continued*

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**11. Leases, continued:**

The future commitments under the ETV lease are as follows:

<u>Years ending June 30,</u>	
1999	\$ 13,200
2000	13,200
2001	13,200
2002	13,200
2003	13,200
Thereafter	<u>13,200</u>
	<u><u>\$ 79,200</u></u>

The charges are included in Gamecock Club expenditures for game services.

**12. Commitments:**

The Department committed to repay \$1,000,000 to the endowment funds of the University. The Department receives the earnings on certain endowment funds. These funds were advances by the endowment fund to the unexpended plant fund of the University to pay for a new scoreboard in the football stadium. \$75,000 was repaid by the Department during 1998 and is included in transfers for capital projects. The balance of the advances at June 30, 1998 was \$855,000.

**13. Transactions with State Entities:**

The Department had significant transactions with the State of South Carolina and various State agencies.

Services received at no cost from State agencies include maintenance of certain accounting records by the Comptroller General; banking services from the State Treasurer; and legal services from the Attorney General.

Other services received at no cost from the various office of the State Budget and Control Board include retirement plans administration, insurance plans administration, audit services, personnel management, assistance in the preparation of the State Budget, review and approval of certain budget amendments, procurement services, and other centralized functions.

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Notes to Financial Statements, Continued*

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**13. Transactions with State Entities, continued:**

The Department had financial transactions with various State agencies during the fiscal year. Payments were made to divisions of the State Budget and Control board for retirement and insurance plans contributions, surplus property disposal fees, insurance coverage, and telephone and interagency mail services. Payments were also made to other agencies for unemployment and workers' compensation coverage for employees. The amounts of 1998 expenditures applicable to these transactions are not readily available.

The Department provided no services free of charge to other State agencies during the fiscal year.

**14. Risk Management:**

**Insurance Coverage** – The Department is exposed to various risks of loss and maintains State or commercial insurance coverage for each of those risks except business interruption insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. There were no significant reductions in insurance coverage from coverage in the prior year. Settled claims have not exceeded this coverage in any of the past three years. The Department pays insurance premiums to certain other State agencies and commercial insurers to cover risks that may occur in normal operations. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accord with insurance policy and benefit program limits.

State management believes it is more economical to manage certain risks internally and set aside assets for claim settlement. Several State funds accumulate assets and the State itself assumes substantially all risks for the following:

- a) Claims of State employees for unemployment compensation benefits (Employment Security Commission);
- b) Claims of covered employees for workers' compensation benefits for job-related illnesses or injuries (State Accident Fund);
- c) Claims of covered public employees for health and dental insurance benefits (office of Insurance Services); and
- d) Claims of covered public employees for long-term disability and group-life insurance benefits (Retirement Systems.)

Employees elect health coverage through either a health maintenance organization or through the State's self-insured plan. All of the other coverages listed above are through the applicable State self-insured plan except dependent and optional life premiums are remitted to commercial carriers.

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Notes to Financial Statements, Continued*

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**14. Risk Management, Continued:**

The Department and other entities pay premiums to the State's Insurance Reserve Fund (IRF) which issues policies, accumulates assets to cover the risks of loss, and pays claims incurred for covered losses related to the following University assets, activities, and/or events:

- a) Theft of, damage to, or destruction of assets;
- b) Real property, its contents, and other equipment;
- c) Motor vehicles;
- d) Torts;
- e) Natural disasters; and
- f) Medical malpractice claims against covered hospitals, employees, third-and fourth-year medical students, and student health practitioners at student health services.

The IRF is a self-insurer and purchases reinsurance to obtain certain services and specialized coverage and to limit losses in the areas of property, boiler and machinery, automobile liability, and medical professional liability insurance. Also, the IRF purchases reinsurance for catastrophic property and medical professional liability insurance. Reinsurance permits partial recovery of losses from reinsurers, but the IRF remains primarily liable. The IRF's rates are determined actuarially.

State agencies and other entities are the primary participants in the State's Health and Disability Insurance Fund and IRF.

The Department obtains coverage through a commercial insurer for employee fidelity bond insurance for all employees for losses arising from theft or misappropriation up to \$500,000.

The Department has recorded insurance premium expenditures in the applicable functional expenditure categories.

In management's opinion, claims losses in excess of insurance coverage, if any, are unlikely and, if incurred, would be insignificant to the Department's financial position. Furthermore, there is not evidence of asset impairment or other information to indicate that a loss expenditure and liability should be recorded; and, therefore, no loss accrual has been recorded.

**15. Accounting Changes:**

Effective July 1, 1997, the University adopted Governmental Accounting Standards Board (GASB) Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. This Statement requires that most investments of governmental entities be stated at fair value rather than at cost. For internal and external investment pools, this Statement requires the equity position of each fund and component unit of the reporting entity that sponsors the pool to be reported as assets in those funds and component units. The Department has restated its beginning fund balances as of July 1, 1997, for changes resulting from adoption of Statement No. 31 from \$3,210,698 to \$3,216,471.

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Notes to Financial Statements, Continued*

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15. **Accounting Changes, continued:**

Also, the Department recorded \$522,043 in 1997 in other liabilities for amounts received from sales of tickets for other schools. The current year's amount is \$573,768. Because such funds are held for other schools, the University has recorded this amount as funds held for others in its agency fund group. This change did not effect the Department's fund balance.

16. **Purchase of Aircraft:**

The University purchased an airplane during the year ended June 30, 1998. The Department is to participate in the purchase in the amount of \$600,000. \$350,000 was paid to the University during the fiscal year ended June 30, 1998 with the remaining balance to be paid as follows:

June 30, 1999	\$ 125,000
June 30, 2000	<u>125,000</u>
	<u>\$ 250,000</u>

The airplane is recorded in the University's Plant Fund.

**SUPPLEMENTAL SCHEDULES**

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Revenues  
For the year ended June 30, 1998*

**Revenues:**

**Admissions**

Football, net of \$1,172,778 for bond seat assessment, \$315,813 for admission taxes and \$318,687 scholarships	\$ 6,005,029
Basketball, net of \$66,926 for admission taxes	1,338,518
Olympic sports, net of \$5,754 for admission taxes	<u>80,077</u>

<b>Total</b>	<u>7,423,624</u>
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**Guarantees**

Football	1,000,000
Basketball	131,136
Olympic sports	<u>14,439</u>

<b>Totals</b>	<u>1,145,575</u>
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Student Athletic Fees	<u>460,703</u>
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**Gamecock Club**

Regular members contributions	6,790,234
Junior members contributions	20,480
Buffet revenue	35,530
Credit card revenue	125,460
Gifts in kind	241,466
Key road parking	<u>13,047</u>

<b>Total Gamecock Club</b>	<u>7,226,217</u>
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Investment income	<u>518,417</u>
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Endowment income	<u>84,014</u>
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**Premium seating**

Club seats	502,650
Suite seats	616,000
Zone seats	<u>773,800</u>

<b>Total premium seating</b>	<u>1,892,450</u>
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**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Revenues, Continued  
For the year ended June 30, 1998*

Southeastern Conference share	<u>5,328,949</u>
Gifts (Designated Funds)	<u>348,431</u>
<b>Other</b>	
Football radio and television rights	364,000
Basketball radio and television rights	190,000
Programs, souvenirs and concessions	592,124
Mailing fees	68,260
Royalties	84,582
Corporate sponsorships	254,530
Post season events	79,478
Space rentals	54,447
Miscellaneous	<u>545,801</u>
<b>Totals</b>	<u>2,233,222</u>
<b>Total revenues</b>	<u><u>\$ 26,661,602</u></u>

This schedule excludes Block C Association revenues.

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Revenues, Expenditures, Transfers  
and Changes in Fund Balances –  
Capital Improvement and Debt Service Funds (1)  
For the year ended June 30, 1998*

	<b>Capital Improvement Fund</b>	<b>Debt Service Fund</b>	<b>Totals</b>
<b>Revenues:</b>			
Student fees	\$ -	\$ 582,050	\$ 582,050
Seat assessment	-	1,172,778	1,172,778
Investment income	146	65,511	65,657
	<hr/>	<hr/>	<hr/>
<b>Total revenues</b>	146	1,820,339	1,820,485
	<hr/>	<hr/>	<hr/>
<b>Expenditures:</b>			
Principal	-	1,475,000	1,475,000
Interest	-	657,074	657,074
Other	-	26,917	26,917
	<hr/>	<hr/>	<hr/>
<b>Total expenditures</b>	-	2,158,991	2,158,991
	<hr/>	<hr/>	<hr/>
<b>Transfers:</b>			
For debt service	(40,856)	390,856	350,000
To capital projects funds - University	39,342	-	39,342
	<hr/>	<hr/>	<hr/>
<b>Total transfers</b>	(1,514)	390,856	389,342
	<hr/>	<hr/>	<hr/>
Excess of revenues over (under) expenditures and transfers	(1,368)	52,204	50,836
	<hr/>	<hr/>	<hr/>
<b>Fund balances</b> , beginning of year, as previously reported	1,368	(66,792)	(65,424)
	<hr/>	<hr/>	<hr/>
<b>Add</b> , prior period adjustment	-	(719)	(719)
	<hr/>	<hr/>	<hr/>
<b>Fund balances</b> , as restated	1,368	(67,511)	(66,143)
	<hr/>	<hr/>	<hr/>
<b>Fund balances</b> , end of year	\$ -	\$ (15,307)	\$ (15,307)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(1) These funds for Department-related liability transactions are recorded in the University's Retirement of Indebtedness Plant Fund.

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Expenditures and Transfers  
For the year ended June 30, 1998*

	<u>Football</u>	<u>Men's Basketball</u>	<u>Men's Olympic Sports</u>	<u>Women's Olympic Sports</u>
<b>Expenditures:</b>				
Personnel	\$ 1,346,647	\$ 525,762	\$ 714,302	\$ 1,160,693
Grants	1,240,017	210,258	829,279	1,394,854
Team travel	312,526	266,153	372,883	614,050
General travel	70,165	19,415	20,990	57,214
Recruiting	276,662	88,354	105,535	234,885
Game services	106,444	69,894	60,626	73,355
Other services	11,705	5,295	15,561	22,718
Supplies and uniforms	189,223	54,705	125,623	170,399
General administration	250,556	127,018	99,678	217,539
Guarantees	1,250,000	88,600	18,900	10,600
<b>Total expenditures</b>	5,053,945	1,455,454	2,363,377	3,956,307
<b>Transfers</b>	-	-	-	-
<b>Total expenditures and transfers</b>	<u>\$ 5,053,945</u>	<u>\$ 1,455,454</u>	<u>\$ 2,363,377</u>	<u>\$ 3,956,307</u>

This schedule excludes Block C Association expenditures

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Expenditures and Transfers  
For the year ended June 30, 1998*

<b>Student Athletic Support Services</b>	<b>Administrative Support Services</b>	<b>Gamecock Club</b>	<b>Facilities</b>	<b>Administration</b>	<b>Total</b>
\$ 1,050,803	\$ 1,258,996	\$ 387,640	\$ 734,883	\$ 720,043	\$ 7,899,769
45,166	3,228	-	-	54,442	3,777,244
26,748	-	-	4,987	-	1,597,347
24,517	43,754	7,040	1,172	80,770	325,037
-	-	-	-	-	705,436
19,327	671,447	52,992	9,265	37,585	1,100,935
185,531	27,380	110,290	164,960	34,692	578,132
164,364	78,307	5,140	1,717	25,334	814,812
237,755	856,733	1,003,451	982,032	2,186,550	5,961,312
-	-	-	-	-	1,368,100
1,754,211	2,939,845	1,566,553	1,899,016	3,139,416	24,128,124
-	-	-	-	2,067,579	2,067,579
<u>\$ 1,754,211</u>	<u>\$ 2,939,845</u>	<u>\$ 1,566,553</u>	<u>\$ 1,899,016</u>	<u>\$ 5,206,995</u>	<u>\$ 26,195,703</u>

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Expenditures – Men’s Olympic Sports  
For the year ended June 30, 1998*

<b>Expenditures</b>	<u><b>Baseball</b></u>	<u><b>Golf</b></u>
Personnel	\$ 196,222	\$ 100,013
Grants	178,203	49,813
Team travel	117,689	43,731
General travel	3,121	2,679
Recruiting	37,036	2,012
Game services	31,945	-
Other services	4,852	4,126
Supplies and uniforms	39,723	22,638
General administration	38,504	17,170
Guarantees	<u>9,100</u>	<u>-</u>
<b>Total expenditures</b>	<u><u>\$ 656,395</u></u>	<u><u>\$ 242,182</u></u>

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Expenditures – Men’s Olympic Sports  
For the year ended June 30, 1998*

<u>Soccer</u>	<u>Swimming</u>	<u>Tennis</u>	<u>Track and Cross Country</u>	<u>Totals</u>
\$ 132,634	\$ 98,232	\$ 86,905	\$ 100,296	\$ 714,302
162,489	150,888	92,731	195,155	829,279
32,218	34,219	58,485	86,541	372,883
3,158	2,939	3,567	5,526	20,990
13,908	19,028	14,323	19,228	105,535
6,874	463	17,116	4,228	60,626
1,080	1,246	1,602	2,655	15,561
5,046	7,083	32,734	18,399	125,623
11,499	10,528	10,747	11,230	99,678
9,800	-	-	-	18,900
<u>\$ 378,706</u>	<u>\$ 324,626</u>	<u>\$ 318,210</u>	<u>\$ 443,258</u>	<u>\$ 2,363,377</u>

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Expenditures – Women’s Olympic Sports  
For the year ended June 30, 1998*

<b>Expenditures:</b>	<u>Basketball</u>	<u>Softball</u>	<u>Volleyball</u>	<u>Swimming</u>
Personnel	\$ 348,380	\$ 141,219	\$ 174,196	\$ 109,832
Grants	186,624	175,550	219,441	180,959
Team travel	186,355	73,175	55,327	46,886
General travel	22,594	1,911	8,391	5,347
Recruiting	98,282	14,737	35,615	23,144
Game services	39,738	2,100	7,418	-
Other services	3,970	1,754	2,040	181
Supplies and uniforms	39,561	17,757	16,582	9,529
General administration	66,397	21,373	28,355	6,899
Guarantees	10,600	-	-	-
<b>Total expenditures</b>	<u>\$ 1,002,501</u>	<u>\$ 449,576</u>	<u>\$ 547,365</u>	<u>\$ 382,777</u>

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Expenditures – Women’s Olympic Sports  
For the year ended June 30, 1998*

<u>Tennis</u>	<u>Golf</u>	<u>In and Outdoor Track and Cross Country</u>	<u>Soccer</u>	<u>Equestrian</u>	<u>Totals</u>
\$ 55,930	\$ 75,891	\$ 127,650	\$ 99,430	\$ 28,165	\$ 1,160,693
131,884	69,396	248,380	178,236	4,384	1,394,854
51,776	33,032	110,143	33,322	24,034	614,050
882	4,160	7,032	6,338	559	57,214
8,113	8,379	24,473	22,142	-	234,885
2,429	7,716	5,380	3,349	5,225	73,355
6,585	1,401	3,379	2,572	836	22,718
25,337	13,384	23,417	14,095	10,737	170,399
7,313	13,874	14,292	15,478	43,558	217,539
-	-	-	-	-	10,600
<u>\$ 290,249</u>	<u>\$ 227,233</u>	<u>\$ 564,146</u>	<u>\$ 374,962</u>	<u>\$ 117,498</u>	<u>\$ 3,956,307</u>

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Expenditures – Student Athletic Support Services  
For the year ended June 30, 1998*

	<b>Athletic Training Room</b>	<b>Academic Support Services</b>
<b>Expenditures:</b>		
Personnel	\$ 270,181	\$ 509,709
Grants	15,545	1,871
Team travel	-	-
General travel	6,851	9,745
Recruiting	-	-
Game services	5,444	-
Other services	163,828	793
Supplies and uniforms	132,127	277
General administration	158,336	31,792
Guarantees	-	-
<b>Total expenditures</b>	<b>\$ 752,312</b>	<b>\$ 554,187</b>

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Expenditures – Student Athletic Support Services  
For the year ended June 30, 1998*

<b>Strength Conditioning Program</b>	<b>Cheerleading</b>	<b>Wellness Program Testing</b>	<b>Totals</b>
\$ 194,812	\$ 34,898	\$ 41,203	\$ 1,050,803
-	27,750	-	45,166
-	26,748	-	26,748
6,926	-	974	24,496
-	-	-	
-	13,726	139	19,309
8,725	1,334	10,851	185,531
9,399	10,523	12,038	164,364
31,801	1,548	14,317	237,794
-	-	-	
<u>\$ 251,663</u>	<u>\$ 116,527</u>	<u>\$ 79,522</u>	<u>\$ 1,754,211</u>

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Expenditures – Administrative Support Services  
For the year ended June 30, 1998*

<b>Expenditures:</b>	<u>Sports Information</u>	<u>Business Office</u>	<u>Ticket Office</u>	<u>Game Management</u>	<u>NCAA Compliance</u>
Personnel	\$ 218,261	\$ 232,763	\$ 232,554	\$ 182,597	\$ 63,120
Grants	-	-	-	-	-
Team travel	-	-	-	-	-
General travel	13,305	1,882	4,794	-	3,792
Recruiting	-	-	-	-	-
Game services	6,261	-	-	424,475	-
Other services	476	176	749	11,554	-
Supplies and uniforms	35,103	-	20,223	3,804	-
General administration	148,364	42,190	122,454	214,550	7,646
Guarantees	-	-	-	-	-
<b>Total expenditures</b>	<u>\$ 421,770</u>	<u>\$ 277,011</u>	<u>\$ 380,774</u>	<u>\$ 836,980</u>	<u>\$ 74,558</u>

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Expenditures – Administrative Support Services  
For the year ended June 30, 1998*

<b>Olympic Sports Adminstration</b>	<b>Concession</b>	<b>Video Support</b>	<b>Marketing Promotions Advertising</b>	<b>Premium Seating</b>	<b>Total</b>
\$ 196,731	\$ -	\$ 92,508	\$ 40,462	\$ -	\$ 1,258,996
-	-	3,228	-	-	3,228
-	-	-	-	-	-
10,477	-	7,589	1,872	-	43,711
-	-	-	-	-	-
1,114	1,466	-	395	237,683	671,394
387	6,907	4,661	716	1,754	27,380
4,494	680	13,009	-	966	78,279
26,051	37,709	20,282	130,122	107,489	856,857
-	-	-	-	-	-
<u>\$ 239,254</u>	<u>\$ 46,762</u>	<u>\$ 141,277</u>	<u>\$ 173,567</u>	<u>\$ 347,892</u>	<u>\$ 2,939,845</u>

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Endowment Fund Assets (1)  
For the year ended June 30, 1998*

<b>Endowments:</b>	<b>Cash and Cash Equivalents</b>	<b>Fund held in Trust by Others</b>	<b>Real Estate</b>	<b>Total</b>
Robert Bond	\$ 25,000	\$ -	\$ -	\$ 25,000
Chester Wingate	25,000	-	-	25,000
Elliot Close	26,172	-	-	26,172
B.T. Bootle	19,983	-	-	19,983
Joseph Rosen	7,285	-	39,417	46,702
Harvey Rosen	25,785	-	20,916	46,701
Peter & Peggy Oliver	3,000	-	28,500	31,500
Donald Russell, Jr.	30,000	-	-	30,000
W.G. Moorer	25,000	-	-	25,000
Rebecca Rosen Nurick	7,285	-	39,417	46,702
Ernest A. Brooks	79,870	696,094	-	775,964
Kathryn C. Inabinet	25,000	-	-	25,000
Jerry E. Spann	12,187	-	-	12,187
Roy E. Hudgens	25,000	-	-	25,000
Hubert R. Kelly	25,000	-	-	25,000
Stuart C. Hope	25,000	-	-	25,000
Thomas Glazebrook	25,000	-	-	25,000
B. Thomas Snyder, Jr.	40,000	-	-	40,000
Kyle Snyder	40,000	-	-	40,000
Jack W. Markusen	40,000	-	-	40,000
S.E. Carter, Jr.	40,000	-	-	40,000
David E. & Susan C. Connelly	25,050	-	-	25,050
Leonard Browder	25,000	-	-	25,000
Robert Ringer	25,000	-	-	25,000
Atlas Electric Co./G.H. Timmons	28,000	-	-	28,000
Marshall Martin, Jr.	25,050	-	-	25,050
Aquarian Pools/W.M. Muller	25,000	-	-	25,000
Clyde & Jean Branham	25,000	-	-	25,000
Carol Mosack	40,000	-	-	40,000
Martha E. Barbour	2,500	-	-	2,500
Cherokee County Gamecock Club	25,000	-	-	25,000
E.L. Pooser, Jr.	25,000	-	-	25,000
Terry A. Snyder	25,500	-	-	25,500
Ham & Larae Godwin-Beale	20,000	-	-	20,000
J. Graham Shaw	25,969	-	-	25,969
D. Larry Salley	15,000	-	-	15,000
Lisa & Mark Campbell	25,000	-	-	25,000
W.E. Stillwell, Jr.	40,000	-	-	40,000
Raett & Amy Stillwell	25,002	-	-	25,002
Darryl R. Davids	43,000	-	-	43,000

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Endowment Fund Assets (1), Continued  
For the year ended June 30, 1998*

	<u>Cash and Cash Equivalents</u>	<u>Fund held in Trust by Others</u>	<u>Real Estate</u>	<u>Total</u>
<b>Endowments, Continued:</b>				
R. Thomas Moore	25,000	-	-	25,000
Canteen of Dixie	25,000	-	-	25,000
Philip J. Babb	10,000	-	-	10,000
Charles F. Crews	40,000	-	-	40,000
Dr. & Mrs. David R. Beckham, Jr.	25,000	-	-	25,000
Samuel H. Vickers	25,000	-	-	25,000
F.R. Bush	25,000	-	-	25,000
James T. Martin	25,000	-	-	25,000
A. Brian McIntyre	25,000	-	-	25,000
M. Graham Proffitt, III	25,000	-	-	25,000
David W. Moon	25,000	-	-	25,000
Sam L. Thomas	25,000	-	-	25,000
Mary R. Ellis	40,000	-	-	40,000
Mary Felder Clay	25,000	-	-	25,000
Mr. & Mrs. William Morris	25,000	-	-	25,000
Edward O. Caughman	25,000	-	-	25,000
Dr. & Mrs. James Stands	40,000	-	-	40,000
James & Sherrie Hall	25,000	-	-	25,000
James E. Brown	40,000	-	-	40,000
Thomas L. Taylor, Jr.	25,000	-	-	25,000
T.R. McConnell	40,000	-	-	40,000
Mr. & Mrs. Bill Dukes	25,000	-	-	25,000
Mortimer Smith	27,449	-	-	27,449
Ervin Hickman	25,000	-	-	25,000
David Curry	25,000	-	-	25,000
Mitchell Bailey	25,000	-	-	25,000
Harvey Capell	24,000	-	-	24,000
William Hutchinson	1,350	-	-	1,350
Bruce Volk	2,000	-	-	2,000
William Moore	40,000	-	-	40,000
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total endowments</b>	1,841,437	696,094	128,250	2,665,781

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Endowment Fund Assets (1), Continued  
For the year ended June 30, 1998*

	<u>Cash and Cash Equivalents</u>	<u>Fund held in Trust by Others</u>	<u>Real Estate</u>	<u>Total</u>
<b>Quasi-endowments:</b>				
General	44,221	-	-	44,221
Peggy Shaw	-	-	6,500	6,500
P.F. Laborde, Jr.	11,919	-	-	11,919
Rex Enright	2,765	-	-	2,765
Mike Johnson	12,272	-	-	12,272
Pat McGuire	4,832	-	-	4,832
J.D. Parler	4,953	-	-	4,953
Doc Ellisor	614	-	-	614
Rut L. Osborne	34	-	-	34
Frank McGuire	8,655	-	-	8,655
Gamecock Club	36,498	-	-	36,498
Pizza Hut	16,000	-	-	16,000
D.L. Kingsbury	5,500	-	-	5,500
F.J. Collins, Jr.	25,000	-	-	25,000
Joe Morrison	17,154	-	-	17,154
Gamecock Club Insurance	2,406	1,624,342	-	1,626,748
	<u>192,823</u>	<u>1,624,342</u>	<u>6,500</u>	<u>1,823,665</u>
<b>Total quasi-endowments</b>				
	<u>\$ 2,034,260</u>	<u>\$ 2,320,436</u>	<u>\$ 134,750</u>	<u>\$ 4,489,446</u>
<b>Totals</b>				

(1) These funds for Department-related endowment balances are recorded in the University's endowment and similar funds.

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Changes in Endowment Fund Balances (1)  
For the year ended June 30, 1998*

<b>Endowments:</b>	<b>Fund Balance July 1, 1997</b>	<b>Contributions</b>	<b>Other Income</b>	<b>Fund Balance June 30, 1998</b>
Robert Bond	\$ 25,000	\$ -	\$ -	\$ 25,000
Chester Wingate	25,000	-	-	25,000
Elliot Close	26,172	-	-	26,172
B.T. Bootle	19,983	-	-	19,983
Joseph Rosen	46,702	-	-	46,702
Harvey Rosen	46,702	-	-	46,702
Peter & Peggy Oliver	31,500	-	-	31,500
Donald Russell, Jr.	30,000	-	-	30,000
W.G. Moorer	25,000	-	-	25,000
Rebecca Rosen Nurick	46,702	-	-	46,702
Ernest A. Brooks	659,157	-	116,806	775,963
Kathryn C. Inabinet	25,000	-	-	25,000
Jerry E. Spann	12,187	-	-	12,187
Roy E. Hudgens	25,000	-	-	25,000
Hubert R. Kelly	25,000	-	-	25,000
Stuart C. Hope	24,250	750	-	25,000
Thomas Glazebrook	25,000	-	-	25,000
B. Thomas Snyder, Jr.	40,000	-	-	40,000
Kyle Snyder	40,000	-	-	40,000
Jack W. Markusen	40,000	-	-	40,000
S.E. Carter, Jr.	40,000	-	-	40,000
David E. & Susan C. Connelly	25,050	-	-	25,050
Leonard Browder	25,000	-	-	25,000
Robert Ringer	25,000	-	-	25,000
Atlas Electric Co./G.H. Timmons	28,000	-	-	28,000
Marshall Martin, Jr.	25,050	-	-	25,050
Aquarian Pools/W.M. Muller	25,000	-	-	25,000
Clyde & Jean Branham	25,000	-	-	25,000
Carl Mosack	40,000	-	-	40,000
Martha E. Barbour	2,500	-	-	2,500
Cherokee County Gamecock Club	23,000	2,000	-	25,000
E.L. Pooser, Jr.	25,000	-	-	25,000
Terry A. Snyder	25,500	-	-	25,500
Ham & Larae Godwin-Beale	14,000	6,000	-	20,000
J. Graham Shaw	25,969	-	-	25,969
D. Larry Salley	15,000	-	-	15,000
Lisa & Mark Campbell	25,000	-	-	25,000
W.E. Stillwell, Jr.	40,000	-	-	40,000
Raett & Amy Stillwell	25,002	-	-	25,002
Darryl R. Davids	43,000	-	-	43,000
R. Thomas Moore	25,000	-	-	25,000

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Changes in Endowment Fund Balances (1), Continued  
For the year ended June 30, 1998*

<b>Endowments, Continued:</b>	<b>Fund Balance July 1, 1997</b>	<b>Contributions</b>	<b>Other Income (2)</b>	<b>Fund Balance June 30, 1998</b>
Canteen of Dixie	25,000	-	-	25,000
Philip J. Babb	10,000	-	-	10,000
Charles F. Crews	40,000	-	-	40,000
Dr. & Mrs. David R. Beckham, Jr.	25,000	-	-	25,000
Samuel H. Vickers	25,000	-	-	25,000
F.R. Bush	25,000	-	-	25,000
James T. Martin	25,000	-	-	25,000
A. Brian McIntyre	25,000	-	-	25,000
M. Graham Proffitt, III	25,000	-	-	25,000
David W. Moon	25,000	-	-	25,000
Sam L. Thomas	25,000	-	-	25,000
Mary R. Ellis	40,000	-	-	40,000
Mary Felder Clay	25,000	-	-	25,000
Mr. & Mrs. William Morris	15,000	10,000	-	25,000
Edward O. Caughman	25,000	-	-	25,000
Dr. & Mrs. James Stands	40,000	-	-	40,000
James & Sherrie Hall	25,000	-	-	25,000
James E. Brown	40,000	-	-	40,000
Thomas L. Taylor, Jr.	25,000	-	-	25,000
T.R. McConnell	40,000	-	-	40,000
Mr. & Mrs. Bill Dukes	25,000	-	-	25,000
Mortimer Smith	27,449	-	-	27,449
Ervin Hickman	25,000	-	-	25,000
David Curry	25,000	-	-	25,000
Mitchell Bailey	25,000	-	-	25,000
Harvey Capell	24,000	-	-	24,000
William Hutchinson	1,350	-	-	1,350
Bruce Volk	2,000	-	-	2,000
William Moore	40,000	-	-	40,000
<b>Total endowments</b>	<u>2,530,225</u>	<u>18,750</u>	<u>116,806</u>	<u>2,665,781</u>

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Changes in Endowment Fund Balances (1), Continued  
For the year ended June 30, 1998*

	<b>Fund Balance July 1, 1997</b>	<b>Contributions</b>	<b>Other Income (2)</b>	<b>Fund Balance June 30, 1998</b>
<b>Quasi-endowments:</b>				
General	44,221	-	-	44,221
Peggy Shaw	6,500	-	-	6,500
P.F. Laborde, Jr.	11,919	-	-	11,919
Rex Enright	2,765	-	-	2,765
Mike Johnson	12,272	-	-	12,272
Pat McGuire	4,832	-	-	4,832
J.D. Parler	4,953	-	-	4,953
Doc Ellisor	614	-	-	614
Rut L. Osborne	34	-	-	34
Frank McGuire	8,655	-	-	8,655
Gamecock Club	31,633	4,865	-	36,498
Pizza Hut	16,000	-	-	16,000
D.L. Kingsbury	5,500	-	-	5,500
F.J. Collins, Jr.	25,000	-	-	25,000
Joe Morrison	17,154	-	-	17,154
Gamecock Club Insurance	1,593,603	-	33,145	1,626,748
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total quasi-endowments</b>	1,785,655	4,865	33,145	1,823,665
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Totals</b>	\$ 4,315,880	\$ 23,615	\$ 149,951	\$ 4,489,446
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(1) These funds for Department-related endowment fund balances are recorded in the University's endowment and similar funds.

(2) Includes gain on sale of assets and increase in cash surrender value of life insurance.

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Gamecock Club and Athletics Department  
Revenues and Expenditures and Transfers  
For the year ended June 30, 1998*

	<u>Gamecock Club</u>	<u>Athletics Department</u>	<u>Total</u>
<b>Revenues:</b>			
Admission and guarantees	\$ -	\$ 8,569,199	\$ 8,569,199
Student athletic fees	-	460,703	460,703
Gamecock Club contributions	6,802,095	182,656	6,984,751
Investment income	229,558	288,859	518,417
Endowment income	76,437	7,577	84,014
Post season events	-	79,478	79,478
Programs, souvenirs and concessions	-	592,124	592,124
Radio and television rights	-	554,000	554,000
Mailing fees	-	68,260	68,260
Royalties	-	84,582	84,582
Corporate sponsorships	-	254,530	254,530
Southeastern Conference	-	5,328,949	5,328,949
Premium seating	-	1,892,450	1,892,450
Gifts in kind	241,616	-	241,616
Other gifts	-	348,281	348,281
Other revenue	68,790	531,458	600,248
	<u>7,418,496</u>	<u>19,243,106</u>	<u>26,661,602 (A)</u>
<b>Expenditures:</b>			
Personnel	811,997	7,087,772	7,899,769
Grants	3,777,244	-	3,777,244
Team travel	6,851	1,590,469	1,597,320
General travel	72,584	252,453	325,037
Recruiting	705,464	-	705,464
Game services	46,000	1,054,935	1,100,935
Other services	285,761	292,371	578,132
Supplies and uniforms	275,385	539,426	814,811
General administration	1,306,457	4,654,855	5,961,312
Guarantees	-	1,368,100	1,368,100
	<u>7,287,743</u>	<u>16,840,381</u>	<u>24,128,124 (B)</u>

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Gamecock Club and Athletics Department  
Revenues and Expenditures and Transfers, Continued  
For the year ended June 30, 1998*

	<b>Gamecock Club</b>	<b>Athletics Department</b>	<b>Total</b>
<b>Transfers:</b>			
Transfers to the University	-	2,067,579	2,067,579
<b>Total transfers</b>	-	2,067,579	2,067,579
<b>Total expenditures         and transfers</b>	7,287,743	18,907,960	26,195,703
<b>Excess of revenues over         expenditures and transfers</b>	\$ 130,753	\$ 335,146	\$ 465,899

(A) Excludes Block C Association revenues of \$24,126

(B) Excludes Block C Association expenditures of \$24,126

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Gamecock Club Expenditures – Budget to Actual  
For the year ended June 30, 1998*

	<b>Budget</b>	<b>Actual</b>	<b>Variance - Favorable (Unfavorable)</b>
<b>Grant-in-aid:</b>			
Tuition and fees	\$ 2,110,600	\$ 1,987,685	\$ 122,915
Lodging	618,100	702,311	(84,211)
Meals	685,600	575,397	110,203
Books	120,000	181,516	(61,516)
Summer school	242,500	251,749	(9,249)
Vacation meals and lodging	87,500	78,586	8,914
<b>Total Grant-in-aid</b>	<b>3,864,300</b>	<b>3,777,244</b>	<b>87,056</b>
<b>Recruiting:</b>			
Coaches' recruiting	345,600	436,564	(90,964)
Prospects travel and maintenance	201,100	231,745	(30,645)
Brochures and printing	32,700	37,155	(4,455)
Club operations	1,538,589	1,583,203	(44,614)
Academic support services	511,431	552,312	(40,881)
Student wellness program	62,580	79,522	(16,942)
Junior Gamecock Club	14,800	18,910	(4,110)
Airplane operations	65,000	87,827	(22,827)
Sports medicine	420,000	466,586	(46,586)
Other	-	16,675	(16,675)
<b>Total recruiting</b>	<b>3,191,800</b>	<b>3,510,499</b>	<b>(318,699)</b>
<b>Total Grant-in-aid and recruiting</b>	<b>\$ 7,056,100</b>	<b>\$ 7,287,743</b>	<b>\$ (231,643)</b>

**OTHER INFORMATION**  
**(Unaudited)**

Typical Department of Athletic's Format as distributed during the fiscal year to the Board of Trustees

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Revenues – Undesignated/Departmentally Designated Funds  
For the year ended June 30, 1998*

	<u>Undesignated</u>	<u>Departmentally Designated</u>	<u>Totals</u>
<b>Revenues:</b>			
<b>Admissions:</b>			
Football	\$ 6,005,029	\$ -	6,005,029
Basketball	1,338,518	-	1,338,518
Olympic sports	80,077	-	80,077
<b>Totals</b>	<u>7,423,624</u>	<u>-</u>	<u>7,423,624</u>
<b>Guarantees:</b>			
Football	1,000,000	-	1,000,000
Basketball	131,136	-	131,136
Olympic sports	14,439	-	14,439
<b>Totals</b>	<u>1,145,575</u>	<u>-</u>	<u>1,145,575</u>
Student athletic fees	460703	-	460,703
<b>Gamecock Club:</b>			
Regular members contributions	6,790,234	-	6,790,234
Junior members contributions	20,480	-	20,480
Buffet revenue	35,530	-	35,530
Credit card revenue	125,460	-	125,460
Gifts in kind	241,466	-	241,466
Key road parking	13,047	-	13,047
<b>Total Gamecock Club</b>	<u>7,226,217</u>	<u>-</u>	<u>7,226,217</u>
Endowment income	54,709	29,305	84,014
Investment income	518,417	-	518,417

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Revenues – Undesignated/Departmentally Designated Funds, Continued  
For the year ended June 30, 1998*

	<u>Undesignated</u>	<u>Departmentally Designated</u>	<u>Totals</u>
<b>Premium seating:</b>			
Club seats	502,650	-	502,650
Suite seats	616,000	-	616,000
Zone seats	773,800	-	773,800
	<hr/>	<hr/>	<hr/>
<b>Total premium seating</b>	1,892,450	-	1,892,450
	<hr/>	<hr/>	<hr/>
Southeastern Conference share	5,328,949	-	5,328,949
	<hr/>	<hr/>	<hr/>
Gifts	-	348,431	348,431
	<hr/>	<hr/>	<hr/>
<b>Other:</b>			
Football radio and television rights	364,000	-	364,000
Basketball radio and television rights	190,000	-	190,000
Programs, souvenirs and concessions	592,124	-	592,124
Mailing fees	68,260	-	68,260
Royalties	84,582	-	84,582
Corporate sponsorships	254,530	-	254,530
Post season events	79,478	-	79,478
Space rentals	26,683	27,764	54,447
Miscellaneous	229,640	316,161	545,801
	<hr/>	<hr/>	<hr/>
<b>Totals</b>	1,889,297	343,925	2,233,222
	<hr/>	<hr/>	<hr/>
<b>Total revenue</b>	\$ 25,939,941	\$ 721,661	\$ 26,661,602
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

This schedule excludes Block C Association revenues.

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Expenditures and Transfers –  
Undesignated/Departmentally Designated Funds  
For the year ended June 30, 1998*

	<b>Undesignated</b>	<b>Departmentally Designated</b>	<b>Total</b>
<b>Expenditures:</b>			
Personnel	\$ 7,899,769	\$ -	\$ 7,899,769
Grants (Scholarships)	3,777,244	-	3,777,244
Team travel	1,597,320	-	1,597,320
General travel	324,137	900	325,037
Recruiting	705,464	-	705,464
Game services	1,094,672	6,263	1,100,935
Supplies and uniforms	791,463	23,348	814,811
General administration	5,115,180	846,132	5,961,312
Other services	546,021	32,111	578,132
Guarantees	1,368,100	-	1,368,100
<b>Outside sources:</b>			
Block "C" Association	24,126	-	24,126
<b>Total expenditures</b>	<b>23,243,496</b>	<b>908,754</b>	<b>24,152,250</b>
<b>Transfers:</b>			
Transfers to the University:			
University general scholarships	350,000		350,000
University band	145,000		145,000
Debt service	350,000		350,000
Other	894,827	327,752	1,222,579
<b>Total transfers</b>	<b>1,739,827</b>	<b>327,752</b>	<b>2,067,579</b>
<b>Total expenditures and transfers</b>	<b>\$ 24,983,323</b>	<b>\$ 1,236,506</b>	<b>\$ 26,219,829</b>

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Expenditures and Transfers –  
Departmentally Designated Funds  
For the year ended June 30, 1998*

	<b>Reserve &amp; Replacements</b>
<b>Expenditures:</b>	
Personnel	\$ -
Grants	-
Team travel	-
General travel	900
Recruiting	-
Game services	6,263
Other services	28,582
Supplies and uniforms	23,348
General administration	813,210
Guarantees	-
	-
<b>Total expenditures</b>	872,303
<b>Transfers</b>	(1,111,752)
<b>Total expenditures and transfers</b>	\$ (239,449)

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Expenditures and Transfers –  
Departmentally Designated Funds  
For the year ended June 30, 1998*

<u>South End Zone Stadium</u>	<u>Soccer Stadium</u>	<u>Baseball &amp; Softball Stadium</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	
-	-	-	
-	-	-	900
-	-	-	
-	-	-	
-	-	3,529	32,111
-	-	-	23,348
2,725	5,094	25,103	846,132
-	-	-	
2,725	5,094	28,632	908,754
-	-	(16,000)	(1,127,752)
<u>\$ 2,725</u>	<u>\$ 5,094</u>	<u>\$ 12,632</u>	<u>\$ (218,998)</u>

**UNIVERSITY OF SOUTH CAROLINA  
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Changes in Fund Balances –  
Undesignated/Departmentally Designated Funds  
For the year ended June 30, 1998*

	<u>Undesignated</u>	<u>Departmentally Designated</u>	<u>Total</u>
<b>Fund balances</b> , at beginning of year, as previously reported	\$ 2,580,475	\$ 630,223	\$ 3,210,698
Add prior year adjustments	<u>5,773</u>	<u>-</u>	<u>5,773</u>
<b>Fund balances</b> , as restated	2,586,248	630,223	3,216,471
Excess of revenues over (under) expenditures and transfers	<u>980,744</u>	<u>(514,845)</u>	<u>465,899</u>
<b>Fund balances</b> , at end of year	<u><u>\$ 3,566,992</u></u>	<u><u>\$ 115,378</u></u>	<u><u>\$ 3,682,370</u></u>

## **INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL**

Mr. Thomas L. Wagner, Jr., CPA  
State Auditor  
State of South Carolina  
Columbia, South Carolina

In planning and performing our audit of the financial statements of the University of South Carolina Department of Athletics – Columbia Campus for the year ended June 30, 1998, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of internal control would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we noted no material weaknesses in the Department's system of internal control.

This report is intended solely for the information and use of the audit committee, management, and others within the organization.

November 2, 1998  
Charlotte, North Carolina

## **LETTER OF COMMENT**

There were no material weaknesses noted in the Department's system of internal control and we have communicated to management that fact in an exit conference.

The management letter comment made in the audit report for June 30, 1997 was addressed by management and was corrected.