

**UNIVERSITY OF SOUTH CAROLINA – UPSTATE**

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

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

**For the Year Ended June 30, 2023**



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## INDEPENDENT ACCOUNTANTS' REPORT

Dr. Bennie L. Harris, Chancellor  
University of South Carolina – Upstate  
Spartanburg, South Carolina

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

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

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

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

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

#### **A. Procedures Related to Operating Revenue**

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

Current Year to Prior Year Revenues:

Direct Institutional Support – Increase of \$419,008 or (11.9%): The increase is due to a new budget model implemented in FY 22-23 to help with deficit reduction. University of South Carolina Administration allocated funding to help offset general State-approved pay increases, State-approved bonuses, support for specific sport initiatives, and general support.

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

**Ticket Sales**

4. For ticket sales revenue, compare tickets sold during the reporting period, complimentary tickets provided during the reporting period and unsold tickets to the related revenue reported by the Department in the Statement and the related attendance figures and recalculate totals. Select five days of ticket sales and agree the information on the ticket office report to the deposit slip and credit card settlement report. As the category was less than 4.0% of the total revenues for the Department, this procedure was not performed.

**Direct State or Other Governmental Support**

5. For direct state or other governmental support, compare support recorded by the Department during the reporting period with state appropriations, institutional authorizations and/or other corroborative supporting documentation and recalculate totals. Select 5 cash receipts to vouch to Department bank deposits. As the category was less than 4.0% of the total revenues for the Department, this procedure was not performed.

**Student Fees**

6. For student fees, we compared and agreed student fees reported by the Department in the Statement for the reporting period to student enrollments during the same reporting period and recalculated totals. We obtained documentation of the Department's methodology for allocating student fees to intercollegiate athletics programs. The athletics department is reporting that student fees should be countable as generated revenue; we recalculated the totals of their methodology for supporting that they are able to count each sport. We tied the calculation to supporting documents such as seat manifests, ticket sales reports and student fee totals. No exceptions noted.

**Direct Institutional Support**

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

### **Transfers Back to Institution**

8. For transfers back to the institution, compare transfers back to the institution with permanent transfers back to institution from the athletics department and recalculate totals. There were no transfers back to the institution recorded by the Department for the year ended June 30, 2023. As such, no procedures were performed.

### **Indirect Institutional Support (6 and 6A)**

9. For indirect institutional support, we obtained a schedule of revenue from Department management, recalculated the totals in the schedule without exception and compared all amounts to the Statement. Compared the indirect institutional support recorded by the institution during the period with expense payments, cost allocation detail and other corroborative supporting documentation and recalculated totals. We selected 5 underlying transactions within the schedule and agreed to the related invoice. No exceptions noted.

### **Guarantees**

10. For guarantee revenue, we obtained a schedule of revenue from Department management, recalculated the totals in the schedule without exception, and compared the amounts to the Statement. We selected a sample of 5 settlement reports for away games during the reporting period and agreed each selection to the Department's general ledger and/or the statement and recalculated totals. We select a sample of 5 contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period and compares and agrees each selection to the general ledger and/or the statement and recalculates totals. No exceptions noted.

### **Contributions**

11. For contribution revenue, obtain a schedule of revenue from Department management, recalculate the totals in the schedule and compare all amounts to the Statement. For contributions greater than 10% of total contribution revenue, vouch to supporting documentation and recalculate totals. As the category was less than 4.0% of the total revenues for the Department, this procedure was not performed.

### **In-Kind**

12. For in-kind revenue, compare revenue recorded by the Department during the reporting period with a schedule of in-kind donations and recalculate totals. As there were no in-kind revenues, this procedure was not performed.

### **Compensation and Benefits Provided by a Third Party (13 and 13A)**

13. For compensation and benefits provided by a third party, obtain the summary of revenues from affiliated and outside organizations (the "Summary") as of the end of the reporting period from the Department and select a sample of funds from the Summary and compare and agree each selection to supporting documentation, the Department's general ledger and/or the Summary and recalculate totals. If the third party was audited by independent auditors, obtain the related independent auditors' report. As there were no compensation and benefits provided by a third party, the procedure was not performed.

### **Media Rights**

14. For media rights, select and inspect 5 agreements to understand the Department's total media (broadcast, television, radio) rights received by the Department or through their conference offices as reported in the statement. Select 5 cash receipts to trace to supporting checks and deposits, recalculate payment from contract. Compare and agree the media right revenues to a summary statement of all media rights identified, if applicable, and the Department's general ledger and recalculate totals. Ledger totals may be different for total conference distributions if media rights are not broken out separately. As there was no media rights revenue, this procedure was not performed.

### **NCAA Distributions**

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

### **Conference Distributions and Conference Distributions of Football Bowl Generated Revenue**

16. For conference distributions and conference distributions of football bowl generated revenue, obtain a schedule of revenue from Department management and recalculate the totals in the schedule. Compare the total from the schedule of conference distributions to the general ledger and the Statement and determine such amounts to be in agreement. Select 5 conference distributions from the schedule, obtain and inspect agreements related to the distributions for relevant terms and conditions, compare the amount recorded to the amount shown in the Department's bank statement and to the settlement statement and determine such amounts to be in agreement. As the category was less than 4.0% of the total expenses for the Department, this procedure was not performed.

### **Program Sales, Concessions, Novelty Sales, and Parking**

17. For program sales, concessions, novelty sales, and parking revenue, obtain a schedule of revenue from Department management, recalculate the totals in the schedule and compare the totals with the amounts reported in the general ledger and the Statement. Select 5 events from the schedule and agree the settlement amount to the invoice and agree the payment to a copy of the check. As there were no program sales, concessions, novelty sales and parking revenue, this procedure was not performed.

### **Royalties, Licensing, Advertisements, and Sponsorships**

18. For royalties, licensing, advertisements, and sponsorship revenue, obtain a schedule of revenue from Department management, recalculate the totals in the schedule without exception, and compare the totals with the amounts reported in the general ledger and the Statement. Select 5 items from the schedule, obtain and inspect the related contract from Department management for relevant terms and compare the amount in the contract to the amount on the schedule. As the category was less than 4.0% of the total revenues for the Department, this procedure was not performed.

### **Sports Camp Revenues**

19. For sports camp revenues, obtain a schedule of revenues from Department management, recalculate the total, and compare the total per the schedule to the amount in the general ledger and the Statement. Inspect a sample of 5 sports-camp contracts between the Department and persons conducting institutional sports-camps or clinics during the reporting period to obtain documentation of the Department's methodology for recording revenues from sports-camps. Obtain a schedule of camp participants and select a sample of 5 participant cash receipts from the schedule of sports camp participants and agree each selection to the related check copy, Department bank deposit and the Department's general ledger and schedule. As there were no sports camp revenues, this procedure was not performed.

### **Athletics Restricted Endowment and Investment Income**

20. For athletics endowment and investment income, obtain a schedule of revenue from Department management and compare the total per the schedule to the amount in the Statement. Select, obtain, and inspect 5 endowments for relevant terms and conditions. Compare and agree the classification and use of endowment and investment income reported in the statement during the reporting period to the uses of income deferred within the related and selected endowment agreement and recalculate totals. As there was no endowment and investment income, this step was not performed.

### **Other**

21. For other operating revenue, obtain a schedule of revenue from Department management, recalculate the total, and compare the total per the schedule to the amount on the Statement. Select 5 transactions and compare the amount per the schedule to supporting documentation and a copy of the check. As the category was less than 4.0% of the total revenues for the Department, this procedure was not performed.

### **Football Bowl Revenues**

22. For football Bowl Revenues, obtain and inspect agreements related to the Department's revenues from post-season football bowl participation during the reporting period to gain an understanding of the relevant terms and conditions. Compare and agree the related revenues to the Department's general ledger, and/or the Statement and recalculate totals. As there were no football bowl revenues, this procedure was not performed.

### Procedures Related to Operating Expenses

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

#### Current Year to Prior Year Expenses:

Support Staff/Administrative Compensation, Benefits and Bonuses Paid by the University and Related Entities – Decrease of \$150,932 or (-13.7%): This decrease was due to Athletics outsourcing the Sports Medicine Department to Spartanburg Regional. Three staff became employees of Spartanburg Regional, resulting in payroll savings through the lower expense.

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

### Athletic Student Aid

26. For athletic student aid expense, we obtained a listing of institutional student aid recipients during the reporting period from the Department's management, recalculated the total aid received without exception, and compared the total from the listing to the athletics student aid expense in the Statement. We selected a sample of students (10% of the total student-athletes for institutions who have used NCAA's Compliance Assistant (CA) software to prepare athletic aid detail, with a maximum sample size of 40) from the listing of institutional student aid recipient during the reporting period. For each selection, we compared the amount of aid from the listing to the amount in the institution's student system to the student's detail in the NCAA's Compliance Assistant (CA) or the institution report that ties directly to the NCAA Membership Financial Reporting System and to the student's account in Banner. No exceptions noted.
  - a. We performed procedures for each student selected above with respect to their information as reported in either the NCAA's Compliance Assistant software or the NCAA Membership Financial Reporting System using the following criteria without exception:
    - i. The equivalency for each student-athlete in all sports, including headcount sports, needs to be converted to a full-time equivalency value. The full-time equivalency value is calculated using the athletic grant amount reported on the Calculation of Revenue Distribution Equivalencies Report (CRDE) from CA as the numerator and the full grant amount, which is the total cost for tuition, fees,



required course-related books, room, and board for an academic year as the denominator. If using the NCAA CA software, this equivalency value will be calculated for you on the CRDE report labeled "Revenue Distribution Equivalent Award."

- ii. Grants-in-aid is calculated by using the revenue distribution equivalencies by sport and in aggregate. (Athletic grant amount dividend by the full grant amount).
- iii. Other expenses related to attendance (also known as gap money or cost of attendance) should not be included in grants-in-aid revenue distribution equivalencies. Only tuition, fees, room, board, and course-related books are countable for grants-in-aid revenue distribution per Bylaw 20.02.10.
- iv. The full grant amount should be entered as a full year of tuition, not a semester or quarter.
- v. Student-athletes are to be counted once, regardless of multiple sport participation, and should not receive a revenue distribution equivalency greater than 1.00.
- vi. Athletics grants are valid for revenue distribution purposes only in sports in which the NCAA conducts championships competition, emerging sports for women and bowl subdivision football.
- vii. Grants-in-aid are valid for revenue distribution purposes in NCAA sports that do not meet the minimum contests and participants' requirements of Bylaw 20.10.6.3.
- viii. Institutions providing grants to student-athletes listed on the CRDE as "Exhausted Eligibility (fifth-year)" or "Medical" receive credit in the grants-in-aid component.
- ix. The athletics aid equivalency cannot exceed minimum equivalency limits. However, the total revenue distribution equivalency can exceed maximum equivalency limits due to exhausted eligibility and medical equivalencies (reference Bylaw 15.5.3.1).
- x. If a sport is discontinued and the athletic grant(s) are still being honored by the institution, the grant(s) may be included in student-athlete aid for revenue distribution purposes.
- xi. All equivalency calculations should be rounded to two decimal places.
- xii. If a selected student received a Pell Grant, ensured that the value of the grant is not included in the calculation of equivalencies or the total dollar amount of student athletic aid expense for the institution.
- xiii. If a selected student received a Pell Grant, ensured the student's grant was included in the total number and total dollar value of Pell Grants reported for Revenue Distribution purposes in the NCAA Membership Financial Reporting Database.

xiv. We recalculated totals for each sport and overall, without exception.

### **Guarantees**

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

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

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

**Other Coaching Compensation and Benefits Paid by a Third Party**

29. For support staff/administrative salaries, benefits, and bonuses paid by a third party, obtain and inspect a listing of coaches employed by third parties during the reporting period. Select a sample of 5 coaches' contracts (that must include and men's and women's basketball) from the listing. Compare and agree the financial terms and conditions of each selection to the related coaching other compensation and benefits paid by a third party and recorded by the Department in the statement during the reporting period. Obtain and inspect reporting period payroll summary registers for each selection. Compare and agree related payroll summary register to the coaching other compensation and benefits paid by a third party expenses recorded by the Department in the statement during the reporting period and recalculate totals. As there were no compensation and benefits provided by a third party, this step was not performed.

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

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

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

31. For support staff/administrative salaries, benefits, and bonuses paid by a third party, obtain a listing of support staff/administrative personnel and their related salaries and benefits from Department management. Recalculate the total salaries and benefits without exception and compare the amounts to the Statement. Select a sample of 5 personnel. Obtain and inspect reporting period summary payroll register for each selection. Compare and agree related summary payroll register to the related support staff administrative salaries, benefits and bonuses paid by the Department and related entities expense recorded by the Department in the statement during the reporting period and recalculate totals. As there were no compensation and benefits provided by a third party, this step was not performed.

**Severance Payments**

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

### **Recruiting**

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

### **Team Travel**

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

### **Equipment, Uniforms, and Supplies**

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

### **Game Expenses**

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

### **Fund Raising, Marketing and Promotion**

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

### **Sports Camp Expenses**

38. For sports camp expenses, obtain a schedule from Department management, recalculate the total per the schedule without exception, and compare the amount to the general ledger and Statement. Select a sample of 5 sports camp expenses and compare the amount on the schedule to supporting documentation. As there were no sports camp expenses this procedure was not performed.

### **Spirit Groups**

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

### **Athletic Facility Debt Service, Leases and Rental Fees**

40. For athletic facility debt service, leases and rental fees, obtain a listing of debt service schedules, lease payments and rental fees for athletics facilities for the reporting year. Compare a sample of 5 facility payments including the top two highest facility payments to additional supporting documentation (e.g. debt financing agreements, leases, rental agreements). Compare amounts recorded to amounts listed in the general ledger detail and recalculate totals. As there were no Athletic Facility Debt Service, Leases and Rental Fees, this procedure was not performed.

### **Direct Overhead and Administrative Expenses**

41. For direct overhead and administrative expenses, obtain the general ledger detail for all expenses and agree it to the schedule and recalculate the total per the schedule without exception, and compare the amount to the Statement. Select 5 transactions on which to perform procedures, obtain the supporting invoice, and compare amounts and other information. As there were no direct overhead and administrative expenses, this procedure was not performed.

### **Indirect Institutional Support**

42. Procedures were performed on indirect institutional support within the revenue section - indirect institutional support. No exceptions noted.

### **Medical Expenses and Medical Insurance**

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

### **Memberships and Dues**

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

### **Other Operating Expenses**

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

### **Student-Athlete Meals (Non-Travel)**

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

### **Football Bowl Expenses**

47. For football bowl expenses, obtain the general ledger and compare to the total expenses reported. Select a sample of 5 transactions. As there were no Football Bowl Expenses, this procedure was not performed.

## **B. Additional Minimum Agreed Upon Procedures**

48. For Grants-in-Aid:
  - a. We compared and agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the Calculation of Revenue Distribution Equivalencies Report (CRDE) from CA or equivalent supporting equivalency calculations from the institution. The NCAA Membership Financial Reporting System populates the sports from the NCAA Membership Database as they are reported by the institution. If there is a discrepancy in the sports sponsored between the NCAA Membership Financial Reporting System and the CRDE or other report that supports the equivalency calculations, inquire about the discrepancy, and report the justification in the AUP report. There were no discrepancies or exceptions noted.
  - b. We compared current year Grants-in-Aid revenue distribution equivalencies to prior year reported equivalencies per the Membership Financial Report submission. We noted a 8% variance, greater than the +/- 4%, due to awarding this year coinciding with a more than usual variation in Baseball, Softball, Men's Soccer and Women's Soccer both from an aspect of using their available scholarship athletic budget dollars to the fullest and utilization of other institutional countable scholarship awards.

49. For Sports Sponsorship:

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

50. For Pell Grants:

- a. We agreed the total number of Division I student-athletes who, during the academic year, received a Pell Grant award (e.g., Pell Grant recipients on Full Athletics Aid, Pell Grant recipients on Partial Athletics Aid and Pell Grant recipients with no Athletic Aid) and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report, generated out of the institution's financial aid records, of all student-athlete Pell Grants. We observed that individual student-aid files procedures mentioned above for students who received Pell Grants agreed back to the report of all student athlete Pell Grants. No variances noted. No exceptions noted.
- b. We compared current year Pell Grants total to prior year reported total per the Membership Financial Report submission and inquired and documented an explanation for any variance greater than +/- 20 grants. The decrease of 26 Pell Grants was more than 20 grants due to Pell is based on the family-based need for each student therefore a decrease in the number of Pell receiving kids would mean any number of things such as: The number of Pell eligible kids this year in question shrunk, or less kids/families completed the FASFA for consideration, or the type of kid recruited during this year was not in as great of need as in year's past.

## **Minimum Agreed Upon Procedures Program for Other Reporting Items**

### **Excess Transfers to Institution**

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

### **Conference Realignment Expense**

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

### **Total Athletics Related Debt**

53. For total athletics related debt, obtain repayment schedules for all outstanding intercollegiate athletics debt during the reporting period. Recalculate annual maturities (consisting of principal and interest) provided in the schedules obtained. Agree the total annual maturities and total outstanding athletic related to supporting documentation and the Department's general ledger, as applicable. As there is no athletics related debt, this procedure was not performed.

### **Total Institutional Debt**

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

### **Value of Athletics Dedicated Endowment**

55. For the value of athletics dedicated endowments, obtain a schedule of all athletics dedicated endowments maintained by athletics, the institution, and affiliated organizations. Agree the fair market value in the schedule(s) to supporting documentation, the general ledger(s) and audited financial statements, if available. As there were no athletics dedicated endowments reported, this procedure was not performed.

### **Value of Institutional Endowments**

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




### **Total Athletics Related Capital Expenditures**

57. For total athletics related capital expenditures, obtain a schedule of athletics related capital expenditures made by athletics, the institution, and affiliated organizations during the reporting period. Obtain general ledger detail and compare to the total expenses reported. Select a sample of 5 transactions to validate existence of transaction and accuracy of recording and recalculate totals. As there were no expenditures reported, this procedure was not performed.

We were engaged by the Chancellor and management of the University of South Carolina – Upstate to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Statement of Revenues and Expenses of the Department of Athletics of the University of South Carolina- Upstate for the year ended June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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



**CliftonLarsonAllen LLP**

Charlotte, North Carolina  
October 31, 2023

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

	Football	Men's Basketball	Women's Basketball	Other Sports	Non-Sports Specific	Total
<b>REVENUES:</b>						
Ticket Sales	\$ -	\$ 7,583	\$ 2,247	\$ -	\$ -	\$ 9,830
Direct State or Other Government Support	-	-	-	12,000	-	12,000
Student Fees	-	631,808	734,436	2,024,548	-	3,390,792
Direct Institutional Support	-	189,450	157,647	1,857,764	1,733,901	3,938,762
Less - Transfers to Institution	-	-	-	-	-	-
Indirect Institutional Support	-	-	-	-	511,215	511,215
Indirect Institutional Support - Athletic Facilities Debt Service, Lease and Rental Fees	-	-	-	-	-	-
Guarantees	-	410,000	95,000	18,325	-	523,325
Contributions	-	62,333	12,440	198,171	27,500	300,444
In-Kind	-	-	-	-	-	-
Compensation and Benefits provided by a Third Party	-	-	-	-	-	-
Media Rights	-	-	-	-	-	-
NCAA Distribution	-	-	-	120,476	-	120,476
Conference Distributions (Non Media and Non Bowl)	-	-	-	153,506	-	153,506
Conference Distributions of Bowl Generated Revenue Program, Novelty, Parking and Concession Sales	-	-	-	-	-	-
Royalties, Licensing, Advertising and Sponsorship	-	-	-	-	169,091	169,091
Sports Camp Revenues	-	-	-	-	-	-
Athletics Restricted Endowment and Investment Income	-	-	-	-	-	-
Other Operating Revenue	-	-	-	-	60,093	60,093
Bowl Revenue	-	-	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>1,301,174</b>	<b>1,001,770</b>	<b>4,384,790</b>	<b>2,501,800</b>	<b>9,189,534</b>
<b>EXPENSES:</b>						
Athletic Student Aid	-	397,791	442,766	2,798,948	(28,122)	3,611,383
Guarantees	-	9,751	3,250	7,507	-	20,508
Coaching Salaries, Benefits and Bonuses Paid by the University and Related Entities	-	579,324	359,809	1,189,728	-	2,128,861
Other Coaching Compensation and Benefits Paid by a Third-Party	-	-	-	-	-	-
Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University and Related Entities	-	-	-	-	948,594	948,594
Support Staff/Administrative Salaries, Benefits and Bonuses Paid by Third Party	-	-	-	-	-	-
Severance Payments	-	-	-	-	-	-
Recruiting	-	36,537	20,460	38,172	(470)	94,699
Team Travel	-	155,719	73,646	479,982	7,034	716,381
Sports Equipment, Uniforms and Supplies	-	25,636	39,136	188,622	28,124	281,518
Game Expenses	-	51,625	35,720	149,774	6,179	243,298
Fund Raising, Marketing and Promotions	-	-	-	-	60,659	60,659
Sports Camp Expenses	-	-	-	-	-	-
Spirit Groups	-	-	-	-	21,610	21,610
Athletic Facilities, Debt Services, Leases and Rental Fees	-	-	-	-	-	-
Direct Overhead and Administrative Expenses	-	-	-	-	-	-
Indirect Institutional Support	-	-	-	-	511,215	511,215
Medical Expenses and Medical Insurance	-	-	100	558	156,949	157,607
Memberships and Dues	-	1,040	750	3,548	32,168	37,506
Student Athlete Meals (Non-Travel)	-	10,605	6,429	32,463	21,255	70,752
Other Operating Expenses	-	33,146	19,704	(27,935)	482,777	507,692
Bowl Expenses	-	-	-	-	-	-
Bowl Expenses - Coaching Compensation/Bonuses	-	-	-	-	-	-
<b>Total Expenses</b>	<b>-</b>	<b>1,301,174</b>	<b>1,001,770</b>	<b>4,861,367</b>	<b>2,247,972</b>	<b>9,412,283</b>
Excess (Deficiency) of Operating Revenues over Expenses	\$ -	\$ -	\$ -	\$ (476,577)	\$ 253,828	\$ (222,749)

See accompanying Notes to Statements of Revenue and Expenses.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The University of South Carolina – Upstate, Department of Athletics (the Department) is an auxiliary enterprise of the University of South Carolina – Upstate (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 enterprise subgroup.

**Basis of Presentation** – The accompanying Statement of Revenues and Expenses (the Statement) presents the recorded amounts of revenues and expenses of Department. It is not intended to be a complete presentation of the revenues and expenses of the University. The Statement has been prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses when supplies or services are received.

Indirect costs, including general administrative costs, maintenance, and other related costs, are not allocated because the Department pays explicitly for Department services.

**Contributions** – All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts that are restricted by the donor are reported as deferred revenue until such time as the restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished).

**Student Athletic Fees** – For the year ended June 30, 2023, the University provided revenue (funding) of approximately \$3,390,792 to the Department for student athletic fees. This revenue is calculated by the undergraduate student head count and a guaranteed associated relief payment.

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

**2. NCAA LEGISLATION**

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

In January 1987, the NCAA constitution was amended to exempt from the audit requirement those with operating budgets for intercollegiate athletics of less than \$300,000.

In January 1988, effective January 14, 1988, the constitution was again amended. This amendment removed the audit requirement from the NCAA constitution and incorporated its provision into three separate bylaws, which contain revisions specific to each membership division. In August 2004, the NCAA replaced the financial audit guidelines with a set of agreed-upon procedures.

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

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**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.

**3. CAPITAL ASSETS**

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

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

The Department did not capitalize any expenditures related to Department facilities and equipment during the year ended June 30, 2023.

**4. OTHER REPORTING ITEMS**

<b>Category</b>	<b>Amount</b>
Excess Transfers to Institution	\$ -
Conference Realignment Expenses	\$ -
Total Athletics-Related Debt (principal balance)	\$ -
Total Institutional Debt (principal balance)	\$ 35,536,468
Value of Athletics Dedicated Endowments	\$ -
Value of Institutional Endowments	\$ 12,621,427