

**College of Charleston  
Intercollegiate Athletics Program**

*NCAA Report*

*Independent Accountant's Report on  
Applying Agreed-Upon Procedures*

*For the year ended June 30, 2015*



**Independent Accountant’s Report on  
Applying Agreed-Upon Procedures**

Members of the Board of Trustees  
College of Charleston  
Charleston, South Carolina

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and management of the College of Charleston (the “College”), solely to assist management in determining if the College was in compliance with National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.16 for the year ended June 30, 2015. The College is responsible for its Statement of Revenues and Expenses of the College’s Intercollegiate Athletics Program for the year ended June 30, 2015 and for compliance with Bylaw 3.2.4.16. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the College. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and the associated findings are as follows:

1. We obtained the Statement of Revenues and Expenses (the “Statement”) of the College of Charleston Intercollegiate Athletics Program for the year ended June 30, 2015, as prepared by management. For all revenue reporting categories greater than 0.5% of total revenues and expense reporting categories greater than 0.5% of total expenses, we recalculated the mathematical accuracy of the amounts on the Statement, and compared those amounts to management's supporting worksheets. We then compared the amounts per management's worksheets to the related series of accounts in the College's general ledger. We inquired of management to obtain supporting explanations for adjustments.

No additional procedures were performed with respect to management's representations of the Statement and related worksheets in management’s preparation of the Statement. We found no exceptions as a result of this procedure.

2. For the year ended June 30, 2015, twenty-five cash receipts were randomly selected from the College's general ledger related to the Intercollegiate Athletic Program. Each cash receipt was compared to supporting documentation.

<b>Sample</b>	<b>Document #</b>	<b>Receipt #</b>	<b>Cash/Check Date</b>	<b>Credit Card Amount</b>	<b>Check Amount</b>
1	F0016625	481688	08/05/2014	\$ 200,087.00	\$ -
2	F0017005	498227	09/04/2014	-	7,050.00
3	F0017087	501665	09/16/2014	166.40	-
4	F0017276	505848	10/08/2014	450.00	-
5	F0017286	506038	10/09/2014	-	900.00

Sample	Document #	Receipt #	Cash/Check Date	Credit Card Amount	Check Amount
6	F0017286	506038	10/09/2014	-	714.89
7	F0017476	510393	10/28/2014	16,214.00	-
8	F0017663	513824	11/15/2014	51,800.00	-
9	F0017803	517540	11/25/2014	-	710.00
10	F0017803	517540	11/25/2014	-	340.00
11	F0017803	517540	11/25/2014	-	26,599.00
12	F0017931	522434	12/13/2014	3,190.00	-
13	F0018005	526605	12/20/2014	2,971.72	-
14	F0018151	528277	01/06/2015	-	8,374.88
15	F0018151	528277	01/16/2015	-	216.00
16	F0018355	539162	01/21/2015	60,000.00	-
17	F0018379	540220	01/23/2015	100,000.00	-
18	F0018388	540509	01/24/2015	4,575.00	-
19	F0018542	545478	02/07/2015	40,284.00	-
20	F0018756	551786	02/26/2015	-	400.00
21	F0019042	557903	03/19/2015	74,575.00	-
22	F0019096	559543	03/24/2015	2,049.99	-
23	F0019518	569843	04/24/2015	28,214.87	-
24	F0019728	578284	05/19/2015	2,890.45	-
25	F0019773	579690	05/27/2015	3,840.00	-

We found no exceptions as a result of these procedures.

3. We compared each major revenue and expense account over 10% of the total revenues (expenses) in the Statement for the year ended June 30, 2015 to the prior year amounts (FY 2014). We inquired of management to obtain the following explanations for variances of the lesser of \$1,000,000 or 10%.

Revenue:

Donations and Memberships (Men’s Basketball) – Revenue decreased by \$66,669, or 61.6%, compared to fiscal year 2014. The decrease is primarily due to the Cougar Club paying for renovations to the locker rooms in fiscal year 2014 which did not repeat in fiscal year 2015.

Donations and Memberships (Men’s Other Sports) – Revenue increased \$97,682, or 41%, compared to fiscal year 2014. The Cougar Club contributed more on behalf of men’s sports in fiscal year 2015.

Donations and Memberships (Women’s Other Sports) – Revenue increased \$122,797, or 71%, compared to fiscal year 2014. The Cougar Club contributed more on behalf of women’s sports in fiscal year 2015.

Donations and Memberships (Coed) – Revenue decreased \$42,001, or 39.3%, compared to fiscal year 2014. The Cougar Club contributed less on behalf of Coed sports in fiscal year 2015.

Expense:

Personnel Services (Men’s Basketball) – This expense decreased \$89,694, or 12.5%, compared to fiscal year 2014. During fiscal year 2015, the school replaced the head coach for men’s basketball at a salary lower than the former coach. In addition, there was a period in which no salaries were being paid between the employment of the former coach and the new coach.

Personnel Services (Men's Other Sports) – This expense increased \$123,102, or 18.6%, compared to fiscal year 2014. The increase was due to a negotiated contract for the men's head baseball coach. The coach and staff received raises during the negotiation after advancing to the NCAA Super Regionals in fiscal year 2014.

Contractual Services (Men's Basketball) – This expense increased \$142,406, or 21.7%, compared to fiscal year 2014 due to the athletics portion of the contract buyout for the men's basketball head coach when he was terminated

No additional procedures were performed with respect to management's representations.

4. We obtained a listing of ticket sales revenue and agreed the listing to the College's general ledger.

We found no exceptions as a result of these procedures.

5. For student activity revenue, we obtained an understanding of the College's methodology for allocating student fees to intercollegiate athletics programs. Then, we compared the amount of student fees allocated to intercollegiate athletic programs per the general ledger to the corresponding amount on the Statement. In addition, we compared for reasonableness the reported student activity fees to a recalculation provided by management of student enrollment figures and the related fee charged to students.

We found no exceptions as a result of these procedures.

6. We inquired of any indirect facilities and administrative support revenues recorded by the college during the reporting period with state appropriations, institutional authorizations or other corroborative supporting documentation. Management has informed us that there are no such support revenues to report for the year ended June 30, 2015.

We found no exceptions as a result of these procedures.

7. For guarantees revenue and expenses, we obtained a detail schedule of the revenue and expenses reported and compared the amounts per the detail to the corresponding amounts in the Statement. We compared the individual amounts in the detail to the amounts in the guarantee documentation (guarantee contracts and deposit information) provided.

We found no exceptions as a result of these procedures.

8. We obtained from management a list of contributions of moneys, goods or services received directly by the intercollegiate athletics program from any affiliated or outside organization, agency, or group of individuals (two or more) and selected each contribution that equaled ten percent or more of total contributions (2 sample items) for the year ended June 30, 2015. For each sample item, we compared the contribution to supporting documentation (listing provided by the Cougar Club and/or deposit slip and copy of donor's check).

We found no exceptions as a result of these procedures.

9. We compared the amounts of expenses paid on behalf of the College's Department of Athletics reported by the College of Charleston Cougar Club's (the "Cougar Club's") financial statements, for the year ended June 30, 2015 to the amount reported in Notes to the Statement.

We found no exceptions as a result of these procedures.

10. The College identified all intercollegiate athletics-related affiliated and outside organizations and obtained the College of Charleston Cougar Club's audited financial statements for the reporting period. Once the College had made these audited financial statements available to us, we agreed the amounts reported in the financial statements to the Statement and the College's general ledger.

We found no exceptions as a result of these procedures.

11. For NCAA and Colonial Athletic Association (CAA) distribution revenue, we obtained the detail of the revenue reported and compared the amount per the detail to the corresponding amount on the Statement. We also compared the individual conference distributions to the remittance advices.

We found no exceptions as a result of these procedures.

12. We obtained and compared revenues from a listing of in-kind contributions recorded to the College's Statement for the year ended June 30, 2015.

We found no exceptions as a result of these procedures.

13. We obtained the royalties revenue detail and compared the total amount per the detail to the corresponding amount in the Statement. We compared royalty payments received to details supporting each receipt.

We found no exceptions as a result of these procedures.

14. We obtained the Other Revenue detail and compared the total amount per the detail to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

15. For the year ended June 30, 2015, twenty-five cash disbursements for the Intercollegiate Athletic Program were randomly selected. For each of these twenty-five disbursements, we compared the disbursed amount and payee information to supporting documentation (e.g. invoice, check, etc.).

<b>Sample</b>	<b>Document/ Voucher #</b>	<b>Date</b>	<b>Amount</b>
1	92447	07/09/2014	\$ 4,813.00
2	92818	07/16/2014	30,000.00
3	93621	07/25/2014	68,466.08
4	93420	08/08/2014	10,258.00
5	97008	09/22/2014	5,426.22
6	97494	10/01/2014	80.00
7	97934	10/08/2014	5,739.00
8	W0000700	10/24/2014	42,874.24
9	98838	11/03/2014	2,316.00

Sample	Document/ Voucher #	Date	Amount
10	99602	11/24/2014	3,317.17
11	100063	12/08/2014	1,037.68
12	100287	12/12/2014	2,227.29
13	102896	01/26/2015	282.10
14	103198	02/02/2015	60,000.00
15	103775	02/13/2015	6,336.40
16	103769	02/13/2015	7,500.00
17	103826	02/17/2015	1,100.80
18	!0020254	02/18/2015	1,126.40
19	103983	02/20/2015	5,000.00
20	103952	02/20/2015	1,470.00
21	104602	03/09/2015	1,100.80
22	105802	04/03/2015	8,980.00
23	!0020520	04/08/2015	110.46
24	!0020572	04/15/2015	1,920.00
25	106388	04/20/2015	1,825.00

We found no exceptions as a result of these procedures.

16. We obtained a listing of institutional student aid recipients during the reporting period and recalculated totals for each sport and overall. We selected a sample of 31 students (no less than 10% of the total students) from the listing of institutional student aid recipients during the reporting period. We obtained individual student account detail for each selection and compared total aid allocated from the related aid award letter to the student's account. We inspected a squad listing report from the NCAA's Compliance Assistant (CA) software for indication that the following information was reported accurately in the NCAA's Compliance Assistant (CA) software using the following criteria:

- a. The equivalency value for each student-athlete in all sports, including head-count sports, need to be converted to a full-time equivalency value.
- b. A student-athlete can only be included in one sport.
- c. All equivalency calculations should be rounded to two decimal places.
- d. The full grant amount should always be the full cost of tuition for an academic year, not semester.
- e. If a sport is discontinued and the grant(s) are still being honored by the College, the grant(s) are included in student-athlete aid for revenue distribution purposes.
- f. Student-athletes receiving athletic aid who have exhausted their athletic eligibility or are inactive due to medical reasons should be included in the student-athlete aid total and correctly noted on the squad list.
- g. Only athletic aid awarded in sports in which the NCAA conducts championship competitions, emerging sports for women and football should be included in the calculations.

We found no exceptions as a result of these procedures.

17. We obtained a schedule of athletic department salaries, including departmental staff from management and agreed those amounts to the appropriate general ledger salary accounts. For coaching salaries and benefits expense and support staff/administrative salaries and benefits expense, we obtained a detail listing of coaching salaries and benefits and support staff/administrated salaries and benefits paid by the College of Charleston for the year ended June 30, 2015. We selected a sample of six coaches and three

support staff/administrative employees paid from the Intercollegiate Athletic Program for the year ended June 30, 2015. For each of these employees, we compared the disbursed amount to the authorized amount per pay period. To determine the authorized amount per pay period, we divided the approved annual salary as listed on either the signed employee contract or most recent salary adjustment form by the number of pay periods in the year.

We found no exceptions as a result of these procedures.

18. We requested to receive a listing of athletic employees receiving severance payments paid by the College during the year ended June 30, 2015. Management has informed us that there were no such severance payments to report for the year ended June 30, 2015.

We found no exceptions as a result of these procedures.

19. We obtained a copy of the Intercollegiate Athletic Program's recruiting and travel expense policies and compared to related policies documented in the NCAA Division I Manual.

We found no exceptions as a result of these procedures.

20. We obtained a report detailing recruiting expenses from the College for the year ended June 30, 2015 and compared the total recruiting expenses in the report provided by the College to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

21. We obtained a report detailing team travel expenses from the College for the year ended June 30, 2015 and compared the total team travel expenses in the report provided by the College to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

22. We obtained a report detailing equipment, uniforms and supplies expenses from the College for the year ended June 30, 2015 and compared the total equipment, uniforms and supplies expenses in the report provided by the College to the corresponding amount in the Statement. We selected a sample of three expenses and compared the disbursed amount and payee information to supporting documentation (e.g. invoice, check, etc.).

We found no exceptions as a result of these procedures.

23. We obtained a report detailing game expenses from the College for the year ended June 30, 2015 and compared the total game expenses in the report provided by the College to the corresponding amount in the Statement. We selected a sample of three expenses and compared the disbursed amount and payee information to supporting documentation (e.g. invoice, check).

We found no exceptions as a result of these procedures.

24. We obtained a report detailing fundraising, marketing, and promotion expenses from the College for the year ended June 30, 2015 and compared the total fundraising, marketing and promotion expenses in the report provided by the College to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

25. We obtained a report detailing spirit group expenses from the College for the year ended June 30, 2015 and compared the total spirit group expenses in the report provided by the College to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

26. We obtained a listing of debt service schedules, lease payments and rental fees for athletics facilities from the College for the year ended June 30, 2015 and compared the total in the report provided by the College to the corresponding amount in the Statement. We compared a sample of three facility payments to additional supporting documentation (e.g. debt financing agreements, leases, rental agreements), including the two highest facility debt payments.

We found no exceptions as a result of these procedures.

27. We obtained a report detailing direct facilities, maintenance, and rental expenses from the College for the year ended June 30, 2015 and compared the total direct facilities, maintenance and rental expenses in the report provided by the College to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

28. We obtained a report detailing other operating expenses from the College for the year ended June 30, 2015. We compared the total other operating expenses in the report provided by the College to the corresponding amount recorded in the Statement.

We found no exceptions as a result of these procedures.

29. We obtained the squad lists of the College and compared and agreed the listing to the sponsored sports reported in the NCAA Membership Financial Reporting System.

We found no exceptions as a result of these procedures.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the Statement of Revenues and Expenses of the College of Charleston's Intercollegiate Athletics Program for the year ended June 30, 2015. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Trustees and management of the College of Charleston and is not intended to be and should not be used by anyone other than these specified parties.



Greenville, South Carolina  
January 12, 2016



**College of Charleston**  
**Intercollegiate Athletics Program**

*Statement of Revenues and Expenses*

*For the year ended June 30, 2015 (unaudited and prepared by management)*

Categories	Men's		Women's		Coed	Non-program Specific	Total
	Basketball	Other Sports	Basketball	Other Sports			
Revenues:							
Student Activity Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,742,819	\$ 12,742,819
Commissions	-	-	-	-	-	36,864	36,864
Ticket Sales	484,314	27,819	2,983	10,267	-	21,972	547,355
Donations and Memberships	41,503	336,142	15,219	295,662	64,956	1,375,416	2,128,898
NCAA Distribution	-	25,025	-	-	-	325,142	350,167
CAA Distribution	-	-	-	-	-	141,000	141,000
Rental Income	-	8,640	-	-	-	58,937	67,577
Royalties	-	-	-	-	-	90,206	90,206
Guarantees	160,000	9,000	-	4,500	-	-	173,500
Other	1,231	26,522	42	345,912	-	88,363	462,070
Total Revenues	<u>\$ 687,048</u>	<u>\$ 433,148</u>	<u>\$ 18,244</u>	<u>\$ 656,341</u>	<u>\$ 64,956</u>	<u>\$ 14,880,719</u>	<u>\$ 16,740,456</u>
Expenses:							
Personnel Services	\$ 630,226	\$ 786,413	\$ 360,587	\$ 750,968	\$ 36,146	\$ 1,150,422	\$ 3,714,762
Fringe Benefits	184,655	237,871	105,242	237,384	16,823	256,013	1,037,988
Contractual Services	798,383	539,909	309,223	891,856	156,049	2,042,785	4,738,205
Supplies	124,289	202,387	96,049	271,299	1,816	449,286	1,145,126
Scholarships	559,859	1,194,172	635,983	2,174,989	-	32	4,565,035
Fixed Charges	103,780	104,501	48	83,571	1,930	275,003	568,833
Travel	111,357	54,866	70,735	75,399	-	53,308	365,665
Other	41,503	336,142	15,219	295,662	64,956	358,165	1,111,647
Total Expenses	<u>2,554,052</u>	<u>3,456,261</u>	<u>1,593,086</u>	<u>4,781,128</u>	<u>277,720</u>	<u>4,585,014</u>	<u>17,247,261</u>
<b>Excess (Deficiency) of</b>							
<b>Revenues over Expenses</b>	<u>\$ (1,867,004)</u>	<u>\$ (3,023,113)</u>	<u>\$ (1,574,842)</u>	<u>\$ (4,124,787)</u>	<u>\$ (212,764)</u>	<u>\$ 10,295,705</u>	<u>\$ (506,805)</u>

## College of Charleston

### Intercollegiate Athletics Program

*Notes to the Statement of Revenues and Expenses (unaudited and prepared by management)*

*For the year ended June 30, 2015*

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#### **Note 1. Summary of Significant Accounting Policies**

The Department of Athletics is an auxiliary enterprise of the College of Charleston (the "College") and as such is responsible for the Intercollegiate Athletics Program of the College of Charleston. The Department of Athletics' transactions are reported in the College's unrestricted current funds in the auxiliary enterprises subgroup. The College's NCAA Division I membership became effective September 1, 1991.

##### Basis of presentation:

The accompanying Statement presents the recorded amounts of revenues and expenses of the College of Charleston's Intercollegiate Athletics Program. It is not intended to be a complete presentation of the revenues and expenses of the College of Charleston or the College of Charleston's Intercollegiate Athletics Program. The Statement of Revenues and Expenses has been prepared using the accrual basis of accounting. However, no provision has been made for depreciation of capital assets. Revenue is recognized when earned and expenses when supplies or services are received. Indirect costs, including general administrative costs, maintenance and other related costs, are allocated to the Department of Athletics as a percentage of Athletics' salaries to total College salaries. These costs of \$554,679 were recorded as, and are a part of contractual services non-program specific in Attachment A.

##### Contributions:

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

##### Athletic student aid:

Attachment A 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.

##### Student activity fees:

For the year ended June 30, 2015, the Board of Trustees of the College of Charleston approved a student fee of \$605 per full time student per semester to support intercollegiate athletics. The fee is prorated for part-time students.

##### Fund accounting:

In order to ensure observance of limitations and restrictions placed on the use of resources available to the College's Department of Athletics, the accounts are maintained in accordance with 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 auxiliary enterprise.

## College of Charleston

### Intercollegiate Athletics Program

*Notes to the Statement of Revenues and Expenses (unaudited and prepared by management)*  
*For the year ended June 30, 2015*

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#### Note 2. NCAA Legislation

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

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

As a Division I member of the NCAA, the College of Charleston is required to have agreed-upon procedures performed on the Department's annual Statement of Revenues and Expenses. NCAA bylaws require all expenses for, or on behalf of the College's Intercollegiate Athletics Program, including those by outside organizations, be included on the Department's Statement of Revenues and Expenses.

#### Note 3. Capital Expenses

The College of Charleston expended approximately \$9,000 for capital items, related to facilities or equipment used by the Intercollegiate Athletics Program, which were funded and paid for by the College of Charleston. These capital expenses are not included as part of the Statement of Revenues and Expenses.

#### Note 4. Outside Organizations

The Cougar Club is a 501(c)(3) organization with its own charter and Board of Directors. The primary mission of the Cougar Club is to promote intercollegiate athletics at the College of Charleston.

#### Note 5. Donations and Memberships

For the year ended June 30, 2015, donations and memberships from individual donors to the Intercollegiate Athletics Program in excess of 10% of all donations and memberships to the department were as follows:

<u>Donor</u>	<u>Amount</u>
College of Charleston Cougar Club	\$ 2,128,898