

**University of South Carolina - Upstate  
Department of Athletics**

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

*For the year ended June 30, 2021*

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

The Audit and Compliance Committee  
University of South Carolina - Upstate  
Spartanburg, South Carolina

We have performed the procedures enumerated below, which were agreed to by the Audit and Compliance Committee and management of the University of South Carolina - Upstate (the University), Department of Athletics (the Department), solely to assist the Department's management in its evaluation of compliance with National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.17 for the year ended June 30, 2021. The Department's management is responsible for the accompanying Statement of Revenues and Expenses and for the Department's compliance with the NCAA's requirements. The sufficiency of the procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

### **AGREED-UPON PROCEDURE #1**

We obtained from the Department's management the Statement of Revenues and Expenses (the Statement).

#### ***Findings:***

We had no findings as a result of these procedures.

### **AGREED-UPON PROCEDURE #2**

We compared and agreed each revenue category reported in the Statement for the year ended June 30, 2021 to supporting schedules provided by the Department. If a specific reporting category was less than 4.0% of the total revenues, no procedures were required for the specific category.

#### ***Findings:***

We had no findings as a result of these procedures.

### **AGREED-UPON PROCEDURE #3**

We planned to compare each major revenue category over 10% of total revenues to the prior period amounts (fiscal year 2020) and budget estimates. We inquired of management to obtain explanations for variances greater than 10%.

**Findings:**

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. Explanations for variances greater than 10% from the prior year are as follows:

**Direct institutional support** - Decreased by approximately \$341,000, or 11%. Per management, the University provided approximately \$240,000 less in annual support to Athletics due to reduction in operating expenses and travel expenses due to COVID-19. It was also noted that pay increases and overtime claims covered by the University in FY 2020 did not re-occur in FY 2021. This amount totaled approximately \$90,000.

**AGREED-UPON PROCEDURE #4**

We planned to compare tickets sold, complimentary tickets provided, and unsold tickets for men's and women's basketball per the Department's Event Audit Reports for the year ended June 30, 2021 to the related revenue reported by the Department in the Statement and recalculate totals.

**Findings:**

Per management, ticket sales revenue was less than 4% of total revenues; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #5**

We obtained the Department's calculation of student athletic fees and performed the following procedures:

- a. Recalculated student athletic fees by multiplying total student enrollment by athletic fee per student.
- b. Compared student enrollment used in the calculation to the University's official enrollment data obtained from the Institutional Assessment and Compliance (IAC) for the Fall 2020, Spring 2021, and Summer 2021 semesters.
- c. Compared the total of the University's calculation for student athletic fees to the Statement.
- d. Obtained documentation of the University's methodology for allocating student fees to the Department and compared allocation to supporting documents such as seat manifests, ticket sales reports and student fee totals.

**Findings:**

We had no findings as a result of performing procedures "a" through "c". Per management, student athletic fees are not countable as generated revenue; therefore, procedure "d" was not performed.

**AGREED-UPON PROCEDURE #6**

We planned to obtain a schedule of the direct state or other governmental support recorded by the Department during the year ended June 30, 2021 and compare to State appropriations, institutional authorizations and/or other corroborative supporting documentation and recalculate totals.

***Findings:***

Per management, direct state or other governmental support revenue was less than 4% of total revenues; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #7**

We compared the direct institutional support recorded by the Department during the year ended June 30, 2021 with institutional supporting budget transfers documentation and/or other corroborative supporting documentation.

***Findings:***

We had no findings as a result of these procedures.

**AGREED-UPON PROCEDURE #8**

We planned to compare the transfers back to the University with permanent transfers back to the University from the Department and recalculate totals.

***Findings:***

Per management, there were no transfers back to the University for the year ended June 30, 2021; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #9**

We obtained a schedule of the Department's indirect institutional support for the year ended June 30, 2021, as prepared by the University's Facilities Department, and compared the total of the schedule to the corresponding amount on the Statement and recalculated totals.

***Findings:***

We had no findings as a result of these procedures.

**AGREED-UPON PROCEDURE #10**

We planned to select two settlement statements for away games from a schedule provided by the Department. For each of these settlement statements, we planned to compare the settlement revenue on the schedule to amounts specified in contracts provided by the Department.

***Findings:***

Per management, guarantee revenue was less than 4% of total revenues; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #11**

We planned to obtain a schedule of contributions for the year ended June 30, 2021 and identify any contributions in excess of 10% of total contributions. For contributions in excess of 10% of total contributions, we planned to compare the amounts to supporting documentation and recalculate totals.

***Findings:***

Per management, contributions revenue was less than 4% of total revenues; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #12**

We planned to obtain from the Department a schedule of in-kind gifts recorded by the Department for the year ended June 30, 2021 and recalculate totals and compare amounts in the schedule to amounts reported in the Statement.

***Findings:***

Per management, the Department received no in-kind gifts during the year ended June 30, 2021; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #13**

We planned to obtain from the Department a report detailing all compensation and benefits provided by a third party recorded by the Department for the year ended June 30, 2021 and haphazardly select three coaches from the report and, for each coach selected, compare the compensation and benefits provided by a third party on the schedule provided by the Department to amounts specified in the related contracts. We planned to foot and cross-foot the schedule of compensation and benefits provided by a third party and agree the total to the Statement.

***Findings:***

Per management, the Department had no revenues derived from third-party revenue contracts during the year ended June 30, 2021; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #14**

We planned to obtain a detail of media rights revenue for the year ended June 30, 2021 and compare amounts in the detail to amounts reported in the Statement and recalculate totals. We then planned to judgmentally select two contracts. For each contract selected, we planned to compare the amounts reflected in the contracts provided to the corresponding revenue amounts in the Statement.

***Findings:***

Per management, the Department had no media rights revenue during the year ended June 30, 2021; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #15**

We planned to obtain the revenue distribution agreements from the NCAA and compare to the corresponding revenue amounts in the Statement.

***Findings:***

Per management, NCAA revenues were less than 4% of total revenues; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #16**

We planned to obtain the revenue distribution agreements from the Big South Conference and compare to the corresponding revenue amounts in the Statement.

***Findings:***

Per management, conference revenues were less than 4% of total revenues; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #17**

We planned to obtain a schedule of program, concessions, novelty sales and parking revenue recorded by the Department for the year ended June 30, 2021 and compare the total of the schedule to the corresponding revenue amounts in the Statement and recalculate totals.

***Findings:***

Per management, the Department had no program, concessions, novelty sales and parking revenue during the year ended June 30, 2021; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #18**

We planned to obtain a detail of contracts for royalties, licensing, advertisements and sponsorships for the year ended June 30, 2021 and compare amounts in the detail to amounts reported in the Statement and recalculate totals. We then planned to judgmentally select two contracts. For each contract selected, we planned to compare the amounts reflected in the contracts to the corresponding revenue amounts in the Statement.

***Findings:***

Per management, royalties, licensing, advertisements, and sponsorships was less than 4% of total revenues; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #19**

We planned to obtain sports camp contract(s) between the Department and the person(s) conducting Department sport camps or clinics during the year ended June 30, 2021 and inquire of management the Department's methodology of recording revenues from sport camps.

***Findings:***

Per management, the Department had no sports camps revenue during the year ended June 30, 2021; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #20**

For the sports camp contract(s) identified in procedure #19, we planned to obtain a schedule of sports camp participants and haphazardly select a sample of three individual camp participant cash receipts from the schedule of sports camp participants and agree each selection to the Department's general ledger and/or the Statement and recalculate totals.

***Findings:***

Per management, the Department had no sports camps revenue during the year ended June 30, 2021; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #21**

We planned to obtain agreements related to the Department's revenues from post-season bowl participation and compare the amounts reported in the agreements to the corresponding revenue amounts in the Statement.

***Findings:***

Per management, the Department had no post-season bowl revenue during the year ended June 30, 2021; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #22**

We compared and agreed each expense category reported in the Statement for the year ended June 30, 2021 to supporting schedules provided by the Department. If a specific reporting category was less than 4.0% of the total expenses, no procedures were required for the specific category.

***Findings:***

We had no findings as a result of these procedures.

**AGREED-UPON PROCEDURE #23**

We planned to compare each major expense category over 10% of total expenses to the prior period amounts (fiscal year 2020) and budget estimates. We inquired of management to obtain explanations for variances greater than 10%.



**Findings:**

Per management, budgets are not prepared on a basis consistent with NCAA definitions for expense reporting categories. As such, we did not compare each major expense reporting category to budget estimates. Explanations for variances greater than 10% from the prior year are as follows:

***Support staff/administrative compensation, benefits, and bonuses paid by the Department and related entities*** - Decreased by approximately \$168,000, or 14%. Per management, expenses for one-time overtime claims and large vacation leave payouts in the prior year did not re-occur in 2021. Additionally, hiring lags and reductions in usage of bus drivers for team travel resulted in reduced payroll expenditures for staff.

**AGREED-UPON PROCEDURE #24**

We planned to haphazardly select two settlement reports for guarantees for visiting teams from a schedule provided by the Department. For each of these guarantees, we planned to compare the guarantee expenses on the schedule to the amounts specified in game contracts.

**Findings:**

Per management, guarantee expense was less than 4% of total expenses; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #25**

We planned to obtain a copy of the Department's team recruiting expense policies and compare it to related policies documented in the NCAA Division I Manual. In addition, we planned to obtain a general ledger detail of recruiting expenses for the year ended June 30, 2021 and compare it to the amount reported in the Statement and recalculate totals.

**Findings:**

Per management, recruiting expense was less than 4% of total expenses; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #26**

We planned to obtain a copy of the Department's team travel expense policies and compare it to related policies documented in the NCAA Division I Manual. In addition, we planned to obtain a general ledger detail of travel expenses for the year ended June 30, 2021 and compare it to the amount reported in the Statement and recalculate totals.

**Findings:**

Per management, team travel expense was less than 4% of total expenses; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #27**

We planned to obtain a schedule of debt service, lease payments, and rental fees recorded by the Department for the year ended June 30, 2021 and select the two highest facility payments and haphazardly select one additional facility payment and compare amounts reported in the schedule to supporting debt/rental agreements. In addition, we planned to compare amounts on the schedule to the Department's general ledger and recalculate totals.

***Findings:***

Per management, the Department had no debt service, lease payments, or rental fees during the year ended June 30, 2021; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #28**

We planned to obtain from management a repayment schedule of all outstanding intercollegiate athletics debt during the year ended June 30, 2021 and recalculate annual maturities, consisting of principal and interest, provided in the schedule. We planned to compare the total maturities and total outstanding athletic related debt to supporting documentation and the Department's general ledger.

***Findings:***

Per management, there was no outstanding Department debt during the year ended June 30, 2021; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #29**

We compared the total outstanding University related debt to supporting documentation and the University's audited financial statements, if available, or the University's general ledger.

***Findings:***

We had no findings as a result of these procedures.

**AGREED-UPON PROCEDURE #30**

We planned to obtain a schedule of all athletics dedicated endowments maintained by the Department, the University and affiliated Organizations for the year ended June 30, 2021 and compare the total fair market value of the athletics dedicated endowments to supporting documentation, the Department's general ledger, and audited financial statements, if available.

***Findings:***

Per management, there were no athletics dedicated endowments for the year ended June 30, 2021; therefore, no procedures were required for this specific category.

### **AGREED-UPON PROCEDURE #31**

We obtained from management a schedule of all University endowments for the year ended June 30, 2021. We then compared the total fair market value of the University's endowments to supporting documentation, the University's general ledger, or audited financial statements, if available.

#### ***Findings:***

We had no findings as a result of these procedures.

### **AGREED-UPON PROCEDURE #32**

We planned to obtain from management a schedule of athletics related capital expenditures made by the Department, the University and affiliated organizations for the year ended June 30, 2021 and select a sample of three transactions and compare the amounts reported in the schedule to supporting documentation. In addition, we planned to compare amounts on the schedule to the Department's general ledger and recalculate totals.

#### ***Findings:***

Per management, there were no athletics related capital expenditures during the year ended June 30, 2021; therefore, no procedures were required for this specific category.

**For procedures 33 through 48 all exceptions are reported regardless of dollar amount.**

### **AGREED-UPON PROCEDURE #33**

We randomly selected a sample of five receipts for the year ended June 30, 2021 from a detail of cash receipts provided by the Department. For each receipt selected, we performed the following procedures:

- a. Compared the receipt to the daily deposit transmittal,
- b. Compared the daily cash receipts report to the validated deposit slip, and
- c. Compared the receipt to posting in the general ledger.

#### ***Findings:***

We had no findings as a result of these procedures.

### **AGREED-UPON PROCEDURE #34**

We planned to obtain for the year ended June 30, 2021 a detail of Department endowments and a detail of endowment expenses and haphazardly select two endowments and perform the following procedures:

- a. Haphazardly select three transactions from the detail of endowment expenses and obtain the related invoice.
- b. Compare the description of goods or services reflected in the invoices obtained in procedure "a" to stipulations noted in the selected endowment's agreement.

**Findings:**

Per management, the Department had no endowment or investment income during the year ended June 30, 2021; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #35**

We planned to obtain the general ledger details for the following expense categories:

- a. Equipment, uniforms and supplies,
- b. Game expenses,
- c. Fundraising, marketing and promotion,
- d. Sports camp expenses,
- e. Spirit groups,
- f. Direct overhead and administrative expenses,
- g. Medical expenses and insurance,
- h. Memberships and dues,
- i. Other operating expenses and Transfers to University
- j. Student athlete meals (non-travel),
- k. Bowl expenses,
- l. Excess transfers to institution and conference realignment expenses.

For each category that is greater than 4% of total expenses, we planned to compare the general ledger detail to the total expenses reported and haphazardly select a sample of two transactions. For each transaction selected, we planned to compare the amount reported in the general ledger to a supporting invoice.

**Findings:**

Per management, equipment, uniforms and supplies, game expenses, fundraising, marketing and promotion, spirit groups, medical expenses and insurance, memberships and dues, and student athlete meals (non-travel) were each less than 4% of total expenses; therefore, no procedures were required for these specific categories. Management also stated there were no sports camp expenses, direct overhead and administrative expenses, bowl expenses, conference realignment expenses and transfers to University. The remaining expense categories noted above in this procedure were tested and no exceptions were noted as a result of these procedures.

**AGREED-UPON PROCEDURE #36**

We obtained a squad/eligibility list for each sponsored sport and randomly selected a sample of 40 student athletes (10% of total student athletes who received financial aid during the year ended June 30, 2021 or a maximum of 40). For each student athlete selected, we performed the following procedures:

- a. Obtained the individual student account detail from the Banner software system (the University's student information system) and compared total aid to the University's NCAA Compliance Assistance Software (CA).

- b. Compared the student's information per Banner to the information reported in CA using the following criteria:
- The equivalency value for each student-athlete in all sports, including head-count sports, were converted to a full-time equivalency value. The full-time equivalency value was 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 was the total cost for tuition, fees, course-related books, room and board for an academic year as the denominator. If using the CA, that equivalency value was calculated on the CRDE report labeled "Revenue Distribution Equivalent Award".
  - Grants-in-aid was calculated by using the revenue distribution equivalencies by sport and in aggregate. (Athletic grant amount divided by the full grant amount).
  - Other expenses related to attendance (also known as gap money or cost of attendance) were not included in grants-in-aid revenue distribution equivalencies. Only tuition, fees, room, board and course-related books were countable for grants-in-aid revenue distribution per Bylaw 20.02.07.
  - Full grant amounts were entered as a full year of tuition, not a semester or quarter.
  - Student-athletes were only counted once and did not receive a revenue distribution equivalency greater than 1.00.
  - Athletic grants were valid for revenue distribution purposes only in sports in which the NCAA conducts championship competitions, emerging sports for women and bowl subdivision football.
  - Grants-in-aid was valid for revenue distribution purposes in NCAA sports that did not meet the minimum contests and participants' requirements of Bylaw 20.9.6.3.
  - Grants awarded to student-athletes listed on the CRDE as "Exhausted Eligibility (fifth -year)" or "Medical" received credit in the grants-in-aid component.
  - The athletics aid equivalency did not exceed maximum equivalency limits set by Bylaw 15.5.3.1.
  - If a sport was discontinued and the grant(s) were still being honored by the University, the grant(s) were included in student-athlete aid for revenue distribution purposes.
  - All equivalency calculations were rounded to two decimal places.
  - If a student selected received a Pell Grant, the value of the grant was not included in the calculation of equivalencies or the total dollar amount of student athletic aid expense for the University.
  - If a student selected received a Pell Grant, the student's grant was included in the total number and total value of Pell Grants reported for Revenue Distribution purposes in the NCAA Membership Financial Reporting System.

***Findings:***

We had no findings as a result of these procedures.

**AGREED-UPON PROCEDURE #37**

We recalculated the totals on the squad/eligibility lists obtained in procedure #36 for each sport and overall.

***Findings:***

We had no findings as a result of these procedures.

**AGREED-UPON PROCEDURE #38**

We obtained a listing of coaches employed by the Department for the year ended June 30, 2021. From this listing, we haphazardly selected four coaches from different sports including one from each of men and women’s basketball. For each of the selected coaches, we compared the recorded salary expense, including salary, benefits, and bonuses paid by the Department per payroll summary registers to their employment contract.

***Findings:***

We had no findings as a result of these procedures.

**AGREED-UPON PROCEDURE #39**

We planned to obtain a listing of coaches who received other compensation and benefits paid by a third-party during the year ended June 30, 2021 and haphazardly select three coaches from different sports and compare the compensation and benefits paid by the third-party to amounts specified in each respective employee contract.

***Findings:***

Per management, there were no coaching and other compensation and benefits paid by a third party during the year ended June 30, 2021; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #40**

We obtained a listing of support staff/administrative employees who were employed by the Department for the year ended June 30, 2021. From this listing, we haphazardly selected three support/administrative staff and compared their recorded salary, benefits and bonuses, if any, per payroll summary registers to their employment contract.

***Findings:***

We had no findings as a result of these procedures.

**AGREED-UPON PROCEDURE #41**

We planned to obtain a listing of support staff/administrative salaries, benefits, and bonuses paid by a third-party during the year ended June 30, 2021 and haphazardly select two support/administrative staff and compare the compensation and benefits paid by the third-party to amounts specified in each respective employment contract.

***Findings:***

Per management, there were no support staff/administrative salaries, benefits and bonuses paid by a third party during the year ended June 30, 2021; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #42**

We planned to obtain a listing of employees who received severance payments during the year ended June 30, 2021 and compare the related termination letters or employment contracts to the amount reported in the Statement.

***Findings:***

Per management, there were no severance payments during the year ended June 30, 2021; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #43**

We compared the number of sponsored sports reported in the NCAA Membership Financial Reporting System to the Calculation of Revenue Distribution Equivalencies Report from the NCAA Compliance Assistant Software provided by the Department.

***Findings:***

We had no findings as a result of these procedures.

**AGREED-UPON PROCEDURE #44**

We obtained the Department’s “Sports Sponsorship and Demographics Forms Report” for the year ended June 30, 2021 and compared the number of countable sports reported by the Department to the minimum requirements set forth in NCAA Bylaw 20.9.6.3.

***Findings:***

We had no findings as a result of these procedures.

**AGREED-UPON PROCEDURE #45**

We compared the total number of Division I student-athletes who, during the 2020-2021 academic year, received a Pell Grant award (i.e. Pell Grant recipients on Full Grant-in Aid, Pell Grant recipients on Partial Grants-in-Aid and Pell Grant recipients with no Grants-in-Aid) and the total value of those Pell Grants reported in the NCAA Membership Financial Reporting System to a report generated out of the Department’s financial aid records, of all student-athlete Pell Grants.

***Findings:***

We had no findings as a result of these procedures.

**AGREED-UPON PROCEDURE #46**

We requested the Department to identify all intercollegiate athletics-related affiliated and outside organizations.

**Findings:**

Per management, there were no athletics-related affiliated or outside organizations during the year ended June 30, 2021; therefore, no procedures were required for this specific category.

**AGREED-UPON PROCEDURE #47**

For those organizations identified in procedure #46, we planned to obtain the following, if available:

- a. Audited financial statements,
- b. Any additional reports regarding internal control matters, and
- c. Corrective actions taken in response to comments concerning internal control structure, if any.

**Findings:**

There were no organizations identified in procedure #46; as such, no procedures were performed.

**AGREED-UPON PROCEDURE #48**

We planned to compare and agree the revenue and expenses included in the audited financial statements (obtained in procedure #47) to the Statement.

**Findings:**

There were no organizations identified in procedure #46; as such, no procedures were performed.

This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. We were not engaged to and we did not perform an audit or review, the objective of which would be the expression of an opinion on the specified areas, accounts, or items and on the effectiveness of internal control over financial reporting described in paragraph one and procedures described in this report. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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



Columbia, South Carolina  
October 29, 2021



## Department of Athletics

## Statement of Revenues and Expenses (Unaudited)

For the year ended June 30, 2021

	Men's Basketball	Women's Basketball	Other Sports	Non- Program Specific	Total
<b>Revenues</b>					
Admissions/ticket sales	\$ 4,759	\$ 28	\$ -	\$ -	\$ 4,787
Student athletic fees	832,089	637,172	2,505,095	193,260	4,167,616
Guarantees	105,000	49,500	15,950	-	170,450
Contributions	-	-	-	45,000	45,000
Direct state or other governmental support	-	-	2,000	-	2,000
Direct institutional support	121,924	163,683	1,539,696	1,022,688	2,847,991
Indirect facilities and administrative support	-	-	-	430,823	430,823
NCAA distributions	-	-	-	189,613	189,613
Conference distributions	-	-	-	187,942	187,942
Royalties, licensing, advertisements and sponsorships	-	-	-	133,445	133,445
Other operating revenues	-	-	644	12,066	12,710
<b>Total revenues</b>	<b>1,063,772</b>	<b>850,383</b>	<b>4,063,385</b>	<b>2,214,837</b>	<b>8,192,377</b>
<b>Expenses</b>					
Athletic student financial aid	416,162	477,923	2,529,031	62,726	3,485,842
Guarantees	-	1,000	3,650	-	4,650
Coaching salaries, benefits, and bonuses paid by the Department and related entities	504,840	295,431	1,044,388	-	1,844,659
Support staff/administrative salaries, benefits and bonuses paid by the Department and related entities	-	-	-	1,065,356	1,065,356
Recruiting	384	140	460	-	984
Team travel	54,413	15,267	244,418	-	314,098
Equipment, uniforms and supplies	12,978	9,899	139,773	10,991	173,641
Game expenses	39,325	15,345	72,208	2,561	129,439
Fundraising, marketing and promotion	-	-	-	57,075	57,075
Spirit groups	-	-	-	3,150	3,150
Indirect facilities support	-	-	-	430,823	430,823
Medical expenses and insurance	4,146	4,197	1,759	182,084	192,186
Memberships and dues	870	-	1,911	31,692	34,473
Student athlete meals (non-travel)	5,775	1,704	6,521	-	14,000
Other operating expenses	24,879	29,477	102,770	195,455	352,581
<b>Total expenses</b>	<b>1,063,772</b>	<b>850,383</b>	<b>4,146,889</b>	<b>2,041,913</b>	<b>8,102,957</b>
<b>Excess (deficiencies) of revenues over (under) expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (83,504)</b>	<b>\$ 172,924</b>	<b>\$ 89,420</b>

**Note 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, 2021, the University provided revenue (funding) of approximately \$4,167,616 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.

**Note 2. NCAA Legislation**

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

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

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

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

**Note 3. Capital Assets**

Capital assets are recorded at cost at the date of acquisition or fair market 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 15 to 55 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 University did not capitalize any expenditures related to Department facilities and equipment during the year ended June 30, 2021.