

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

Columbia, South Carolina

Report on Audit of Financial Statements

For the year ended June 30, 2004

State of South Carolina



Office of the State Auditor

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December 15, 2004

The Honorable Mark Sanford, Governor
and
Members of the Board of Trustees
University of South Carolina
Columbia, South Carolina

This report on the audit of the financial statements of the University of South Carolina Department of Athletics - Columbia Campus for the fiscal year ended June 30, 2004, was issued by Craven, Lang, Rowell & Company, P.A., Certified Public Accountants, under contract with the South Carolina Office of the State Auditor.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tom Wagner", written over the typed name and title.

Thomas L. Wagner, Jr., CPA
State Auditor

TLWjr/trb

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CRAVEN LANG ROWELL & COMPANY, P.A.

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INDEPENDENT AUDITORS' REPORT

Mr. Thomas L. Wagner, Jr., CPA

State Auditor

State of South Carolina

Columbia, South Carolina

We have audited the accompanying statement of net assets of the University of South Carolina Department of Athletics - Columbia Campus (the Department) as of June 30, 2004, and the related statements of revenues, expenses, transfers, and changes in net assets and cash flows for the year then ended, which collectively comprise the Athletic Department's basic financial statements. These financial statements are the responsibility of the management of the University of South Carolina Department of Athletics - Columbia Campus. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

As discussed in Notes 1, 6 and 13, certain assets and the related liabilities from which the Department derives benefits are not recorded by the Department but are instead recorded in the University's endowment and plant funds.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the University of South Carolina Department of Athletics - Columbia Campus as of June 30, 2004, and the respective changes in financial position, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Department's basic financial statements. The supplementary information included in the accompanying schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information included in the accompanying schedules has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

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

Cohen Long Russell & Company P.A.

September 30, 2004
Charlotte, North Carolina

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

Management's Discussion and Analysis

Overview of the Financial Statements and Financial Analysis

The University of South Carolina Department of Athletics is pleased to present its financial statements for fiscal year ended June 30, 2004. The emphasis of discussions about these statements will be on current year data. The Athletic Department is an auxiliary enterprise fund operation of the University and operates in harmony with the University's stated purposes and goals. The Department is committed to the intellectual, cultural, physical, and social development of the student-athletes of the University. The University is a member of the National Collegiate Athletic Association ("NCAA") and the Southeastern Conference ("SEC").

A requirement of the Management's Discussion and Analysis is that it should discuss the current year results in comparison with the prior year, with emphasis on the current year. This fact-based analysis should discuss the positive and negative aspects of the comparison with the prior year. However, since this is the first year of the new reporting format and there is limited comparative data, discussion will be confined to current year data.

The report consists of a series of financial statements, prepared in accordance with Governmental Accounting Standards Board in Statement 34, Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments and Statement No. 35, Basic Financial Statements – and Management's Discussion and Analysis – for Colleges and Universities. Certain assets and the related liabilities from which the Department derives benefit have not been included in the accompanying financial statements but have instead been recorded in the University's Net Assets. Invested in capital assets, net of related debts. Current revenue and expenditures related to those assets specifically associated with the Department's operations have been recorded as revenues and expenditures of the Department. Accordingly, certain capital and related financing activities for asset acquisitions and debt retirement are included as operating activities.

There are three basic financial statements presented: the Statement of Net Assets; the Statement of Revenues, Expenses, and Changes in Net Assets; and, the Statement of Cash Flows. This discussion and analysis of the Department's financial statements provides an overview of its financial activities for the year.

Summary of Net Assets

The Statement of Net Assets presents the assets, liabilities, and net assets of the Department as of the end of the year. The purpose of the Statement of Net Assets is to present to the readers of the financial statements a fiscal snapshot of the Department. The Statement of Net Assets presents end-of-year data concerning Assets (current and non-current), Liabilities (current and non-current), and Net Assets (Assets minus Liabilities). It is prepared using the accrual basis of accounting, whereby assets and revenues are recognized when the service is provided and expenses and liabilities are recognized when others provide the service to us, regardless of when cash is exchanged.

From the data presented, readers of the Statement of Net Assets are able to determine the assets available to continue the operation of the Department. They are also able to determine how much the Department owes vendors and the amounts collected in advance ticket sales. Finally, the Statement of Net Assets provides a picture of the net assets (assets minus liabilities) and their availability for expenditure by the Department.

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

Management's Discussion and Analysis, continued

Summary of Net Assets

Current assets	\$ 15,586,666
Non current assets	<u>7,500,000</u>
Total assets	<u>23,086,666</u>
Current liabilities	11,800,414
Non current liabilities	<u>4,240,241</u>
Total liabilities	<u>16,040,655</u>
Net assets unrestricted	<u><u>\$ 7,046,011</u></u>

Summary of Revenues, Expenses and Changes in Net Assets

Total net assets as presented on the Statement of Net Assets are based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Assets. The purpose of the Statement of Revenues, Expenses, and Changes in Net Assets is to present the revenues received and expenses paid by the institution, both operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the Department.

Operating revenues are received for sales and services associated with athletic event admissions, SEC conference affiliation, student fees, and other fees and services provided to the supporters of Gamecocks Athletics. Operating expenses are those expenses paid for personnel, scholarships and grants, and game services and supplies. Non-operating revenues are revenues received for which goods and services are not provided. Gamecock Club gifts, investment income, endowment income, and interest related to Capital Assets, are all included in the non-operating section. The statement of Revenues, Expenses and Changes in Net Assets reflect a positive increase in net assets for the current fiscal year.

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

Management's Discussion and Analysis, continued

Changes in Net Assets

Revenues:	
Operating revenues	\$ 35,700,398
Nonoperating revenues	<u>11,426,115</u>
Total revenues	<u>47,126,513</u>
Expenses:	
Operating Expenses	41,870,941
Transfers, net	<u>4,769,602</u>
Total expenses and transfers	<u>46,640,543</u>
Increase in net assets	485,970
Net assets, beginning of year	<u>6,560,041</u>
Net assets, end of year	<u><u>\$ 7,046,011</u></u>

Summary of Cash Flows

The final statement presented is the Statement of Cash flows. The Statement of Cash Flows presents detailed information about the cash activity of the Department during the year. The statement is divided into sections. One section presents the operating cash flows and shows the net cash used by the operating activities of the Department. Another section presents cash flows from investing activities. Other sections show the interest received on investment and endowment funds, cash flows from non-capital financing activities, and net transfers to the University and reflects the non-capital financing activity amounts. The last section reconciles the net cash used to the operating income or loss reflected on the Statement of Revenues, Expenses, and Changes in Net Assets.

Capital Asset and Debt Support

The Department engaged in several capital construction projects in the fiscal year ended June 30, 2004. The Department transferred \$1,750,000 to the University to fund the construction of the South End Zone construction project. This complex, in the south end zone of Williams-Brice Stadium, includes a new weight room, football team and individual meeting rooms, and a recruiting area. The Department funded \$1,025,000 toward construction of the Colonial Center as well as \$240,000 toward improvements for the field house renovation. In addition the Department continues to fund debt service payments for additions made to Williams Brice Stadium and for construction of the Colonial Center. As mentioned above these payments are not reflected within the Department Statement of Revenues, Expenses, and Changes in Net Assets, but rather they are included in the University's statements. Additional contributions to debt service amounts, funded by the Department, in excess of the bond fee collected on football and men and women's basketball tickets totaled \$475,000 for fiscal year 2003/04.

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

Management's Discussion and Analysis, continued

Economic Outlook

The Department is not aware of any currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position or results of operations during the fiscal year beyond those unknown variations having a global effect on all types of business operations. The Department's overall financial position remains strong. The Department will maintain a constant review over resources to maintain its ability to react to internal and external issues.

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

*Statement of Net Assets
For the year ended June 30, 2004*

Assets

Current assets:

Cash and cash equivalents	\$ 7,826,439
Accounts and notes receivable, net of allowance of \$8,420	2,853,499
Accrued investment income receivable	1,167,973
Pledges receivable, net of allowance of \$150,000	3,008,410
Prepaid expenses	230,345
Advance to other funds, current portion	<u>500,000</u>

Total current assets	<u>15,586,666</u>
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Noncurrent assets:

Notes receivable	3,000,000
Advance to other funds, noncurrent portion	<u>4,500,000</u>

Total noncurrent assets	<u>7,500,000</u>
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Total assets	<u>23,086,666</u>
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**UNIVERSITY OF SOUTH CAROLINA
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

Statement of Net Assets, continued

For the year ended June 30, 2004

Liabilities

Current liabilities:

Accounts payable	1,168,067
Accrued payroll and other liabilities	55,897
Accrued compensated absences, current portion	504,582
Other liabilities	17,517

Deferred revenues:

Football ticket sales	9,206,474
Arena suites	549,167
Other	298,710

Total current liabilities	<u>11,800,414</u>
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Noncurrent liabilities:

Accrued compensated absences	468,575
Deferred revenues	<u>3,771,666</u>

Total noncurrent liabilities	<u>4,240,241</u>
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Total liabilities	<u>16,040,655</u>
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Net Assets

Unrestricted	<u>7,046,011</u>
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Total net assets	<u><u>\$ 7,046,011</u></u>
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The accompanying notes are an integral part of the financial statements.

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

*Statement of Revenues, Expenses, and Changes in Net Assets
For the year ended June 30, 2004*

Revenues:

Operating revenues:	
Student fees	\$ 551,348
Sales and services of auxiliary enterprises	35,108,842
Other fees	40,208
	<hr/>
Total operating revenues	35,700,398
	<hr/>

Expenses:

Operating expenses:	
Compensation and employee benefits	12,514,241
Service and supplies	21,884,726
Utilities	1,086,548
Scholarships and fellowships	6,385,426
	<hr/>
Total operating expenses	41,870,941
	<hr/>
Operating loss	(6,170,543)

Nonoperating revenues (expenses)	
Gifts	11,043,470
Investment income	262,743
Endowment income	207,134
Interest on capital asset related debt	(87,232)
	<hr/>
	11,426,115
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Income before other revenues, expenses	
gains or losses	5,255,572
	<hr/>
Transfers to the University	4,546,878
Transfers to auxiliary and other	747,724
Transfers from the University	(525,000)
	<hr/>
Total transfers	4,769,602
	<hr/>

Increase in net assets	485,970
Net assets	
Net assets, beginning of year	6,560,041
	<hr/>
Net assets, end of year	\$ 7,046,011
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The accompanying notes are an integral part of the financial statements.

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

*Statement of Cash Flows
For the year ended June 30, 2004*

Cash flows from operating activities:

Admissions revenues	\$ 13,358,211
Guarantees	852,250
Student athletic fees	551,348
Premium seating revenue	2,575,269
Southeastern Conference revenue	9,469,313
Colonial Center events revenue	5,695,208
Other revenues from sales and service	3,409,599
Payments to employees	(13,723,054)
Payments to suppliers and vendors	(19,207,631)
Grants awarded	(6,385,426)
Guarantees paid to teams	<u>(2,447,700)</u>

Net cash used by operating activities (5,852,613)

Cash flows from noncapital financing activities:

Gifts, Gamecock Club	10,954,122
Other gifts	98,423
Transfers to the University, net	(4,021,878)
Transfer to auxiliary enterprises and other	<u>(747,724)</u>

Net cash provided by financing activities: 6,282,943

Cash flows from capital and related financing activities:

Principal paid and debt	(2,955,000)
Interest paid on debt	(1,201,376)
Other	(42,025)
Transfers for debt service	<u>475,000</u>

Net cash required by capital financing activities (3,723,401)

Cash flows from investing activities:

Investment income	615,761
Endowment income	207,134
Increase in endowment investments	<u>170,500</u>

Net cash provided by investing activities 993,395

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

*Statement of Cash Flows, continued
For the year ended June 30, 2004*

Net decrease in cash and cash equivalents	(2,299,676)
Cash and cash equivalents, beginning of year	<u>10,126,115</u>
Cash and cash equivalents, end of year	<u><u>\$ 7,826,439</u></u>
Reconciliation of net operating loss to net cash used in operating activities:	
Adjustments to reconcile operating loss to net cash used by operating activities	
Operating loss	\$ (6,170,543)
Changes in current assets and liabilities	
Accounts receivable, net	(594,612)
Pledges receivable, net	(30,570)
Prepaid expenses	(37,160)
Accounts payable	1,168,067
Accrued payroll and other liabilities	55,897
Accrued compensated absences	(93,080)
Other liabilities	17,517
Deferred revenues	<u>(168,129)</u>
Net cash used by operating activities	<u><u>\$ 5,852,613</u></u>
Non-cash transactions:	
Gifts in kind	<u><u>\$ 210,800</u></u>

The accompanying notes are an integral prt of the financial statements.

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

Notes to Financial Statements

1. Summary of Significant Accounting Policies:

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

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

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

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

Basis of Accounting – For financial reporting purposes, the Department is considered a special-purpose government engaged only in business-type activities. Accordingly, the Department's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Student tuition and auxiliary enterprise fees are presented net of scholarships and fellowships applied to student accounts, while stipends and other payments made directly are presented as scholarship and fellowship expenses.

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

Notes to Financial Statements, Continued

1. Summary of Significant Accounting Policies, continued:

Financial Statements – The financial statement presentation for the Department meets the requirements of Governmental Accounting Standards Board (GASB) Statement No. 34. The financial statement presentation presents a comprehensive perspective of the Department's net assets, revenues, expenses, changes in net assets, and cash flows.

Endowment Income – Income earned on these funds is recorded as endowment income by the Department; however, endowment principal is not included in the assets of the Department. The endowment principal has been reported as a restricted net asset on the University's financial statement.

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

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

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

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

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

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

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

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

Notes to Financial Statements, Continued

1. Summary of Significant Accounting Policies (Continued):

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

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

Noncurrent Liabilities – Noncurrent liabilities include estimated amounts for accrued compensated absences that will not be paid within the next fiscal year and deferred revenues that will not be recognized the next fiscal year.

Net Assets – The Department’s net assets are classified as follows:

Unrestricted Net Assets – Unrestricted net assets represent resources derived from student fees, appropriations, roles and services of auxiliary enterprises. These resources are used for transactions relating to the general operations of the Department and to meet current expenses of the Department.

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

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

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

Pledges Receivable – Pledges to the Gamecock Club are recorded as revenue at the time of the pledge.

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

Notes to Financial Statements, Continued

1. Summary of Significant Accounting Policies (Continued):

Classification of Revenues – The Department has classified its revenues as either operating or non-operating revenues according to the following criteria:

Operating revenues – Operating revenues generally result from exchange transactions to provide goods or services related to the Department's principal on-going operations.

Non-operating revenues – Non-operating revenues include activities that have the characteristics of non-exchange transactions. These revenues would include gifts and contributions and investment income.

2. Deposits and Investments:

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

The following schedule reconciles deposits within the footnotes to the statement of net asset amounts.

<u>Balance Sheet</u>		<u>Footnotes</u>	
Cash and Cash Equivalents	\$ 7,826,439	Cash on Hand	\$ 1,377,222
		Deposits held by	
		State Treasurer	6,449,217
	<u>\$ 7,826,439</u>		<u>\$ 7,826,439</u>

Deposits Held by State Treasurer – State law requires full collateralization of all State Treasurer bank balances. The State Treasurer must correct any deficiencies in collateral within seven days. At June 30, 2004, all State Treasurer bank balances were fully insured or collateralized with securities held by the State or by its agents in the State's name.

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

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

Notes to Financial Statements, Continued

3. Notes Receivable:

Notes receivable include a \$20,000 interest free relocation loan made to the Athletic Director when hired. The conditions of the loan, as modified, state that, if he stays employed by the University through April 30, 2005, the debt will be forgiven.

Additionally, the University entered into an agreement with the University of South Carolina Educational Foundation, a related party, as authorized by South Carolina Code of Laws, Section 59-101-410. In accordance with this section, the University may lend certain of its endowment funds and auxiliary funds to the University of South Carolina Educational Foundation. Under the terms of the agreement, the University will earn interest at a monthly rate as determined by the South Carolina State Treasurer. Notes receivable of \$3,000,000 and accrued interest receivable of \$1,109,784 were outstanding as of June 30, 2004.

4. Endowment Income:

Endowment and similar funds on which income earned is available to the Department are as follows at June 30, 2004:

Endowments	\$ 2,904,412
Quasi-endowment	<u>2,432,988</u>
Total	<u><u>\$ 5,337,400</u></u>

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

5. NCAA Legislation:

The National Collegiate Athletic Association has adopted legislation that required all expenditures for or on behalf of an institution's intercollegiate athletics program, including those by outside organizations, to be included in the statement of revenues, expenditures and transfers of the institution's athletics department.

The Block C Association has been identified as an outside organization under NCAA legislation. The Block C Association has a fiscal year end of June 30. The following information received from the Block C Association reflects its activity for the year ended June 30, 2004.

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

Notes to Financial Statements, Continued

5. NCAA Legislation (continued):

<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Contributions to or on Behalf of Program</u>	<u>Ending Cash Balance</u>
\$ 43,721	\$ 36,941	\$ 29,797	\$ 50,865

The Block C Association expenditures of \$29,797 consists of expenditures made by the Block C Association on behalf of the Gamecock Club primarily for maintenance of football and basketball lounges, sports banquets and cookouts, senior awards, raffles and tickets. This amount is included in the revenue and expenditures in the accompanying financial statements

6. Remittances and Transfers to the University:

The Department collects, as a bond seat assessment, a debt service tax on each football and basketball ticket sold and remits such taxes to the University. The taxes are to be used by the University to fund the cost of the related debt service. The University accounts for these taxes in the University's plant fund. Such amounts collected by the Department and remitted to the University for debt service, totaled \$2,419,158, and is not included in admissions revenue in the accompanying financial statements.

The Department also collects a State admission tax on tickets sold, which it remits to the State upon collection and an academic scholarship fee of \$5 (\$4.76 net of tax) per ticket for tickets sold to the USC-Clemson football game, every even-numbered fiscal year, when the game is hosted by the University. The Department remits this academic scholarship fee to the University upon collection. The scholarship fees collected in fiscal year 2004 totaled \$312,008.

Beginning in the fiscal year 1999-2000, an additional \$5.00 (\$4.76 net of tax) is charged for the USC-Clemson football game. As per agreement between the Athletic Department and the University's administration, the revenues generated from this additional charge will be prorated between the University and the Athletic Department through the fiscal year ended June 30, 2004. The funds pro-rated to the University are to be used for scholarships. For the fiscal year ended June 30, 2004 and beyond, all monies generated from the additional charge will accrue to the University for scholarships.

The University Board of Trustees adopted a bond resolution during the year ended June 30, 2004, which, among other things, provided for the University to maintain a special student fee in amount sufficient to make the debt service payments on Department-related debt. The University accounts for these fees in the University's plant fund. The total amount collected by the University was \$708,099 for the year ended June 30, 2004. The University's plant fund earned interest on these debt service funds of \$362,093 for the year ended June 30, 2004. Student athletic fees revenue is reported net of the \$708,098 special student fee in the accompanying financial statements.

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

Notes to Financial Statements, Continued

6. Remittances and Transfers to the University (continued):

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

Beginning with the 1994-1995 fiscal year, the Department was obligated to remit approximately \$650,000 to the University to pay for various University services, which benefit the Department. The \$650,000 is included in general administration expenditures.

7. Gamecock Club (The Club):

Specific provisions govern the use of excess revenue over expenditures for the Club. Revenue and expenditures for the Club amounted to \$11,615,885 and \$11,713,756 respectively, and are included in the accompanying financial statements. Such revenues include \$10,743,322 of contributions by Club members and \$524,307 from other sources, principally gifts-in-kind income and endowment and investment income. At June 30, 2004, pledges totaling \$3,158,410 due by December 31, 2004 are outstanding but not delinquent. The \$150,000 allowance for uncollectible pledges is based on previous collection history and is considered to be a reasonable estimate.

8. Pension Plans:

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

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

Under the SCRS, employees are eligible for a full service retirement annuity upon reaching age 65 or completion of 28 years credited service regardless of age. The benefit formula for full benefits effective since July 1, 1989, for the SCRS is 1.82 percent of an employee's average final compensation multiplied by the number of years of credited service. Early retirement options with reduced benefits are available as early as age 55. Employees are vested for a deferred annuity after five years service and qualify for a survivor's benefit upon completion of 15 years credited service (five years effective January 1, 2003). Disability annuity benefits are payable to employees totally and permanently disabled provided they have a minimum of five years credited service (this requirement does not apply if the disability is the result of a job-related injury). A group-life insurance benefit equal to an employee's annual rate of compensation is payable upon the death of an active employee with a minimum of one year of credited service.

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

Notes to Financial Statements, Continued

8. Pension Plans (continued):

Since July 1, 1988, employees participating in the SCRS have been required to contribute 6 percent of all compensation. Effective July 1, 2003, the employer contribution rate became 10.85 percent, which included a 3.30 percent surcharge to fund retiree health and dental insurance coverage. The Athletic Department's actual contributions to the SCRS for the three most recent fiscal years ending June 30, 2004, 2003 and 2002 were \$326,200, \$296,200 and \$294,100 respectively, and equaled the required contributions of 7.55 percent (excluding the surcharge) for each year. Also, the Athletic Department paid employer group-life insurance contributions of \$6,500 in the current fiscal year at the rate of .15 percent of compensation.

The South-Carolina Police Officers Retirement System (PORS) is a cost-sharing multiple-employer defined benefit public employee retirement plan. Generally all full-time employees whose principal duties are the preservation of public order or the protection or prevention and control of property destruction by fire are required to participate in and contribute to the System as a condition of employment. This plan provides annuity benefits as well as disability and group-life insurance benefits to eligible employees and retirees. In addition, participating employers in the PORS contribute to the accidental death fund which provides annuity benefits to beneficiaries of police officers and firemen killed in the actual performance of their duties. These benefits are independent of any other retirement benefits available to the beneficiary.

Employees covered under PORS are eligible for a monthly pension payable at age 55 with a minimum of five years service or 25 years credited service regardless of age. In addition, employees who have five years of credited service prior to age 55 can retire; yet defer receipt of benefits until they reach age 55. A member is vested for a deferred annuity with five years service. The benefit formula for full benefits effective since July 1, 1989, for the PORS is 2.14 percent of the employee's average final salary multiplied by the number of years of credited service. Disability annuity benefits and the group-life insurance benefits for PORS members are similar to those for SCRS participants. Accidental death benefits provide a monthly pension of 50 percent of the member's budgeted compensation at the time of death.

Since July 1, 1988, the employees participating in the PORS have been required to contribute 6.5 percent of all compensation. Effective July 1, 2003, the employer contribution rate became 13.60 percent, which, as for the SCRS, included the 3.30 percent surcharge. The Athletic Department's actual contributions to the PORS for the years ending June 30, 2004, 2003, and 2002, were \$21,000, \$15,600, and \$8,000 respectively, and equaled the required contributions of 10.3 percent (excluding the surcharge) for each year. Also, the Athletic Department paid employer group-life insurance contributions of \$410 and accidental death insurance contributions of \$410 in the current fiscal year for PORS participants. The rate for each of these insurance benefits is .20 percent of compensation.

The amounts paid by the Athletic Department for pension, group-life insurance, and accidental death benefits are reported as employer contributions expenditures within the applicable current funds' functional expenditure categories to which the related salaries are charged.

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

Notes to Financial Statements, Continued

8. Pension Plans (continued):

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

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

At retirement, employees participating in the SCRS or PORS may receive additional service credit (at a rate of 20 days equals one month of service) for up to 90 days for accumulated unused sick leave.

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

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

Under State law, contributions to the ORP are required at the same rates as for the SCRS, 7.55 percent, plus the retiree surcharge of 3.30 percent from the employer in fiscal year 2004.

Certain of the Athletic Department's employees have elected to be covered under optional retirement plans. For the fiscal year, total contribution requirements to ORP were \$341,200 (excluding the surcharge) from the Athletic Department as employer and \$271,100 from its employees as plan members. In addition, the University paid \$6,500 for group life insurance coverage for these employees. All amounts were remitted directly to the respective annuity policy providers. The obligation for payment of benefits resides with the insurance companies.

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

Notes to Financial Statements, Continued

9. Post-employment and Other Employee Benefits:

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

These benefits are provided through annual appropriations by the General Assembly to the Athletic Department for its active employees and to the State Budget and Control Board for all participating State retirees except the portions funded through the pension surcharge and provided from other applicable sources of the Athletic Department for its active employees who are not funded by State General Fund appropriations. The State finances health and dental plan benefits on a pay-as-you-go basis. Currently, approximately 21,400 State retirees meet these eligibility requirements.

The Athletic Department recorded employer contributions expenditures within the functional expenditure categories for these insurance benefits for active employees in the amount of \$522,700 for the year ended June 30, 2004. As discussed in Note 8, the Athletic Department paid \$298,500 applicable to the 3.30 percent surcharge included with the employer contributions for retirement benefits. These amounts were remitted to the South Carolina Retirement Systems for distribution to the Office of Insurance Services for retiree health and dental insurance benefits.

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

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

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

Notes to Financial Statements, Continued

10. Deferred Compensation Plans:

Several optional deferred compensation plans are available to State employees and employers of its political subdivisions. Certain employees of the Department have elected to participate. The multiple-employer plans, created under Internal Revenue Code Sections 457, 401 (k) and 403 (b), are administered by third parties and are not included in the Comprehensive Annual Financial Report of the State of South Carolina. Compensation deferred under the plans is placed in trust for the contributing employee. The State has no liability for losses under the plans. Employees may withdraw the current value of their contributions when they terminate State employment. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

11. Retirement Incentive

Section 59-103-150 of the South Carolina Code of Laws allows the University's Board of Trustees to implement an early retirement plan for its faculty. Two objectives of this law were to help institutions of higher education reallocate resources and effect cost-saving measures. The University did not implement such a plan.

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows active members of the South Carolina Retirement System who are eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirements benefits which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits.

12. Leases

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

Lease dated March 1, 1995, amended February 13, 1997, with The South Carolina Educational Television Commission (ETV) for 176 parking spaces during the home football games at \$75 per space per year. The lease runs until February 28, 2004 and provides for an increase in the rate of not more than ten percent per year. The expenditure for the year ended June 30, 2004 was \$2,200 under this lease. An extension of the lease was beginning negotiated at June 30, 2004.

Lease dated August 6, 1986 with the State Agricultural and Mechanical Society for use of the State fairgrounds for parking during home football games. The agreement provides for the payment of \$8,500 per home game except those played during the State Fair when no payment shall be made. There are usually six or seven home games and can be as many as two games during the State Fair. The annual cost would range from \$34,000 for four home games to \$59,500 for seven home games. The expenditure for the year ended June 30, 2004 was \$59,500 under this lease.

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

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

Notes to Financial Statements, Continued

13. Commitments:

The Department committed to repay \$1,000,000 to the endowment funds of the University. The Department receives the earnings on certain endowment funds. These funds were advances by the endowment fund to the plant fund of the University to pay for a new scoreboard and message board in the football stadium. \$120,000 was repaid by the Department during 2004 and is included in general administration expenditures. The balance of the advances at June 30, 2004 was \$260,000.

14. Transactions with State Entities:

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

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

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

The Department had financial transactions with various State agencies during the fiscal year. Payments were made to divisions of the State Budget and Control board for retirement and insurance plans contributions, surplus property disposal fees, insurance coverage, and telephone and interagency mail services. Payments were also made to other agencies for unemployment and workers' compensation coverage for employees. The amounts of 2004 expenditures applicable to these transactions are not readily available.

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

15. Risk Management:

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

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

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

Notes to Financial Statements, Continued

15. Risk Management, Continued:

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

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

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

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

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

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

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

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

In management's opinion, claims losses in excess of insurance coverage, if any, are unlikely and, if incurred, would be insignificant to the Department's financial position. Furthermore, there is no evidence of asset impairment or other information to indicate that a loss expenditure and liability should be recorded; and, therefore, no loss accrual has been recorded.

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

Notes to Financial Statements, Continued

16. Installment Notes Payable:

University note payable secured by stadium message board dated October, 1999, payable in annual installments of \$75,203, matures November, 2006 with interest at 5.359% \$ 203,428

University note payable secured by aircraft, dated July, 2001, payable in monthly interest only payment of \$6,458 through June, 2003 and monthly principal payments of \$10,417 plus interest in 2004 through 2011, matures June 2011 with interest at 7.75% 875,000

Total Installment Notes Payable \$ 1,078,428

The scheduled maturities of the combined installments notes payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 189,302	\$ 74,274	\$ 263,576
2006	192,748	61,141	253,889
2007	196,378	47,823	244,201
2008	125,000	34,310	159,310
2009-2011	<u>375,000</u>	<u>45,105</u>	<u>420,105</u>
	<u><u>\$ 1,078,428</u></u>	<u><u>\$ 262,653</u></u>	<u><u>\$ 1,341,081</u></u>

OTHER SUPPLEMENTARY INFORMATION

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

*Schedule of Revenues
For the year ended June 30, 2004*

Revenues:

Admissions

Football, net of \$1,656,438 for bond seat assessment and \$581,221 for admission taxes	\$ 11,328,788
Men's basketball, net of \$743,360 for bond seat assessment and \$83,966 for admission taxes	1,583,289
Olympic sports, net of \$19,360 for bond seat assessment and \$42,285 for admission taxes	446,134
Total	<u>13,358,211</u>

Guarantees

Football	800,000
Olympic sports	52,250
Totals	<u>852,250</u>

Student Athletic Fees	<u>551,348</u>
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Gamecock Club

Regular members contributions	10,718,482
Junior members contributions	24,840
Buffet revenue	56,590
Credit card revenue	173,250
Gifts in kind	210,800
Total Gamecock Club	<u>11,183,962</u>

Investment income	<u>253,668</u>
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Endowment income	<u>207,134</u>
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Premium seating

Club seats	552,650
Suite seats	639,044
Zone seats	972,075
Arena founders seats	411,500
Arena courtside seats	-
Total premium seating	<u>2,575,269</u>

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

*Schedule of Revenues, Continued
For the year ended June 30, 2004*

Southeastern Conference share	<u>9,469,313</u>
Gifts (Designated Funds)	<u>98,423</u>
Other	
Football radio and television rights	242,106
Basketball radio and television rights	122,581
Programs, souvenirs and concessions	1,030,125
Mailing fees	104,785
Royalties	180,675
Post season events - other	105,173
Corporate sponsorship	233,250
Miscellaneous	<u>950,264</u>
Totals	<u>2,968,959</u>
Colonial Center non athletic events revenues	<u>5,695,208</u>
Total revenues	<u><u>\$ 47,213,745</u></u>

This schedule excludes Block C Association revenues

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

*Schedule of Revenues, Expenditures, Transfers
and Changes in Fund Balance –
Debt Service Fund (1)
For the year ended June 30, 2004*

Revenues:

Student fees	\$ 708,099
Seat assessment (Williams Brice Stadium and Colonial Center)	2,419,158
Investment income	<u>362,093</u>

Total revenues	<u>3,489,350</u>
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Expenditures:

Principal	2,955,000
Interest	1,201,376
Other	<u>42,025</u>

Total expenditures	<u>4,198,401</u>
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Transfers:

For debt service	<u>475,000</u>
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Total transfers	<u>475,000</u>
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Excess of revenues and transfers over expenditures	(234,051)
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Fund balances, beginning of year	<u>414,210</u>
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Fund balances, end of year	<u><u>\$ 180,159</u></u>
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- (1) These funds for Department-related liability transactions are recorded in the University's Retirement of Indebtedness Plant Fund.

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

*Schedule of Expenditures and Transfers
For the year ended June 30, 2004*

	Football	Men's Basketball	Men's Olympic Sports	Women's Olympic Sports	Student Athletic Support Services
Expenditures:					
Personnel	\$ 1,915,090	\$ 679,556	\$ 1,245,383	\$ 1,992,629	\$ 1,701,185
Grants	2,147,793	379,567	1,290,566	2,475,255	41,833
Team travel	465,522	389,178	531,367	990,727	65,664
General travel	65,048	20,969	18,576	44,690	38,746
Recruiting	325,193	119,361	133,716	302,017	-
Game services	256,882	112,126	141,200	147,652	11,821
Other services	28,301	5,306	26,423	28,468	394,947
Supplies and uniforms	261,878	34,045	197,186	233,547	221,723
General administration	327,527	174,875	112,463	289,131	469,804
Guarantees	<u>2,150,000</u>	<u>240,000</u>	<u>23,200</u>	<u>34,500</u>	<u>-</u>
Total expenditures	7,943,234	2,154,983	3,720,080	6,538,616	2,945,723
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers	<u><u>\$ 7,943,234</u></u>	<u><u>\$ 2,154,983</u></u>	<u><u>\$ 3,720,080</u></u>	<u><u>\$ 6,538,616</u></u>	<u><u>\$ 2,945,723</u></u>

This section excludes Block C Association expenditures

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

*Schedule of Expenditures and Transfers
For the year ended June 30, 2004*

Administrative Support Services	Gamecock Club	Facilities	Administration	Colonial Center Non-Athletic Events	Total
\$ 2,235,881	\$ 456,941	\$ 926,647	\$ 986,236	\$ 1,583,506	\$ 13,723,054
94	675	-	49,643	-	6,385,426
-	18,036	-	-	-	2,460,494
69,171	5,141	3,288	114,017	40,610	420,256
678	3,255	-	62,190	-	946,410
1,199,089	141,055	-	234,919	55,396	2,300,140
51,393	151,763	200,826	118,522	1,765,351	2,771,300
175,761	964	4,558	86,033	7,516	1,223,211
1,226,783	1,348,079	1,190,216	2,831,825	1,309,479	9,280,182
-	-	-	-	-	2,447,700
4,958,850	2,125,909	2,325,535	4,483,385	4,761,858	41,958,173
-	-	-	4,546,878	222,724	4,769,602
<u>\$ 4,958,850</u>	<u>\$ 2,125,909</u>	<u>\$ 2,325,535</u>	<u>\$ 9,030,263</u>	<u>\$ 4,984,582</u>	<u>\$ 46,727,775</u>

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

*Schedule of Expenditures – Men’s Olympic Sports
For the year ended June 30, 2004*

Expenditures:	<u>Baseball</u>	<u>Golf</u>
Personnel	\$ 461,911	\$ 162,273
Grants	286,327	90,131
Team travel	171,213	34,273
General travel	2,173	6,007
Recruiting	30,130	4,301
Game services	94,287	398
Other services	4,004	3,856
Supplies and uniforms	94,656	12,590
General administration	53,912	17,708
Guarantees	<u>16,500</u>	<u>-</u>
Total expenditures	<u><u>\$ 1,215,113</u></u>	<u><u>\$ 331,537</u></u>

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

*Schedule of Expenditures – Men’s Olympic Sports
For the year ended June 30, 2004*

<u>Soccer</u>	<u>Swimming</u>	<u>Tennis</u>	<u>In and Outdoor Track and Cross Country</u>	<u>Totals</u>
\$ 168,585	\$ 128,930	\$ 125,526	\$ 198,158	\$ 1,245,383
176,155	190,581	161,031	386,341	1,290,566
54,271	53,474	59,867	158,269	531,367
1,909	1,694	2,400	4,393	18,576
31,333	30,668	10,834	26,450	133,716
9,360	257	34,748	2,150	141,200
1,530	2,230	4,584	10,219	26,423
3,161	13,832	48,460	24,487	197,186
10,539	7,493	9,161	13,650	112,463
6,700	-	-	-	23,200
<u>\$ 463,543</u>	<u>\$ 429,159</u>	<u>\$ 456,611</u>	<u>\$ 824,117</u>	<u>\$ 3,720,080</u>

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

*Schedule of Expenditures – Women’s Olympic Sports
For the year ended June 30, 2004*

Expenditures:	<u>Basketball</u>	<u>Softball</u>	<u>Volleyball</u>	<u>Swimming</u>
Personnel	\$ 604,476	\$ 212,662	\$ 241,405	\$ 185,533
Grants	388,147	262,650	391,302	274,251
Team travel	363,786	62,023	94,916	76,951
General travel	19,063	827	5,753	2,438
Recruiting	113,414	23,049	20,559	44,131
Game services	62,190	15,489	40,002	370
Other services	2,382	1,604	1,566	3,209
Supplies and uniforms	37,351	12,302	33,746	19,906
General administration	56,734	6,380	23,618	10,782
Guarantees	<u>34,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u><u>\$ 1,681,543</u></u>	<u><u>\$ 596,986</u></u>	<u><u>\$ 852,867</u></u>	<u><u>\$ 617,571</u></u>

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

*Schedule of Expenditures – Women’s Olympic Sports
For the year ended June 30, 2004*

<u>Tennis</u>	<u>Golf</u>	<u>In and Outdoor Track and Cross Country</u>	<u>Soccer</u>	<u>Equestrian</u>	<u>Totals</u>
\$ 119,209	\$ 138,283	\$ 252,201	\$ 158,320	\$ 80,540	\$ 1,992,629
193,524	102,521	491,707	267,476	103,677	2,475,255
52,611	40,872	201,434	58,544	39,590	990,727
1,111	5,590	5,592	3,018	1,298	44,690
8,475	9,100	33,664	30,663	18,962	302,017
7,100	6,517	2,736	9,473	3,775	147,652
5,195	203	13,005	875	429	28,468
45,307	20,440	31,165	19,348	13,982	233,547
10,105	14,003	17,374	11,637	138,498	289,131
<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>34,500</u>
<u><u>\$ 442,637</u></u>	<u><u>\$ 337,529</u></u>	<u><u>\$ 1,048,878</u></u>	<u><u>\$ 559,854</u></u>	<u><u>\$ 400,751</u></u>	<u><u>\$ 6,538,616</u></u>

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

*Schedule of Expenditures – Student Athletic Support Services
For the year ended June 30, 2004*

	Athletic Training Room	Academic Support Services
Expenditures:		
Personnel	\$ 441,435	\$ 771,949
Grants	338	5,060
Team travel	-	179
General travel	23,103	4,191
Recruiting	-	-
Game services	1,118	5,717
Other services	379,214	1,686
Supplies and uniforms	169,368	1,592
General administration	297,478	67,174
Guarantees	-	-
Total expenditures	1,312,054	857,548
Transfers	-	-
Total expenditures and transfers	<u>\$ 1,312,054</u>	<u>\$ 857,548</u>

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

*Schedule of Expenditures – Student Athletic Support Services
For the year ended June 30, 2004*

Strength Conditioning Program	Cheerleading	Wellness Program Testing	Totals
\$ 364,991	\$ 48,703	\$ 74,107	\$ 1,701,185
-	36,435	-	41,833
-	65,485	-	65,664
8,710	603	2,139	38,746
-	-	-	-
3,245	746	995	11,821
6,157	1,618	6,272	394,947
4,082	46,144	537	221,723
31,336	4,754	69,062	469,804
-	-	-	-
418,521	204,488	153,112	2,945,723
-	-	-	-
<u>\$ 418,521</u>	<u>\$ 204,488</u>	<u>\$ 153,112</u>	<u>\$ 2,945,723</u>

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

*Schedule of Expenditures – Administrative Support Services
For the year ended June 30, 2004*

Expenditures:	<u>Sports Information</u>	<u>Business Office</u>	<u>Ticket Office</u>	<u>Game Management</u>	<u>NCAA Compliance</u>
Personnel	\$ 369,300	\$ 374,593	\$ 337,462	\$ 485,875	\$ 171,336
Grants				19	
Team travel					
General travel	23,735	5,778	12,984	579	9,971
Recruiting					
Game services	9,815		152	877,041	262
Other services	879	-	2,360	32,691	100
Supplies and uniforms	38,625	-	71,356	7,329	-
General administration	179,247	12,317	270,118	563,482	14,058
Guarantees					
Total expenditures	<u>\$ 621,601</u>	<u>\$ 392,688</u>	<u>\$ 694,432</u>	<u>\$ 1,967,016</u>	<u>\$ 195,727</u>

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

*Schedule of Expenditures – Administrative Support Services
For the year ended June 30, 2004*

<u>Olympic Sports Adminstration</u>	<u>Concession</u>	<u>Video Support</u>	<u>Marketing Promotions Advertising</u>	<u>Premium Seating</u>	<u>Total</u>
\$ 302,800	\$ -	\$ 149,883	\$ 43,143	\$ 1,489	\$ 2,235,881
				75	94
					-
9,932	-	4,015	2,177	-	69,171
678					678
11,238			348	300,233	1,199,089
595	5,589	4,221	-	4,958	51,393
25,662	-	26,046	-	6,743	175,761
18,602	9,387	11,844	24,483	123,245	1,226,783
					-
<u>\$ 369,507</u>	<u>\$ 14,976</u>	<u>\$ 196,009</u>	<u>\$ 70,151</u>	<u>\$ 436,743</u>	<u>\$ 4,958,850</u>

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

*Schedule of Endowment Fund Assets (1)
For the year ended June 30, 2004*

	Cash and Cash Equivalents	Fund held in Trust by Others	Real Estate	Total
Endowments:				
Robert Bond	\$ 25,000	\$	\$	\$ 25,000
Chester Wingate	25,000			25,000
Elliot Close	26,172			26,172
B.T. Bootle	19,983			19,983
Joseph Rosen	7,285		39,417	46,702
Harvey Rosen	25,785		20,916	46,701
Peter & Peggy Oliver	3,000		28,500	31,500
Donald Russell, Jr.	30,000			30,000
W.G. Moorer	25,000			25,000
Rebecca Rosen Nurick	7,285		39,417	46,702
Ernest A. Brooks	236,661	597,934		834,595
Kathryn C. Inabinet	25,000			25,000
Jerry E. Spann	12,187			12,187
Roy E. Hudgens	25,000			25,000
Hubert R. Kelly	25,000			25,000
Stuart C. Hope	25,000			25,000
Thomas Glazebrook	25,000			25,000
G. Thomas Snyder, Jr.	40,000			40,000
Kyle Snyder	40,000			40,000
Jack W. Markusen	40,000			40,000
S.E. Carter, Jr.	40,000			40,000
David E. & Susan C. Connelly	25,050			25,050
Leonard Browder	25,000			25,000
Robert Ringer	25,000			25,000
Atlas Electric Co./G.H. Timmons	28,000			28,000
Marshall Martin, Jr.	25,050			25,050
Aquarian Pools/W.M. Muller	25,000			25,000
Clyde & Jean Branham	25,000			25,000
Carol Mosack	40,000			40,000
Martha E. Barbour	2,500			2,500
Cherokee County Gamecock Club	25,000			25,000
E.L. Pooser, Jr.	25,000			25,000
Terry A. Snyder	25,500			25,500
Ham & Larae Godwin-Beale	25,000			25,000
J. Graham Shaw	25,969			25,969
D. Larry Salley	15,000			15,000
Lisa & Mark Campbell	25,000			25,000
W.E. Stillwell, Jr.	40,000			40,000
Raett & Amy Richardson	25,002			25,002
Darryl R. Davids	43,000			43,000

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

*Schedule of Endowment Fund Assets (1), Continued
For the year ended June 30, 2004*

	Cash and Cash Equivalents	Fund held in Trust by Others	Real Estate	Total
Endowments, Continued:				
R. Thomas Moore	25,000			25,000
Canteen of Dixie	25,000			25,000
Philip J. Babb	10,000			10,000
Charles F. Crews	40,000			40,000
Dr. & Mrs. David R. Beckham, Jr.	25,000			25,000
Samuel H. Vickers	25,000			25,000
F.R. Bush	25,000			25,000
James T. Martin	25,000			25,000
A. Brian McIntyre	25,000			25,000
M. Graham Proffitt, III	25,000			25,000
David W. Moon	25,000			25,000
Sam L. Thomas	25,000			25,000
Mary R. Ellis	40,000			40,000
Mary Felder Clay	25,000			25,000
Mr. & Mrs. William Morris	25,000			25,000
Edward O. Caughman	25,000			25,000
Dr. & Mrs. James Stands	40,000			40,000
James & Sherrie Hall	25,000			25,000
James E. Brown	40,000			40,000
Thomas L. Taylor, Jr.	25,000			25,000
T.R. McConnell	40,000			40,000
Mr. & Mrs. Bill Dukes	25,000			25,000
Mortimer Smith	27,449			27,449
Ervin Hickman	25,000			25,000
David Curry	25,000			25,000
Mitchell Bailey	25,000			25,000
Harvey Capell	24,000			24,000
William Hutchinson	1,350			1,350
Bruce Volk	2,000			2,000
William Moore	40,000			40,000
Ethan & Shannon M. Nord	175,000			175,000
Total endowments	2,178,228	597,934	128,250	2,904,412

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

*Schedule of Endowment Fund Assets (1), Continued
For the year ended June 30, 2004*

	<u>Cash Equivalents</u>	<u>in Trust by Others</u>	<u>Real Estate</u>	<u>Total</u>
Quasi-endowments:				
General	44,221			44,221
Peggy Shaw	-		6,500	6,500
P.F. Laborde, Jr.	11,919			11,919
Rex Enright	2,765			2,765
Mike Johnson	12,272			12,272
Pat McGuire	4,832			4,832
J.D. Parler	4,953			4,953
Doc Ellisor	614			614
Rut L. Osborne	34			34
Frank McGuire	8,655			8,655
Gamecock Club	46,198			46,198
Pizza Hut	16,000			16,000
D.L. Kingsbury	5,500			5,500
F.J. Collins, Jr.	25,000			25,000
Joe Morrison	17,154			17,154
Gamecock Club Insurance	59,229	2,167,142		2,226,371
	<u>259,346</u>	<u>2,167,142</u>	<u>6,500</u>	<u>2,432,988</u>
Total quasi-endowments				
	<u>259,346</u>	<u>2,167,142</u>	<u>6,500</u>	<u>2,432,988</u>
Totals	<u>\$ 2,437,574</u>	<u>\$ 2,765,076</u>	<u>\$ 134,750</u>	<u>\$ 5,337,400</u>

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

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

*Schedule of Changes in Endowment Fund Balances (1)
For the year ended June 30, 2004*

	Fund Balance July 1, 2003	Contributions	Other Income (2)	Fund Balance June 30, 2004
Endowments:				
Robert Bond	\$ 25,000	\$	\$	\$ 25,000
Chester Wingate	25,000			25,000
Elliot Close	26,172			26,172
B.T. Bootle	19,983			19,983
Joseph Rosen	46,702			46,702
Harvey Rosen	46,701			46,701
Peter & Peggy Oliver	31,500			31,500
Donald Russell, Jr.	30,000			30,000
W.G. Moorer	25,000			25,000
Rebecca Rosen Nurick	46,702			46,702
Ernest A. Brooks	805,794		28,801	834,595
Kathryn C. Inabinet	25,000			25,000
Jerry E. Spann	12,187			12,187
Roy E. Hudgens	25,000			25,000
Hubert R. Kelly	25,000			25,000
Stuart C. Hope	25,000			25,000
Thomas Glazebrook	25,000			25,000
G. Thomas Snyder, Jr.	40,000			40,000
Kyle Snyder	40,000			40,000
Jack W. Markusen	40,000			40,000
S.E. Carter, Jr.	40,000			40,000
David E. & Susan C. Connelly	25,050			25,050
Leonard Browder	25,000			25,000
Robert Ringer	25,000			25,000
Atlas Electric Co./G.H. Timmons	28,000			28,000
Marshall Martin, Jr.	25,050			25,050
Aquarian Pools/W.M. Muller	25,000			25,000
Clyde & Jean Branham	25,000			25,000
Carl Mosack	40,000			40,000
Martha E. Barbour	2,500			2,500
Cherokee County Gamecock Club	25,000			25,000
E.L. Pooser, Jr.	25,000			25,000
Terry A. Snyder	25,500			25,500
Ham & Larae Godwin-Beale	25,000			25,000
J. Graham Shaw	25,969			25,969
D. Larry Salley	15,000			15,000
Lisa & Mark Campbell	25,000			25,000
W.E. Stillwell, Jr.	40,000			40,000
Raett & Amy Richardson	25,002			25,002
Darryl R. Davids	43,000			43,000
R. Thomas Moore	25,000			25,000

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

*Schedule of Changes in Endowment Fund Balances (1), Continued
For the year ended June 30, 2004*

	Fund Balance July 1, 2003	Contributions	Other Income (2)	Fund Balance June 30, 2004
Endowments, Continued:				
Canteen of Dixie	25,000			25,000
Philip J. Babb	10,000			10,000
Charles F. Crews	40,000			40,000
Dr. & Mrs. David R. Beckham, Jr.	25,000			25,000
Samuel H. Vickers	25,000			25,000
F.R. Bush	25,000			25,000
James T. Martin	25,000			25,000
A. Brian McIntyre	25,000			25,000
M. Graham Proffitt, III	25,000			25,000
David W. Moon	25,000			25,000
Sam L. Thomas	25,000			25,000
Mary R. Ellis	40,000			40,000
Mary Felder Clay	25,000			25,000
Mr. & Mrs. William Morris	25,000			25,000
Edward O. Caughman	25,000			25,000
Dr. & Mrs. James Stands	40,000			40,000
James & Sherrie Hall	25,000			25,000
James E. Brown	40,000			40,000
Thomas L. Taylor, Jr.	25,000			25,000
T.R. McConnell	40,000			40,000
Mr. & Mrs. Bill Dukes	25,000			25,000
Mortimer Smith	27,449			27,449
Ervin Hickman	25,000			25,000
David Curry	25,000			25,000
Mitchell Bailey	25,000			25,000
Harvey Capell	24,000			24,000
William Hutchinson	1,350			1,350
Bruce Volk	2,000			2,000
William Moore	40,000			40,000
Ethan W. & Shannon M. Nord	175,000			175,000
Total endowments	2,875,611	-	28,801	2,904,412

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

*Schedule of Changes in Endowment Fund Balances (1), Continued
For the year ended June 30, 2004*

	Fund Balance July 1, 2003	Contributions	Other Income (2)	Fund Balance June 30, 2004
Quasi-endowments:				
General	44,221			44,221
Peggy Shaw	6,500			6,500
P.F. Laborde, Jr.	11,919			11,919
Rex Enright	2,765			2,765
Mike Johnson	12,272			12,272
Pat McGuire	4,832			4,832
J.D. Parler	4,953			4,953
Doc Ellisor	614			614
Rut L. Osborne	34			34
Frank McGuire	8,655			8,655
Gamecock Club	45,883		315	46,198
Pizza Hut	16,000			16,000
D.L. Kingsbury	5,500			5,500
F.J. Collins, Jr.	25,000			25,000
Joe Morrison	17,154			17,154
Gamecock Club Insurance	2,084,987		141,384	2,226,371
Total quasi-endowment:	2,291,289	-	141,699	2,432,988
Totals	\$ 5,166,900	\$ -	\$ 170,500	\$ 5,337,400

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

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

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

*Schedule of Gamecock Club and Athletics Department
Revenues and Expenditures and Transfers
For the year ended June 30, 2004*

	Gamecock Club	Athletics Department	Total
Revenues:			
Admission and guarantees	\$	\$ 14,210,461	\$ 14,210,461
Student athletic fees		551,348	551,348
Gamecock Club contributions	10,973,162		10,973,162
Investment income	123,834	129,834	253,668
Endowment income	207,134		207,134
Corporate sponsorship		233,250	233,250
Post season event - Other		105,173	105,173
Programs, souvenirs and concessions		1,030,125	1,030,125
Radio and television rights		364,687	364,687
Mailing fees		104,785	104,785
Royalties		180,675	180,675
Southeastern Conference		9,469,313	9,469,313
Premium seating		2,575,269	2,575,269
Gifts in kind	210,800	98,423	309,223
Other revenue	100,955	849,309	950,264
Colonial Center non-athletic events		5,695,208	5,695,208
Total revenue	11,615,885	35,597,860	47,213,745 (A)
Expenditures:			
Personnel	1,404,707	10,734,841	12,139,548
Grants	6,385,426		6,385,426
Team travel	18,215	2,442,279	2,460,494
General travel	122,834	256,812	379,646
Recruiting	918,642	27,768	946,410
Game services	148,456	2,096,288	2,244,744
Other services	539,033	466,916	1,005,949
Supplies and uniforms	172,262	1,043,433	1,215,695
General administration	2,004,181	5,966,522	7,970,703
Guarantees		2,447,700	2,447,700
Colonial Center non-athletic events		4,761,858	4,761,858
Total expenditures	11,713,756	30,244,417	41,958,173 (B)

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

*Schedule of Gamecock Club and Athletics Department
Revenues and Expenditures and Transfers, Continued
For the year ended June 30, 2004*

	Gamecock Club	Athletics Department	Total
Transfers to the University	-	4,769,602	4,769,602
Total transfers		4,769,602	4,769,602
Total expenditures and transfers	11,713,756	35,014,019	46,727,775
Excess of revenues over (under) expenditures and transfers	\$ (97,871)	\$ 583,841	\$ 485,970

(A) Excludes Block C Association revenue of \$29,797

(B) Excludes Block C Association expenditures of \$29,797

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

*Schedule of Gamecock Club Expenditures – Budget to Actual
For the year ended June 30, 2004*

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Grant-in-aid:			
Tuition and fees	\$ 3,413,090	\$ 3,855,847	\$ (442,757)
Lodging	1,052,071	968,108	83,963
Meals	750,917	1,000,728	(249,811)
Books	207,260	264,625	(57,365)
Summer school	505,350	195,439	309,911
Vacation meals and lodging	133,500	100,679	32,821
Total Grant-in-aid	<u>6,062,188</u>	<u>6,385,426</u>	<u>(323,238)</u>
Recruiting:			
Coaches' recruiting	489,600	509,495	(19,895)
Prospects travel and maintenance	230,310	306,844	(76,534)
Brochures and printing	63,100	102,303	(39,203)
Operations:			
Club operations	1,774,808	2,062,416	(287,608)
Academic support services	851,263	852,515	(1,252)
Student wellness program	98,403	153,112	(54,709)
Junior Gamecock Club	16,365	20,719	(4,354)
Airplane operations	418,458	421,330	(2,872)
Sports medicine	649,500	870,294	(220,794)
Non-budgeted expenses	-	29,302	(29,302)
Total recruiting/operations	<u>4,591,807</u>	<u>5,328,330</u>	<u>(736,523)</u>
Total Grant-in-aid and recruiting/operations	<u>\$ 10,653,995</u>	<u>\$ 11,713,756</u>	<u>(1,059,761)</u>

OTHER INFORMATION
(Unaudited)

Typical Department of Athletics Format as distributed during the fiscal year to the Board of Trustees

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

*Schedule of Revenues – Undesignated/Departmentally Designated Funds
For the year ended June 30, 2004*

	<u>Undesignated</u>	<u>Departmentally Designated</u>	<u>Totals</u>
Revenues:			
Admissions:			
Football	\$ 11,328,788	\$	11,328,788
Basketball	1,583,289		1,583,289
Olympic sports	446,134		446,134
Totals	<u>13,358,211</u>	<u>-</u>	<u>13,358,211</u>
Guarantees:			
Football	800,000	-	800,000
Olympic sports	52,250	-	52,250
Totals	<u>852,250</u>	<u>-</u>	<u>852,250</u>
Student athletic fees	<u>551,348</u>	<u>-</u>	<u>551,348</u>
Gamecock Club:			
Regular members contributions	10,718,482	-	10,718,482
Junior members contributions	24,840	-	24,840
Buffet revenue	56,590	-	56,590
Credit card revenue	173,250	-	173,250
Gifts in kind	210,800	-	210,800
Total Gamecock Club	<u>11,183,962</u>	<u>-</u>	<u>11,183,962</u>
Endowment income	<u>207,134</u>	<u>-</u>	<u>207,134</u>
Investment income	<u>206,459</u>	<u>47,209</u>	<u>253,668</u>

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

*Schedule of Revenues – Undesignated/Departmentally Designated Funds, Continued
For the year ended June 30, 2004*

	<u>Undesignated</u>	<u>Departmentally Designated</u>	<u>Totals</u>
Premium seating:			
Club seats	552,650	-	552,650
Suite seats	639,044	-	639,044
Zone seats	972,075	-	972,075
Arena founders seats	411,500	-	411,500
Arena courtside seats			
Total premium seating	<u>2,575,269</u>	<u>-</u>	<u>2,575,269</u>
Southeastern Conference share	<u>9,165,952</u>	<u>303,361</u>	<u>9,469,313</u>
Gifts	<u>87,221</u>	<u>11,202</u>	<u>98,423</u>
Other:			
Football radio and television rights	242,106	-	242,106
Basketball radio and television rights	122,581	-	122,581
Programs, souvenirs and concessions	1,030,125	-	1,030,125
Mailing fees	104,785	-	104,785
Royalties	180,675	-	180,675
Post season events - other	105,173	-	105,173
Corporate sponsorships	233,250	-	233,250
Miscellaneous	950,264	-	950,264
Totals	<u>2,968,959</u>	<u>-</u>	<u>2,968,959</u>
Colonial Center non-athletic events revenues	<u>5,695,208</u>	<u>-</u>	<u>5,695,208</u>
Outside sources:			
Block "C" Association	<u>29,797</u>		<u>29,797</u>
Total revenue	<u><u>\$ 46,881,770</u></u>	<u><u>\$ 361,772</u></u>	<u><u>\$ 47,243,542</u></u>

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

*Schedule of Expenditures and Transfers –
Undesignated/Departmentally Designated Funds
For the year ended June 30, 2004*

	<u>Undesignated</u>	<u>Departmentally Designated</u>	<u>Totals</u>
Expenditures:			
Personnel	\$ 12,139,548	\$ -	\$ 12,139,548
Grants (Scholarships)	6,385,426		6,385,426
Team travel	2,460,494		2,460,494
General travel	379,646		379,646
Recruiting	946,410		946,410
Game services	2,244,744		2,244,744
Supplies and uniforms	1,151,563	64,132	1,215,695
General administration	7,050,630	920,073	7,970,703
Other services	889,598	116,351	1,005,949
Guarantees	2,447,700		2,447,700
	36,095,759	1,100,556	37,196,315
Colonial Center non-athletic events	4,761,858		4,761,858
Outside services:			
Block "C" Association	29,797		29,797
Total expenditures	<u>40,887,414</u>	<u>1,100,556</u>	<u>41,987,970</u>
Transfers:			
University general scholarships	562,008		562,008
University band	76,703	72,547	149,250
Debt service	1,475,000	(1,000,000)	475,000
Colonial Center non-athletic events	222,724		222,724
Other	3,313,411	47,209	3,360,620
Total transfers	<u>5,649,846</u>	<u>(880,244)</u>	<u>4,769,602</u>
	<u>\$ 46,537,260</u>	<u>\$ 220,312</u>	<u>\$ 46,757,572</u>

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

*Schedule of Changes in Fund Balances –
Undesignated/Departmentally Designated Funds
For the year ended June 30, 2004*

	<u>Undesignated</u>	<u>Departmentally Designated</u>	<u>Total</u>
Fund balances , beginning of year	\$ 6,710,507	\$ 335,504	\$ 7,046,011
Excess of revenues over (under) expenditures and transfers	<u>344,510</u>	<u>141,460</u>	<u>485,970</u>
Fund balances , at end of year	<u><u>\$ 7,055,017</u></u>	<u><u>\$ 476,964</u></u>	<u><u>\$ 7,531,981</u></u>

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

*Schedule of Expenditures and Transfers – Departmentally Designated Funds
For the year ended June 30, 2004*

	<u>Reserve and Replacements</u>	<u>New Arena</u>	<u>Totals</u>
Expenditures:			
Personnel	\$ -	\$ -	\$ -
Grants	-	-	-
Team travel	-	-	-
General travel	-	-	-
Recruiting	-	-	-
Game services	-	-	-
Other services	116,350	-	116,350
Supplies and uniforms	64,132	-	64,132
General administration	909,611	10,463	920,074
Guarantees	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	1,090,093	10,463	1,100,556
Transfers	<u>(680,244)</u>	<u>(200,000)</u>	<u>(880,244)</u>
Total expenditures and transfers	<u>\$ 409,849</u>	<u>\$ (189,537)</u>	<u>\$ 220,312</u>

**UNIVERSITY OF SOUTH CAROLINA
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS
CAROLINA CENTER – NON-ATHLETIC EVENTS**

*Schedule of Revenue, Expenditures and Transfers
For the year ended June 30, 2004*

Revenues:

Ticket sales and rental charges	\$ 2,322,289
Arena suites	1,849,420
Concessions	861,730
Corporate sponsorships	602,258
Investment income	9,075
Parking rentals	-
Other	<u>50,436</u>

Total revenue	<u>5,695,208</u>
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Expenditures:

Personnel	1,583,506
Travel	40,610
Event services	1,820,747
Supplies	7,516
General administration	<u>1,309,479</u>

Total expenditures	<u>4,761,858</u>
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Excess of revenue over expenditures	<u>933,350</u>
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Transfers:

Transfers to the University:	
Capital projects	500,000
Sinking fund	147,724
Other	100,000
Transfers from the University:	
Utilities	(280,000)
Parking	<u>(245,000)</u>

Total net transfers	<u>222,724</u>
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Excess of revenue over expenditures and transfers	<u>\$ 710,626</u>
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CRAVEN LANG ROWELL & COMPANY, P.A.

Certified Public Accountants

Ann R. Craven, CPA, CFP
Brigitte B. Gann, CPA
Robin L. Herrick, CPA
Gayle G. Lang, CPA
R. Wayne Rowell, CPA
Sandy Shelton, CPA
Marshall M. Short, CPA

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL

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

In planning and performing our audit of the financial statements of the University of South Carolina Department of Athletics – Columbia Campus for the year ended June 30, 2004, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

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

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

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

Craven Lang Rowell & Company P.A.

September 30, 2004
Charlotte, North Carolina

LETTER OF COMMENT

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

During the examination of the financial statements we noted a couple of issues that need to be addressed:

- 1) There are some old travel advances that need to be cleared from the accounting records of the Athletic Department.
- 2) More care should be exercised in the preparation of the ticket reconciliation reports and the handling of the "deadwood" tickets.

The above items were not material to the overall financial statements but were thought worthy of mention.