

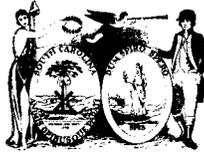
**UNIVERSITY OF SOUTH CAROLINA
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

Columbia, South Carolina

Report on Audit of Financial Statements

For the year ended June 30, 2003

State of South Carolina



Office of the State Auditor

1401 MAIN STREET, SUITE 1200
COLUMBIA, S.C. 29201

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STATE AUDITOR

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December 5, 2003

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, 2003, was issued by Hough, Rowell & Short, 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 cursive script that reads "Tom Wagner".

Thomas L. Wagner, Jr., CPA
State Auditor

TLWjr/trb

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Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying balance sheet of the University of South Carolina Department of Athletics - Columbia Campus (the Department) as of June 30, 2003, and the related statements of revenues, expenditures and transfers, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the management of the University of South Carolina Department of Athletics - Columbia Campus. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

As discussed in Notes 1, 6 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, 2003, and the results of its operations, and its cash flows for the year then ended in conformity with generally accepted accounting principles.

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

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

Hough, Russell & Shont, P.A.

September 26, 2003
Charlotte, North Carolina

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

*Balance Sheet
June 30, 2003*

Assets

Current assets:

Cash and cash equivalents	\$ 10,126,115
Accrued investment and endowment income receivable	1,004,166
Accounts receivable	2,238,887
Pledges receivable, net of allowance of \$100,000 (Note 7)	2,977,840
Notes receivable	3,040,000
Prepaid expenditures	193,185
Advance to other funds	<u>5,500,000</u>

Total assets \$ 25,080,193

Liabilities and Fund Balance

Current liabilities:

Accounts payable	\$ 922,085
Accrued payroll and related benefits	124,627
Accrued compensated absences and liabilities	1,066,237
Deferred revenue:	
Football ticket sales	10,278,655
Premium seating	5,435,603
Other	<u>692,945</u>

Total liabilities 18,520,152

Fund balance 6,560,041

Total liabilities and fund balance \$ 25,080,193

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

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

*Statement of Revenues, Expenditures and Transfers
For the year ended June 30, 2003*

Revenues:

Admissions, net of \$1,984,914 for bond seat assessment, and \$534,203 for admissions taxes	\$ 10,618,462
Guarantees	1,379,200
Student athletic fees	500,796
Gamecock Club contributions and others	11,113,877
Investment income	634,906
Endowment income	88,924
Premium seating	2,748,553
Southeastern Conference share	8,777,472
Gifts	93,385
Other	<u>3,059,257</u>
Total	39,014,832
Carolina Center non athletic events	4,651,818
Outside sources: Block "C" Association	<u>37,675</u>
Total revenues	<u>43,704,325</u>

Expenditures:

Personnel	11,465,033
Grants (Scholarships)	5,493,337
Team travel	2,556,534
General travel	390,628
Recruiting	822,756
Game services	1,786,334
Other services	1,155,251
Supplies and uniforms	1,130,640
General administration, supplies and services	10,205,572
Guarantees	<u>1,790,536</u>
Total	36,796,621
Carolina Center non athletic events	3,834,122
Outside sources: Block "C" Association	<u>37,675</u>
Total expenditures	<u>40,668,418</u>
Excess of revenues over expenditures	<u>3,035,907</u>

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

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

*Statement of Revenues, Expenditures and Transfers, Continued
For the year ended June 30, 2003*

Transfers:

Transfers to the University:	
University general scholarships	443,864
University band	145,000
Debt service	1,095,000
Capital projects	735,000
Other transfers	<u>152,049</u>
Total transfers to the University	<u><u>2,570,913</u></u>

Others transfers:

Carolina Center Non Athletic Events:	
Capital projects	500,000
Auxiliaries	100,000
Other	<u>100,000</u>
Total other transfers	700,000

Transfers from the University (280,000)

Total transfers 2,990,913

Excess of revenues over expenditures and transfers \$ 44,994

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

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

*Statement of Changes in Fund Balances
For the year ended June 30, 2003*

Fund balances , at beginning of year	\$ 6,515,047
Excess of revenues over expenditures and transfers	<u>44,994</u>
Fund balances , at end of year	<u><u>\$ 6,560,041</u></u>

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

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

*Statement of Cash Flows
For the year ended June 30, 2003*

Cash flows from operating activities:	
Excess of revenues over expenditures	\$ 3,035,907
Investment and endowment income reclassified to investing activity	(723,830)
Adjustments to reconcile excess of revenues over expenditures, net of investment and endowment income, to net cash provided by operating activities:	
Changes in assets and liabilities:	
Increase in accounts and notes receivable	(1,442,860)
Increase in pledges receivable	(557,840)
Decrease in prepaid expenditures	14,240
Increase in advances to other funds	(5,500,000)
Increase in accounts payable	584,492
Increase in accrued compensated absences	11,792
Increase in deferred revenues	4,136,576
Decrease in accrued payroll and related liabilities	<u>(141,893)</u>
Net cash required by operating activities	<u>(583,416)</u>
Cash flows from investing activities:	
Interest income received on investments and endowment funds	<u>543,866</u>
Net cash provided by investing activities	<u>543,866</u>
Cash flows from non-capital financing activities:	
Transfers to the University	<u>(2,990,913)</u>
Net cash used by non-capital financing activities	<u>(2,990,913)</u>
Net decrease in cash and cash equivalents	(3,030,463)
Cash and cash equivalents, at beginning of year	<u>13,156,578</u>
Cash and cash equivalents, at end of year	<u><u>\$ 10,126,115</u></u>

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

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

*Statement of Cash Flows, Continued
For the year ended June 30, 2003*

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

As discussed in Notes 1 and 6, certain assets and the related liabilities from which the Department derives benefit have not been included in the accompanying balance sheet but have instead been recorded in the University's plant funds. Current revenue and expenditures related to those assets specifically associated with the Department's operations have been recorded as revenues and expenditures of the Department. Accordingly, certain capital and related financing activities amounting to \$469,897 for equipment acquisitions and debt retirement are included as operating activities rather than capital and related financing activities on the statement of cash flows.

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

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

Notes to Financial Statements

1. Summary of Significant Accounting Policies:

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

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

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

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

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

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

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

Notes to Financial Statements, Continued

1. Summary of Significant Accounting Policies, continued:

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

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

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

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

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

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

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

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

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

Notes to Financial Statements, Continued

1. Summary of Significant Accounting Policies (Continued):

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

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

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

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

Use of Estimates – The preparation of financial statements in conformity with 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.

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

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

2. Deposits and Investments:

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

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

Balance Sheet		Footnotes	
Cash and Cash Equivalents	\$ 10,126,115	Cash on Hand	\$ 779,739
		Deposits held by	
		State Treasurer	9,346,376
	\$ 10,126,115		\$ 10,126,115

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, 2003, all State Treasurer bank balances were fully insured or collateralized with securities held by the State or by its agents in the State’s name.

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

3. Notes Receivable:

Notes receivable include a \$40,000 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, \$20,000 of the debt will be forgiven for each year employed through 2005.

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 \$945,976 were outstanding as of June 30, 2003.

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

Notes to Financial Statements, Continued

4. Endowment Income:

Endowment and similar funds on which income earned is available to the Department are as follows at June 30, 2003:

Endowments	\$ 2,875,611
Quasi-endowment	<u>2,291,289</u>
Total	<u><u>\$ 5,166,900</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, 2003.

<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Contributions to or on Behalf of Program</u>	<u>Ending Cash Balance</u>
\$ 23,126	\$ 58,270	\$ 37,675	\$ 43,721

The Block C Association expenditures of \$36,675 consist of expenditures made by the Block C Association on behalf of the Gamecock Club primarily for maintenance of football and basketball lounges, sports banquets and cookouts, senior awards, raffles and tickets. This amount is included in the revenue and expenditures 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:

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 \$2,049,531, 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. There were no scholarship fees collected in fiscal year 2003 since Clemson hosted the game in November 2002.

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, 2003. 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, 2003, 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 \$641,657 for the year ended June 30, 2003. The University's plant fund earned interest on these debt service funds of \$88,081 for the year ended June 30, 2003. Student athletic fees revenue is reported net of the \$641,657 special student fee in the accompanying financial statements.

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

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

7. Gamecock Club (The Club):

Specific provisions govern the use of excess revenue over expenditures for the Club. Revenue and expenditures for the Club amounted to \$11,372,641 and \$10,691,592 respectively, and are included in the accompanying financial statements. Such revenues include \$10,848,334 of contributions by Club members and \$524,307 from other sources, principally gifts-in-kind income and endowment and investment income. At June 30, 2003, pledges totaling \$3,077,840 due by December 31, 2003 are outstanding but not delinquent. The \$100,000 allowance for uncollectible pledges is based on previous collection history and is considered to be a reasonable estimate.

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

Notes to Financial Statements, Continued

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.

Since July 1, 1988, employees participating in the SCRS have been required to contribute 6 percent of all compensation. Effective July 1, 2001, the employer contribution rate became 10.04 percent, which included a 2.85 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, 2003, 2002 and 2001 were \$296,200, \$294,100 and \$273,200 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 \$5,884.46 in the current fiscal year at the rate of .15 percent of compensation.

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

Notes to Financial Statements, Continued

8. Pension Plans, Continued:

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, 2001, the employer contribution rate became 13.15 percent, which, as for the SCRS, included the 2.85 percent surcharge. The Athletic Department's actual contributions to the PORS for the years ending June 30, 2003, 2002, and 2001, were \$15,634, \$7,978, and \$4,470 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 \$305 and accidental death insurance contributions of \$305 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.

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).

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

Notes to Financial Statements, Continued

8. Pension Plans, continued:

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 2.85 percent from the employer in fiscal year 2003.

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 \$328,162 (excluding the surcharge) from the Athletic Department as employer and \$260,791 from its employees as plan members. In addition, the University paid \$6,520 for group life insurance coverage for these employees. All amounts were remitted to the Retirement Division of the State Budget and Control Board for distribution 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 \$517,102 for the year ended June 30, 2003. As discussed in Note 8, the Athletic Department paid \$265,259 applicable to the 2.85 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.

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

Notes to Financial Statements, Continued

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, 2003 was \$17,600 under this lease.

Lease dated August 6, 1986 with the State Agricultural and Mechanical Society for use of the State fairgrounds for parking during home football games. The agreement provides for the payment of \$8,500 per home game except those played during the State Fair when no payment shall be made. There are usually six or seven home games and can be as many as two games during the State Fair. The annual cost would range from \$34,000 for four home games to \$59,500 for seven home games. The expenditure for the year ended June 30, 2003 was \$42,500 under this lease.

The future commitment under the ETV lease is as follows:

Year ending June 30, 2004	<u>\$ 14,250</u>
	<u><u>\$ 14,250</u></u>

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

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. \$110,000 was repaid by the Department during 2003 and is included in general administration expenditures. The balance of the advances at June 30, 2003 was \$380,000.

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

Notes to Financial Statements, Continued

13. Commitments, continued:

The University constructed a new basketball arena. The project's cost was approximately \$58,140,000 and was funded through Athletic Facility Revenue Bonds, Capital Improvement Bonds, City-County Tax Revenues, Suite leases and other sources. The majority of the funding came from the Revenue and Capital Improvement Bonds. The funding sources are listed below:

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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.

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

Notes to Financial Statements, Continued

14. Transactions with State Entities, continued:

The Department had financial transactions with various State agencies during the fiscal year. Payments were made to divisions of the State Budget and Control board for retirement and insurance plans contributions, surplus property disposal fees, insurance coverage, and telephone and interagency mail services. Payments were also made to other agencies for unemployment and workers' compensation coverage for employees. The amounts of 2003 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:

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

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

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

Notes to Financial Statements, Continued

15. Risk Management, Continued:

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

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

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

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

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

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

In management's opinion, claims losses in excess of insurance coverage, if any, are unlikely and, if incurred, would be insignificant to the Department's financial position. Furthermore, there is 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:

Installment notes payable consisted of the following at June 30, 2003:

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%	\$ 264,459
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%	<u>1,000,000</u>
Total Installment Notes Payable	<u><u>\$ 1,264,459</u></u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 186,031	\$ 87,232	\$ 273,263
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>\$ 1,264,459</u></u>	<u><u>\$ 349,885</u></u>	<u><u>\$ 1,614,344</u></u>

OTHER SUPPLEMENTARY INFORMATION

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

*Schedule of Revenues
For the year ended June 30, 2003*

Revenues:

Admissions

Football, net of \$1,172,160 for bond seat assessment and \$412,032 for admission taxes	\$ 8,216,777
Men's basketball, net of \$773,271 for bond seat assessment and \$95,327 for admission taxes	1,997,494
Olympic sports, net of \$39,483 for bond seat assessment and \$26,843 for admission taxes	<u>404,191</u>

Total	<u>10,618,462</u>
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Guarantees

Football	1,350,000
Olympic sports	<u>29,200</u>

Totals	<u>1,379,200</u>
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Student Athletic Fees	<u>500,796</u>
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Gamecock Club

Regular members contributions	10,700,260
Junior members contributions	24,150
Buffet revenue	48,924
Credit card revenue	75,000
Gifts in kind	<u>265,543</u>

Total Gamecock Club	<u>11,113,877</u>
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Investment income	<u>634,906</u>
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Endowment income	<u>88,924</u>
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Premium seating

Club seats	574,040
Suite seats	623,638
Zone seats	905,875
Arena founders seats	607,000
Arena courtside seats	<u>38,000</u>

Total premium seating	<u>2,748,553</u>
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**UNIVERSITY OF SOUTH CAROLINA
DEPARTMENT OF ATHLETICS – COLUMBIA CAMPUS**

*Schedule of Revenues, Continued
For the year ended June 30, 2003*

Southeastern Conference share	<u>8,777,472</u>
Gifts (Designated Funds)	<u>93,385</u>
Other	
Football radio and television rights	467,500
Basketball radio and television rights	233,500
Programs, souvenirs and concessions	837,648
Mailing fees	109,168
Royalties	152,479
Post season events - other	158,979
Corporate sponsorship	255,000
Miscellaneous	<u>844,983</u>
Totals	<u>3,059,257</u>
Carolina Center non athletic events revenues	<u>4,651,818</u>
Total revenues	<u><u>\$ 43,666,650</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, 2003*

	Debt Service Fund
Revenues:	
Student fees	\$ 641,657
Seat assessment (Williams Brice Stadium and Carolina Center)	2,049,531
Investment income	<u>88,081</u>
Total revenues	<u>2,779,269</u>
Expenditures:	
Principal	2,175,000
Interest	1,263,185
Other	<u>60,284</u>
Total expenditures	<u>3,498,469</u>
Transfers:	
For debt service	<u>1,095,000</u>
Total transfers	<u>1,095,000</u>
Excess of revenues and transfers over expenditures	375,800
Fund balances, beginning of year	<u>38,410</u>
Fund balances, end of year	<u><u>\$ 414,210</u></u>

(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, 2003*

	<u>Football</u>	<u>Men's Basketball</u>	<u>Men's Olympic Sports</u>	<u>Women's Olympic Sports</u>	<u>Student Athletic Support Services</u>
Expenditures:					
Personnel	\$ 1,810,148	\$ 580,716	\$ 1,057,917	\$ 1,785,413	\$ 1,630,962
Grants	1,900,737	352,409	1,136,475	2,007,079	47,608
Team travel	597,830	426,485	484,702	972,274	64,852
General travel	33,401	20,127	18,852	45,515	36,057
Recruiting	316,912	100,218	141,160	264,466	-
Game services	262,766	101,929	91,225	137,190	14,534
Other services	32,339	2,646	35,929	24,595	347,290
Supplies and uniforms	260,378	73,576	151,151	191,274	244,921
General administration	400,411	123,426	97,375	273,053	440,650
Guarantees	<u>1,575,000</u>	<u>155,000</u>	<u>16,436</u>	<u>44,100</u>	<u>-</u>
Total expenditures	7,189,922	1,936,532	3,231,222	5,744,959	2,826,874
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers	<u>\$ 7,189,922</u>	<u>\$ 1,936,532</u>	<u>\$ 3,231,222</u>	<u>\$ 5,744,959</u>	<u>\$ 2,826,874</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, 2003*

<u>Administrative Support Services</u>	<u>Gamecock Club</u>	<u>Facilities</u>	<u>Administration</u>	<u>Carolina Center Non-Athletic Events</u>	<u>Total</u>
\$ 2,141,141	\$ 466,229	\$ 1,019,445	\$ 973,062	\$ 955,039	\$ 12,420,072
7,388	-	-	41,641	-	5,493,337
3,301	7,090	-	-	-	2,556,534
51,947	6,573	3,649	174,507	43,313	433,941
-	-	-	-	-	822,756
927,038	63,388	839	187,425	23,302	1,809,636
59,285	106,955	195,117	351,095	1,317,778	2,473,029
204,189	1,439	805	2,907	6,945	1,137,585
1,302,903	1,350,385	1,186,126	5,031,243	1,487,745	11,693,317
-	-	-	-	-	1,790,536
4,697,192	2,002,059	2,405,981	6,761,880	3,834,122	40,630,743
-	-	-	2,570,913	420,000	2,990,913
<u>\$ 4,697,192</u>	<u>\$ 2,002,059</u>	<u>\$ 2,405,981</u>	<u>\$ 9,332,793</u>	<u>\$ 4,254,122</u>	<u>\$ 43,621,656</u>

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

*Schedule of Expenditures – Men’s Olympic Sports
For the year ended June 30, 2003*

Expenditures:	<u>Baseball</u>	<u>Golf</u>
Personnel	\$ 336,032	\$ 159,427
Grants	256,536	71,515
Team travel	162,728	40,578
General travel	3,228	2,285
Recruiting	40,618	16,534
Game services	40,143	262
Other services	18,054	4,434
Supplies and uniforms	59,172	15,801
General administration	33,743	18,096
Guarantees	<u>8,436</u>	<u>-</u>
Total expenditures	<u>\$ 958,690</u>	<u>\$ 328,932</u>

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

*Schedule of Expenditures – Men’s Olympic Sports
For the year ended June 30, 2003*

<u>Soccer</u>	<u>Swimming</u>	<u>Tennis</u>	<u>In and Outdoor Track and Cross Country</u>	<u>Totals</u>
\$ 168,897	\$ 124,555	\$ 107,777	\$ 161,229	\$ 1,057,917
191,898	191,657	104,954	319,915	1,136,475
43,120	44,936	54,126	139,214	484,702
1,063	1,496	2,284	8,496	18,852
28,363	17,524	9,538	28,583	141,160
12,422	476	36,294	1,628	91,225
615	2,034	2,914	7,878	35,929
4,698	14,634	40,254	16,592	151,151
14,439	7,624	10,678	12,795	97,375
<u>8,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,436</u>
<u>\$ 473,515</u>	<u>\$ 404,936</u>	<u>\$ 368,819</u>	<u>\$ 696,330</u>	<u>\$ 3,231,222</u>

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

*Schedule of Expenditures – Women’s Olympic Sports
For the year ended June 30, 2003*

Expenditures:	<u>Basketball</u>	<u>Softball</u>	<u>Volleyball</u>	<u>Swimming</u>
Personnel	\$ 492,688	\$ 199,291	\$ 241,055	\$ 179,238
Grants	288,879	243,510	347,144	275,798
Team travel	334,811	99,701	103,942	64,663
General travel	13,854	2,002	8,131	2,154
Recruiting	101,644	14,911	23,797	25,218
Game services	82,637	11,586	12,584	684
Other services	3,527	1,156	1,600	2,928
Supplies and uniforms	28,252	4,559	23,916	21,059
General administration	49,501	9,039	19,343	10,968
Guarantees	<u>44,100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u><u>\$ 1,439,893</u></u>	<u><u>\$ 585,755</u></u>	<u><u>\$ 781,512</u></u>	<u><u>\$ 582,710</u></u>

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

*Schedule of Expenditures – Women’s Olympic Sports
For the year ended June 30, 2003*

<u>Tennis</u>	<u>Golf</u>	<u>In and Outdoor Track and Cross Country</u>	<u>Soccer</u>	<u>Equestrian</u>	<u>Totals</u>
\$ 104,990	\$ 141,996	\$ 205,201	\$ 147,777	\$ 73,177	\$ 1,785,413
135,184	93,744	407,164	199,353	16,303	2,007,079
49,163	57,857	177,181	47,782	37,174	972,274
521	4,902	10,812	2,360	779	45,515
13,354	11,162	36,379	27,605	10,396	264,466
4,342	13,310	2,071	7,236	2,740	137,190
3,275	-	10,027	324	1,758	24,595
36,591	18,719	21,115	25,453	11,610	191,274
10,812	20,503	16,283	9,494	127,110	273,053
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,100</u>
<u>\$ 358,232</u>	<u>\$ 362,193</u>	<u>\$ 886,233</u>	<u>\$ 467,384</u>	<u>\$ 281,047</u>	<u>\$ 5,744,959</u>

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

*Schedule of Expenditures – Student Athletic Support Services
For the year ended June 30, 2003*

	<u>Athletic Training Room</u>	<u>Academic Support Services</u>
Expenditures:		
Personnel	\$ 434,309	\$ 774,774
Grants	6,556	6,552
Team travel	43	113
General travel	20,190	6,804
Recruiting	-	-
Game services	904	9,141
Other services	334,022	829
Supplies and uniforms	220,289	498
General administration	286,580	56,667
Guarantees	<u>-</u>	<u>-</u>
Total expenditures	1,302,893	855,378
Transfers	<u>-</u>	<u>-</u>
Total expenditures and transfers	<u><u>\$ 1,302,893</u></u>	<u><u>\$ 855,378</u></u>

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

*Schedule of Expenditures – Student Athletic Support Services
For the year ended June 30, 2003*

<u>Strength Conditioning Program</u>	<u>Cheerleading</u>	<u>Wellness Program Testing</u>	<u>Totals</u>
\$ 294,616	\$ 53,339	\$ 73,924	\$ 1,630,962
-	34,500	-	47,608
-	64,696	-	64,852
6,758	330	1,975	36,057
-	-	-	-
611	3,010	868	14,534
4,179	282	7,978	347,290
901	23,233	-	244,921
23,509	11,323	62,571	440,650
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
330,574	190,713	147,316	2,826,874
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 330,574</u>	<u>\$ 190,713</u>	<u>\$ 147,316</u>	<u>\$ 2,826,874</u>

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

*Schedule of Expenditures – Administrative Support Services
For the year ended June 30, 2003*

Expenditures:	<u>Sports Information</u>	<u>Business Office</u>	<u>Ticket Office</u>	<u>Game Management</u>	<u>NCAA Compliance</u>
Personnel	\$ 385,372	\$ 380,877	\$ 330,667	\$ 403,756	\$ 147,350
Grants	182	7,028	-	115	-
Team travel	1,684	-	-	-	-
General travel	20,181	3,645	7,177	563	5,802
Recruiting	-	-	-	-	-
Game services	594	-	70	676,064	-
Other services	469	-	2,961	18,689	771
Supplies and uniforms	36,323	-	78,749	7,985	-
General administration	168,428	17,056	340,930	462,415	18,987
Guarantees	-	-	-	-	-
Total expenditures	<u>\$ 613,233</u>	<u>\$ 408,606</u>	<u>\$ 760,554</u>	<u>\$ 1,569,587</u>	<u>\$ 172,910</u>

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

*Schedule of Expenditures – Administrative Support Services
For the year ended June 30, 2003*

<u>Olympic Sports Adminstration</u>	<u>Concession</u>	<u>Video Support</u>	<u>Marketing Promotions Advertising</u>	<u>Premium Seating</u>	<u>Total</u>
\$ 307,855	\$ -	\$ 140,404	\$ 44,048	\$ 812	\$ 2,141,141
63	-	-	-	-	7,388
1,617	-	-	-	-	3,301
10,261	-	2,975	1,343	-	51,947
-	-	-	-	-	-
2,788	-	-	-	247,522	927,038
208	3,557	29,604	-	3,026	59,285
57,135	-	23,338	316	343	204,189
19,353	8,496	20,799	141,729	104,710	1,302,903
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 399,280</u>	<u>\$ 12,053</u>	<u>\$ 217,120</u>	<u>\$ 187,436</u>	<u>\$ 356,413</u>	<u>\$ 4,697,192</u>

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

*Schedule of Endowment Fund Assets (1)
For the year ended June 30, 2003*

	<u>Cash and Cash Equivalents</u>	<u>Fund held in Trust by Others</u>	<u>Real Estate</u>	<u>Total</u>
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	220,597	585,197	-	805,794
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, 2003*

	<u>Cash and Cash Equivalents</u>	<u>Fund held in Trust by Others</u>	<u>Real Estate</u>	<u>Total</u>
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
	<hr/>	<hr/>	<hr/>	<hr/>
Total endowments	2,162,164	585,197	128,250	2,875,611

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

*Schedule of Endowment Fund Assets (1), Continued
For the year ended June 30, 2003*

	<u>Cash and Cash Equivalents</u>	<u>Fund held 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	45,883	-	-	45,883
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	57,999	2,026,988	-	2,084,987
	<u>257,801</u>	<u>2,026,988</u>	<u>6,500</u>	<u>2,291,289</u>
Total quasi-endowments				
	<u>\$ 2,419,965</u>	<u>\$ 2,612,185</u>	<u>\$ 134,750</u>	<u>\$ 5,166,900</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, 2003*

Endowments:	Fund Balance July 1, 2002	Contributions	Other Income (2)	Fund Balance June 30, 2003
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	839,569	-	(33,775)	805,794
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, 2003*

	<u>Fund Balance July 1, 2002</u>	<u>Contributions</u>	<u>Other Income (2)</u>	<u>Fund Balance June 30, 2003</u>
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	<u>2,734,386</u>	<u>175,000</u>	<u>(33,775)</u>	<u>2,875,611</u>

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

*Schedule of Changes in Endowment Fund Balances (1), Continued
For the year ended June 30, 2003*

	<u>Fund Balance July 1, 2002</u>	<u>Contributions</u>	<u>Other Income (2)</u>	<u>Fund Balance June 30, 2003</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	45,882	-	-	45,882
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	2,043,453	-	41,535	2,084,988
Total quasi-endowments:	<u>2,249,754</u>	<u>-</u>	<u>41,535</u>	<u>2,291,289</u>
Totals	<u>\$ 4,984,140</u>	<u>\$ 175,000</u>	<u>\$ 7,760</u>	<u>\$ 5,166,900</u>

(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, 2003*

	<u>Gamecock Club</u>	<u>Athletics Department</u>	<u>Total</u>
Revenues:			
Admission and guarantees	\$ -	\$ 11,997,662	\$ 11,997,662
Student athletic fees	-	500,796	500,796
Gamecock Club contributions	10,848,334	-	10,848,334
Investment income	181,451	453,455	634,906
Endowment income	88,924	-	88,924
Corporate sponsorship	-	255,000	255,000
Post season event - Other	-	158,979	158,979
Programs, souvenirs and concessions	-	837,648	837,648
Radio and television rights	-	701,000	701,000
Mailing fees	-	109,168	109,168
Royalties	-	152,479	152,479
Southeastern Conference	-	8,777,472	8,777,472
Premium seating	-	2,748,553	2,748,553
Gifts in kind	195,000	163,928	358,928
Other revenue	58,932	786,051	844,983
Carolina Center non-athletic events	-	4,651,818	4,651,818
	<u>11,372,641</u>	<u>32,294,009</u>	<u>43,666,650</u> (A)
Expenditures:			
Personnel	1,423,522	10,041,511	11,465,033
Grants	5,493,337	-	5,493,337
Team travel	7,246	2,549,288	2,556,534
General travel	176,994	213,634	390,628
Recruiting	822,758	-	822,758
Game services	61,351	1,724,983	1,786,334
Other services	453,839	701,412	1,155,251
Supplies and uniforms	222,226	908,414	1,130,640
General administration	2,030,319	8,175,251	10,205,570
Guarantees	-	1,790,536	1,790,536
Carolina Center non-athletic events	-	3,834,122	3,834,122
	<u>10,691,592</u>	<u>29,939,151</u>	<u>40,630,743</u> (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, 2003*

	Gamecock Club	Athletics Department	Total
Transfers to the University	-	2,990,913	2,990,913
Total transfers	-	2,990,913	2,990,913
Total expenditures and transfers	10,691,592	32,930,064	43,621,656
Excess of revenues over (under) expenditures and transfers	\$ 681,049	\$ (636,055)	\$ 44,994

(A) Excludes Block C Association revenues of \$37,675

(B) Excludes Block C Association expenditures of \$37,675

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

*Schedule of Gamecock Club Expenditures – Budget to Actual
For the year ended June 30, 2003*

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Grant-in-aid:			
Tuition and fees	\$ 3,141,550	\$ 3,044,483	\$ 97,067
Lodging	1,057,389	1,039,596	17,793
Meals	746,964	706,022	40,942
Books	189,605	255,519	(65,914)
Summer school	385,000	349,257	35,743
Vacation meals and lodging	<u>133,500</u>	<u>98,460</u>	<u>35,040</u>
Total Grant-in-aid	<u>5,654,008</u>	<u>5,493,337</u>	<u>160,671</u>
Recruiting:			
Coaches' recruiting	504,000	505,614	(1,614)
Prospects travel and maintenance	239,260	258,585	(19,325)
Brochures and printing	44,600	58,559	(13,959)
Operations:			
Club operations	1,701,020	2,057,549	(356,529)
Academic support services	839,350	848,828	(9,478)
Student wellness program	96,886	147,316	(50,430)
Junior Gamecock Club	16,465	20,802	(4,337)
Airplane operations	358,225	415,523	(57,298)
Sports medicine	631,000	862,026	(231,026)
Non-budgeted expenses	<u>-</u>	<u>23,453</u>	<u>(23,453)</u>
Total recruiting/operations	<u>4,430,806</u>	<u>5,198,255</u>	<u>(767,449)</u>
Total Grant-in-aid and recruiting/operations	<u>\$ 10,084,814</u>	<u>\$ 10,691,592</u>	<u>\$ (606,778)</u>

OTHER INFORMATION
(Unaudited)

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

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

*Schedule of Revenues – Undesignated/Departmentally Designated Funds
For the year ended June 30, 2003*

	<u>Undesignated</u>	<u>Departmentally Designated</u>	<u>Totals</u>
Revenues:			
Admissions:			
Football	\$ 8,216,777	\$ -	8,216,777
Basketball	1,997,494	-	1,997,494
Olympic sports	404,191	-	404,191
	<u>10,618,462</u>	<u>-</u>	<u>10,618,462</u>
Totals			
	<u>10,618,462</u>	<u>-</u>	<u>10,618,462</u>
Guarantees:			
Football	1,350,000	-	1,350,000
Olympic sports	29,200	-	29,200
	<u>1,379,200</u>	<u>-</u>	<u>1,379,200</u>
Totals			
	<u>1,379,200</u>	<u>-</u>	<u>1,379,200</u>
Student athletic fees	<u>500,796</u>	<u>-</u>	<u>500,796</u>
Gamecock Club:			
Regular members contributions	10,700,260	-	10,700,260
Junior members contributions	24,150	-	24,150
Buffet revenue	48,924	-	48,924
Credit card revenue	75,000	-	75,000
Gifts in kind	265,543	-	265,543
	<u>11,113,877</u>	<u>-</u>	<u>11,113,877</u>
Total Gamecock Club			
	<u>11,113,877</u>	<u>-</u>	<u>11,113,877</u>
Endowment income	<u>88,924</u>	<u>-</u>	<u>88,924</u>
Investment income	<u>551,969</u>	<u>82,937</u>	<u>634,906</u>

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

*Schedule of Revenues – Undesignated/Departmentally Designated Funds, Continued
For the year ended June 30, 2003*

	<u>Undesignated</u>	<u>Departmentally Designated</u>	<u>Totals</u>
Premium seating:			
Club seats	574,040	-	574,040
Suite seats	623,638	-	623,638
Zone seats	905,875	-	905,875
Arena founders seats	607,000	-	607,000
Arena courtside seats	38,000	-	38,000
	<u>2,748,553</u>	<u>-</u>	<u>2,748,553</u>
Total premium seating			
	<u>2,748,553</u>	<u>-</u>	<u>2,748,553</u>
Southeastern Conference share	<u>8,777,472</u>	<u>-</u>	<u>8,777,472</u>
Gifts	<u>3,625</u>	<u>89,760</u>	<u>93,385</u>
Other:			
Football radio and television rights	467,500	-	467,500
Basketball radio and television rights	233,500	-	233,500
Programs, souvenirs and concessions	837,648	-	837,648
Mailing fees	109,168	-	109,168
Royalties	152,479	-	152,479
Post season events - other	158,979	-	158,979
Corporate sponsorships	255,000	-	255,000
Miscellaneous	844,983	-	844,983
	<u>3,059,257</u>	<u>-</u>	<u>3,059,257</u>
Totals			
	<u>3,059,257</u>	<u>-</u>	<u>3,059,257</u>
Carolina Center non-athletic events revenues	<u>4,651,818</u>	<u>-</u>	<u>4,651,818</u>
Outside sources:			
Block "C" Association	<u>37,675</u>	<u>-</u>	<u>37,675</u>
Total revenue	<u>\$ 43,531,628</u>	<u>\$ 172,697</u>	<u>\$ 43,704,325</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, 2003*

	<u>Undesignated</u>	<u>Departmentally Designated</u>	<u>Totals</u>
Expenditures:			
Personnel	\$ 11,465,033	\$ -	\$ 11,465,033
Grants (Scholarships)	5,493,337	-	5,493,337
Team travel	2,556,534	-	2,556,534
General travel	382,216	8,412	390,628
Recruiting	822,756	-	822,756
Game services	1,786,334	-	1,786,334
Supplies and uniforms	1,130,640	-	1,130,640
General administration	7,373,647	2,831,925	10,205,572
Other services	811,162	344,089	1,155,251
Guarantees	1,790,536	-	1,790,536
	<u>33,612,195</u>	<u>3,184,426</u>	<u>36,796,621</u>
Carolina Center non-athletic events	3,834,122	-	3,834,122
Outside services:			
Block "C" Association	37,675	-	37,675
	<u>37,483,992</u>	<u>3,184,426</u>	<u>40,668,418</u>
Total expenditures			
	<u>37,483,992</u>	<u>3,184,426</u>	<u>40,668,418</u>
Transfers:			
University general scholarships	443,864	-	443,864
University band	145,000	-	145,000
Debt service	1,095,000	-	1,095,000
Carolina Center non-athletic events	420,000	-	420,000
Other	2,904,112	(2,017,063)	887,049
	<u>5,007,976</u>	<u>(2,017,063)</u>	<u>2,990,913</u>
Total transfers			
	<u>5,007,976</u>	<u>(2,017,063)</u>	<u>2,990,913</u>
	<u>\$ 42,491,968</u>	<u>\$ 1,167,363</u>	<u>\$ 43,659,331</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, 2003*

	Undesignated	Departmentally Designated	Total
Fund balances , beginning of year	\$ 5,326,337	\$ 1,188,710	\$ 6,515,047
Excess of revenues over (under) expenditures and transfers	1,039,660	(994,666)	44,994
Fund balances , at end of year	\$ 6,365,997	\$ 194,044	\$ 6,560,041

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

*Schedule of Expenditures and Transfers – Departmentally Designated Funds
For the year ended June 30, 2003*

	Reserve and Replacements	New Arena	Totals
Expenditures:			
Personnel	\$ -	\$ -	\$ -
Grants	-	-	-
Team travel	-	-	-
General travel	-	8,412	8,412
Recruiting	-	-	-
Game services	-	-	-
Other services	343,847	242	344,089
Supplies and uniforms	-	-	-
General administration	392,247	2,439,678	2,831,925
Guarantees	-	-	-
Total expenditures	736,094	2,448,332	3,184,426
Transfers	82,937	(2,100,000)	(2,017,063)
Total expenditures and transfers	\$ 819,031	\$ 348,332	\$ 1,167,363

**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, 2003*

Revenues:

Ticket sales and rental charges	\$ 1,707,891
Arena suites	1,367,314
Concessions	731,125
Corporate sponsorships	500,000
Investment income	8,191
Parking rentals	245,387
Other	<u>91,911</u>

Total revenue 4,651,819

Expenditures:

Personnel	955,039
Travel	43,313
Event services	1,341,080
Supplies	6,945
General administration	<u>1,487,745</u>

Total expenditures 3,834,122

Excess of revenue over expenditures 817,697

Transfers:

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

Total net transfers 420,000

Excess of revenue over expenditures and transfers \$ 397,697



Certified Public Accountants

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, 2003, 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.

Hough, Rowell & Short, P.A.

September 26, 2003
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.

There were no management letter comments made in the audit report for June 30, 2002.