

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

**Columbia, South Carolina**

---

Report on Audit of Financial Statements

For the year ended June 30, 2008

## *Table of Contents*

INDEPENDENT AUDITORS' REPORT .....	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	3-6
FINANCIAL STATEMENTS:	
Statement of Net Assets .....	7
Statement of Revenues, Expenses, Transfers, and Changes in Net Assets .....	8
Statement of Cash Flows .....	9-10
Notes to Financial Statements.....	11-25
Schedule of Revenues and Expenditures.....	26
OTHER INFORMATION (UNAUDITED) .....	27
Schedule of Revenues, Expenditures, Transfers and Changes in Fund Balance- Debt Service Fund.....	28
Schedule of Expenditures and Transfers .....	29-30
Schedule of Expenditures – Men's Olympic Sports .....	31-32
Schedule of Expenditures – Women's Olympic Sports .....	33-34
Schedule of Expenditures – Student Athletic Support Services.....	35-36
Schedule of Expenditures – Administrative Support Services.....	37-38
Schedule of Endowment Fund Assets.....	39-41
Schedule of Changes in Endowment Fund Balances.....	42-44
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters .....	45-46

## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
University 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, 2008, and the related statements of revenues, expenses, transfers, and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the management of the Department. 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 opinion.

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, 2008, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated December 8, 2008, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standard and should be considered in assessing the results of our audit.

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 inquiries 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 basic financial statements taken as a whole. The accompanying Schedule of Revenues and Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, 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.

*Elliott Davis, LLC*

Columbia, South Carolina  
December 8, 2008

**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 (the University) Department of Athletics (the Department) is pleased to present its financial statements for fiscal year ended June 30, 2008. 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.

The report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) 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 and non-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 management 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**

	<u>2008</u>	<u>2007</u>	<u>Increase/ Decrease</u>	<u>Percent Change</u>
<u>Current assets</u>	\$ 30,058,161	\$ 30,414,588	\$ (356,427)	-1.17%
<u>Non current assets</u>	<u>2,830,000</u>	<u>3,000,000</u>	<u>(170,000)</u>	<u>-5.67%</u>
<u>Total assets</u>	<u>32,888,161</u>	<u>33,414,588</u>	<u>(526,427)</u>	<u>-1.58%</u>
<u>Current liabilities</u>	21,661,271	24,005,877	(2,344,606)	-9.77%
<u>Non current liabilities</u>	<u>2,469,420</u>	<u>2,680,757</u>	<u>(211,337)</u>	<u>-7.88%</u>
<u>Total liabilities</u>	<u>24,130,691</u>	<u>26,686,634</u>	<u>(2,555,943)</u>	<u>-9.58%</u>
<u>Net assets unrestricted</u>	<u>\$ 8,757,470</u>	<u>\$ 6,727,954</u>	<u>\$ 2,029,516</u>	<u>30.17%</u>

The increase in net assets from 2007 to 2008 is primarily due to a decrease in liabilities, primarily current liabilities which include deferred football ticket sales and accounts payable and non-current liabilities which include deferred suite revenue from Colonial Life Arena. At June 30, 2008 deferred football ticket sales were approximately one million dollars less than in June 2007 due to the timing of cash collections. In addition accounts payable were four hundred thirty four thousand less than in June 2007. The Colonial Life Arena annual recognition of upfront suite sales was the primary reason for the decrease in deferred suite revenue. This will be an annual decrease until fiscal year 2014 when all of the upfront suite money collected will be fully earned and recognized.

***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**

For fiscal year 2007-2008 operating revenues increased, over the preceding year, as a result of increased admissions and an increase in football season ticket prices. Operating revenues also increased due to an increase in conference revenue share, athletic related student fees, parking revenues, and corporate sponsorships. The increase in non-operating revenues was primarily due to an increase in Gamecock Club contributions from fiscal year 2007 to 2008.

The increase in operating expenses can be attributed primarily to increased personnel costs, grants in aid, travel costs, uniforms and equipment, and building repairs and maintenance. The increase in transfers from fiscal year 2007 to 2008 is due to an increase in funds transferred for capital projects (Farmers Market acquisition \$1million, Williams Brice Stadium feasibility study \$495,000, Roost area infrastructure \$432,000, and Roundhouse roof replacement \$203,000) and debt service obligations (approximately \$3 million) which include current year obligations and a two million dollar reserve for baseball bonds issued in fiscal year 2008.

	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>Increase/ Decrease</u></b>	<b><u>Percent Change</u></b>
<b>Revenues:</b>				
<b>Operating revenues</b>	\$ 50,959,052	\$ 45,943,709	\$ 5,015,343	10.92%
<b>Non-operating revenues</b>	<u>15,586,901</u>	<u>14,600,822</u>	<u>986,079</u>	<u>6.75%</u>
<b>Total revenues</b>	<u>66,545,953</u>	<u>60,544,531</u>	<u>6,001,422</u>	<u>9.91%</u>
<b>Expenses:</b>				
<b>Operating expenses</b>	56,645,687	51,587,600	5,058,087	9.80%
<b>Transfers, net</b>	<u>7,870,750</u>	<u>5,579,814</u>	<u>2,290,936</u>	<u>41.06%</u>
<b>Total expenses         and transfers</b>	<u>64,516,437</u>	<u>57,167,414</u>	<u>7,349,023</u>	<u>12.86%</u>
<b>Increase(Decrease) in net assets</b>	2,029,516	3,377,117	(1,347,601)	-39.90%
<b>Net assets, beginning of year</b>	<u>6,727,954</u>	<u>3,350,837</u>	<u>3,377,117</u>	<u>100.78%</u>
<b>Net assets, end of year</b>	<u><u>\$ 8,757,470</u></u>	<u><u>\$ 6,727,954</u></u>	<u><u>\$ 2,029,516</u></u>	<u><u>30.17%</u></u>

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

***Management's Discussion and Analysis, continued***

***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, 2008. The Department funded approximately \$2.0 million toward construction and capital improvement projects. As mentioned earlier, Capital improvement projects consisted of \$1,000,000 towards acquisition of the farmers market located near Williams Brice Stadium, \$495,000 spent on the Williams Brice Stadium feasibility study and \$432,000 on the initial studies for the Roost area infrastructure. In addition the Department continues to fund debt service payments 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 \$3,041,000 for fiscal year 2007-08 which was used to retire the outstanding Colonial Life Arena Bonds (\$1,840,000) pay the current debt service obligations and add an additional \$428,000 to the current debt service reserve.

***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. Certain budgetary actions have been implemented to improve the annual net income results for future years. The Athletics Department has also initiated a Yearly Equitable Seating plan for football in addition to its capital fund campaign for future capital construction projects that will assist in improving its overall financial performance. 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*  
*June 30, 2008*

Assets

Current Assets:

Cash and cash equivalents	\$ 24,276,913
Accounts receivable	1,883,088
Accrued investment and endowment income receivable	286,467
Prepaid expenses	111,693
Advance to the University	500,000
Notes receivable	<u>3,000,000</u>

Total Current Assets	<u>30,058,161</u>
----------------------	-------------------

Non-current Assets:

Accounts receivable	330,000
Advance to the University	<u>2,500,000</u>

Total Non-current Assets	<u>2,830,000</u>
--------------------------	------------------

Total Assets	<u>32,888,161</u>
--------------	-------------------

Liabilities

Current Liabilities:

Accounts payable	983,061
Accrued payroll and related benefits	160,664
Accrued compensated absences	669,749
Deferred revenue	19,669,321
Other Liabilities	<u>178,476</u>

Total Current Liabilities	<u>21,661,271</u>
---------------------------	-------------------

Non-Current Liabilities:

Accrued compensated absences	618,230
Deferred revenues	1,708,333
Other Liabilities	<u>142,857</u>

Total Non-Current Liabilities	<u>2,469,420</u>
-------------------------------	------------------

Total Liabilities	<u>24,130,691</u>
-------------------	-------------------

Net Assets

Unrestricted	<u>8,757,470</u>
--------------	------------------

Total Net Assets	<u>\$ 8,757,470</u>
------------------	---------------------

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, 2008*

**Revenues:**

Operating revenues:	
Student fees	\$ 1,987,931
Sales and services of auxiliary enterprises	48,971,121
	<hr/>
<b>Total operating revenues</b>	<b>50,959,052</b>

**Expenses:**

Operating expenses:	
Compensation and employee benefits	17,857,630
Service and supplies	29,124,477
Utilities	1,277,356
Scholarships and fellowships	8,386,224
	<hr/>
<b>Total operating expenses</b>	<b>56,645,687</b>
	<hr/>
<b>Operating loss</b>	<b>(5,686,635)</b>

**Nonoperating revenues:**

Gifts	14,514,865
Investment income	981,263
Endowment income	90,773
<b>Net nonoperating revenues</b>	<b>15,586,901</b>

**Income before other revenues, expenses  
gains or losses**

---

9,900,266

Tranfers to University General Funds	(1,755,385)
Transfers from University auxiliary funds	196,332
Transfers to plant/debt Funds	(6,311,697)

**Total transfers**

---

(7,870,750)

Increase in net assets	2,029,516
Net assets, beginning of year	6,727,954
	<hr/>
Net assets, end of year	<b>\$ 8,757,470</b>

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, 2008*

**Cash Flows from operating activities:**

Student athletic fees	\$ 1,987,931
Sales and services of auxiliary enterprises	46,763,455
Payments to employees	(17,753,177)
Payments to suppliers and vendors	(31,426,604)
Payments for scholarships and fellowships	<u>(8,386,224)</u>
<b>Net cash used by operating activities</b>	<b><u>(8,814,619)</u></b>

**Cash Flows from noncapital financing activities:**

Gifts	16,557,745
Transfers from auxiliary enterprises	196,332
Transfers to University General Funds	<u>(1,755,385)</u>
<b>Net cash provided by noncapital financing activities</b>	<b><u>14,998,692</u></b>

**Cash flows from capital and related financing activities:**

Transfers for debt service	(4,275,000)
Transfers to University for Capital projects	<u>(1,536,697)</u>
<b>Net cash used by capital related financing activities</b>	<b><u>(5,811,697)</u></b>

**Cash flows from investing activities:**

Investment income	2,535,123
Endowment income	<u>90,773</u>
<b>Net cash provided by investing activities</b>	<b><u>2,625,896</u></b>

**Net increase in cash and cash equivalents** 2,998,272

**Cash and cash equivalents, beginning of year** 21,278,641

**Cash and cash equivalents, end of year** \$ 24,276,913

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, 2008*

**Reconciliation of net operating revenues (expenses) to net cash used in operating activities:**

Adjustments to reconcile operating loss to net cash used by operating activities	
Operating loss	(5,686,635)
Changes in current assets and liabilities	
Accounts receivable, net	(493,125)
Prepaid expenses	(78,916)
Accounts payable	(434,391)
Accrued payroll and other liabilities	69,857
Accrued compensated absences	34,596
Other liabilities	(511,464)
Deferred revenues	<u>(1,714,541)</u>
<b>Net cash used by operating activities</b>	<u><u>(8,814,619)</u></u>
Non-cash transactions:	
Gifts in kind	<u><u>125,909</u></u>

The accompanying notes are and 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 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 transfers 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.

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.

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 an auxiliary enterprise 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.

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

**University Balances and Transactions** – 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. The Department considers all investments with maturities of 90 days or less to be cash equivalents.

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,

**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)** - collateralized repurchase agreements, and certain corporate bonds. For credit risk information pertaining to the cash management pool, see the deposits disclosure in Note 2.

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.

**Non-current 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 within the next fiscal year.

**Net Assets** – The Department's net assets are classified entirely as unrestricted. Unrestricted net assets represent resources derived from student fees and goods 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

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

*Notes to Financial Statements, Continued*

**1. Summary of Significant Accounting Policies (Continued):**

assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**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 Departments 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 Department's cash and cash equivalents consist entirely of deposits held by the State Treasurer in the amount of \$24,276,913.

**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, 2008, 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.

**3. Accounts Receivable and Advances:**

**Accounts Receivable-** current portion consisted of the following as of June 30, 2008:

Contractual	\$ 1,216,587
Ticket sales	77,312
Suite sales	143,310
Travel advances	75,260
Arena operating	115,308
Employee loans	105,000
Returned checks	135,063
Other	15,248
	<u>\$ 1,883,088</u>



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

*Notes to Financial Statements, Continued*

**3. Accounts Receivable and Advances (Continued):**

Employee loans consist of two loans in the amount of \$150,000 and \$375,000 to two employees as part of their employment contract. The first of \$150,000 is non-interest bearing and to be repaid over a 5 year period through service to the Department. As of June 30, 2008 the loan balance was \$60,000 with \$30,000 being current. The second loan of \$375,000 is non-interest bearing and to be repaid over a 5 year period in equal payments of \$75,000. As of June 30, 2008, the loan balance was \$375,000 with \$75,000 being current.

Future anticipated collections related to employee loans were as follows as of June 30, 2008:

2009	\$	105,000
2010		105,000
2011		75,000
2012		75,000
2013		75,000
	\$	<u>435,000</u>

**Advances to University** - During fiscal year 2003 the Department advanced \$6,000,000 to the University interest free for the construction of the Colonial Life Arena. The University is obligated to reimburse the Department \$500,000 per year through fiscal year 2014.

Future anticipated reimbursements were as follows as of June 30, 2008:

2009	\$	500,000
2010		500,000
2011		500,000
2012		500,000
2013		500,000
Thereafter		500,000
	\$	<u>3,000,000</u>

**4. Notes Receivable:**

The University has a note receivable from 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. The note is due on demand and earns interest at a monthly rate as determined by the South Carolina State Treasurer. Notes receivable of \$3,000,000 and accrued interest receivable of \$156,313 were outstanding as of June 30, 2008.

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

*Notes to Financial Statements, Continued*

**5. Deferred Revenue and Other Liabilities:**

**Deferred Revenue** – current portion consisted of the following as of June 30, 2008:

Ticket sales	\$ 16,787,449
Arena suites	393,334
Parking	1,241,983
Admissions tax	731,881
Other	514,674
	<u>\$ 19,669,321</u>

Future recognition of deferred revenues related to arena suites was as follows as of June 30, 2008:

2009	\$ 393,334
2010	341,667
2011	341,667
2012	341,667
2013	341,666
Thereafter	341,666
	<u>\$ 2,101,667</u>

**Other Liabilities** – current portion consisted of the following as of June 30, 2008:

Advance deposit	\$ 28,571
SEC Special Assistance Fund	44,546
SEC Student Athlete Opportunity Fund	105,359
	<u>\$ 178,476</u>

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

*Notes to Financial Statements, Continued*

**5. Deferred Revenue and Other Liabilities (Continued):**

Future obligations related to the advance deposit was as follows as of June 30, 2008:

2009	\$	28,571
2010		28,571
2011		28,571
2012		28,571
2013		28,572
Thereafter		28,572
	\$	<u>171,428</u>

**6. NCAA Legislation:**

The National Collegiate Athletic Association (NCAA) has adopted legislation that requires all expenditures for or on behalf of an institution's intercollegiate athletics program, including those by outside organizations, to be reported by the Department to the NCAA.

The USC Lettermen's Association has been identified as an outside organization under NCAA legislation. The USC Lettermen's Association has a fiscal year end of June 30. The following information received from the USC Lettermen's Association reflects its activity for the year ended June 30, 2008.

<b><u>Beginning Cash Balance</u></b>	<b><u>Cash Receipts</u></b>	<b><u>Contributions to or on Behalf of Program</u></b>	<b><u>Ending Cash Balance</u></b>
\$ 28,234	\$ 53,409	\$ 72,870	\$ 8,773

The USC Lettermen's Association incurred expenditures of \$72,870 on behalf of the Gamecock Club primarily for maintenance of football and basketball lounges, sports banquets and cookouts, senior awards, raffles and tickets.

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

*Notes to Financial Statements, Continued*

**7. Remittances and Transfers to the University:**

Transfers to the University general funds totaled \$1,755,385 and consisted of general scholarship support of \$560,928, security support of \$537,160, band and other student support of \$413,818 and other general support of \$243,479.

Transfers to plant and debt funds totaled \$6,311,697 and consisted of \$4,275,000 to the Athletic debt service fund and \$2,036,697 to various capital construction and renovation projects.

Transfers to and from University auxiliary funds totaled \$196,332 and consisted of a transfer of \$48,668 to Coliseum Concessions and \$245,000 from University Parking Services for arena parking.

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

**8. Gamecock Club (The Club):**

Specific provisions govern the use of excess revenue over expenditures and transfers for the Club. Revenue and expenditures and transfers for the Club amounted to \$15,206,524 and \$14,511,488 respectively, and are included in the accompanying financial statements. Such revenues include \$14,294,332 of contributions by Club members and \$912,192 from other sources, principally gifts-in-kind income and endowment and investment income. At June 30, 2008, there were no outstanding pledges deemed collectible by the athletic department and thus no receivable was recognized.

**9. 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.

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.

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

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

*Notes to Financial Statements, Continued*

**9. Pension Plans (Continued):**

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.

Since July 1, 2006, employees participating in the SCRS are required to contribute 6.5 percent of all compensation. Effective July 1, 2007, the employer contribution rate became 12.48 percent, which included a 3.42 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, 2008, 2007 and 2006 were \$417,100, \$283,700, and \$298,100 respectively, and equaled the required contributions of 9.06 percent (excluding the surcharge) for each year. Also, the Athletic Department paid employer group-life insurance contributions of \$6,900 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.

Since July 1, 1988, the employees participating in the PORS have been required to contribute 6.5 percent of all compensation. Effective July 1, 2007, the employer contribution rate became 13.72 percent, which, as for the SCRS, included the 3.42 percent surcharge. The Athletic Department's actual contributions to the PORS for the years ending June 30, 2007, and 2006, were \$34,600, and \$20,900 respectively, and equaled the required contributions of 10.3 percent (excluding the surcharge) for each year. Beginning in fiscal year 2008, contributions to PORS were made on behalf of the Department by the University. The Department has reimbursed the University for these contributions. The reimbursements are included in "security support" transfers as described at note 7.

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.

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

*Notes to Financial Statements, Continued*

**9. Pension Plans (Continued):**

ORP participation is available to all employees 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 thirty days of employment.

Under State law, contributions to the ORP are required at the same rates as for the SCRS, 9.06 percent, plus the retiree surcharge of 3.42 percent from the employer in fiscal year 2008.

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 \$642,500 (excluding the surcharge) from the Athletic Department as employer and \$461,000 from its employees as plan members. All amounts were remitted directly to the respective annuity policy providers. The obligation for payment of benefits resides with the insurance companies.

**10. 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, dental and long-term disability benefits to retired State and school district employees and their covered dependents. The Department contributes to the Retiree Medical Plan (RMP) and the Long-term Disability Plan (LTDP), cost-sharing multiple-employer defined benefit postemployment healthcare and long-term disability plans administered by the Employee Insurance Program (EIP), a part of the State Budget and Control Board (SBCB). Generally retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires May 2, 2008 and after, retirees are eligible for benefits if they have established twenty-five years of service for 100% employer funding and fifteen through twenty-four years of service for 50% employer funding. Benefits become effective when the former employee retires under a State retirement system. Basic long-term disability (BLTD) benefits are provided to active state, public school district and participating local government employees approved for disability.

Section 1-11-710 and 1-11-720 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment healthcare and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by the State General Fund appropriations. Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget, 3.42% and 3.35% of the annual covered payroll for 2008 and 2007, respectively. The EIP sets the employer contribution rate based on a pay-as-you-go basis. The Department paid approximately \$400,100 and \$370,000 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal years ended June 30, 2008 and 2007, respectively. BLTD benefits are funded through a per person premium charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee paid by EIP was \$3.23 for years ended June 30, 2008 and 2007.

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

*Notes to Financial Statements, Continued*

**10. Post-employment and Other Employee Benefits (Continued):**

Effective May 1, 2008 the State established two trust funds through Act 195 for the purpose of funding and accounting for the employer costs of retiree health and dental insurance benefits and long-term disability insurance benefits. The South Carolina Retiree Health Insurance Trust Fund is primarily funded through the payroll surcharge. Other sources of funding include additional State appropriated dollars, accumulated EIP reserves, and income generated from investments. The Long Term Disability Insurance Trust Fund is primarily funded through investment income and employer contributions. One may obtain complete financial statements for the benefit plans and the trust funds from Employee Insurance Program, 1201 Main St, Suite 360, Columbia, SC 29201.

**11. 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.

**12. Retirement Incentive:**

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. Participants who entered the TERI program prior to July 1, 2005 do not make SCRS contributions, do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits. Participants who entered the TERI program as of July 1, 2005 or after are required to make SCRS contributions but do not earn service credit, and are ineligible to receive disability retirement benefits.

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

*Notes to Financial Statements, Continued*

**13. 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 a variable number of parking spaces during the home football games. The expenditure for the year ended June 30, 2008 was \$42,000 and included ETV lot#5 and various spaces in lot #3 and lot #6. The lease extends automatically for one year periods unless either party notifies of intent not to renew.

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, 2008 was \$51,000 under this lease.

This lease will expire at the end of the 2009 football season.

**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 2008 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.



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

*Notes to Financial Statements, Continued*

**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 (Division of Insurance and Grant 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.

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

*Notes to Financial Statements, Continued*

**15. Risk Management (Continued):**

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.

**16. Life Income Fund:**

During a previous fiscal year, the University received a substantial gift from a donor on behalf of the Department. The gift was recorded in the University Endowment Fund as a life income fund. The terms of the agreement provide that upon the death of the donor the fund is to be used for the construction of the South End Zone Project or the repayment of monies advanced for the construction of the project. In return, the Department agrees to name the facility for the donor's family. The value of the fund at June 30, 2008 totaled \$1,078,638.

**17. Commitments and contingencies:**

The Department entered into an agreement for professional management services for the Colonial Life Arena on July 1, 2007. The Department is required to pay a monthly fee which increases each year by the percentage increase in the Consumer Price Index for the local area, as published by the United States Department of Labor, Bureau of Labor Statistics or such other successor or similar index. This agreement is to expire on June 30, 2014 unless either party terminates prior to that date. If the Department decides to terminate the agreement they are required to pay \$200,000 in addition to all fees due at time of termination. Additionally, the Department has agreed to pay an incentive fee each year based upon achieving contractual benchmarks. The Colonial Center did not meet the benchmarks for the year ended June 30, 2008 and therefore there was no incentive fee incurred.

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

*Notes to Financial Statements, Continued*

**17. Commitments and contingencies (Continued):**

The management fee paid during the year ended June 30, 2008 was approximately \$200,000. In addition the department paid an additional \$116,614 in management fees for the Kenny Chesney stadium event as required per contract.

The Department entered into an agreement for food and beverages services for athletic sporting events on August 4, 2000. The term of the agreement began April 1, 2002 and expires March 31, 2017. The Department is guaranteed a minimum amount of operating profits for each football game and for Colonial Life Arena events. In addition to the minimum guarantee a profit split is required when the operating profit exceeds the minimum operating profit guarantee and the management fee. The amount of operating profits received during the year ended June 30, 2008 was \$741,961 for football and other athletic events and included the \$560,000 guarantee and an additional \$181,961 in profit split. The department received \$608,525 for Colonial Life Arena events which include men's and women's basketball. The \$608,525 included the minimum operating profit of \$550,000 and a profit split amount of \$58,525. The management fee paid during the year ended June 30, 2008 was \$425,000 of which \$350,000 is attributable to the Colonial Life Arena and \$100,000 was attributed for the Williams Brice Stadium operations.

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

Schedule of Revenues and Expenses  
For the year ended June 30, 2008

	Gamecock Club	Athletics Department	Colonial Center	Total
<b>Revenues:</b>				
<b>Operating revenues:</b>				
Student athletic fees	\$ -	\$ 1,987,931	-	\$ 1,987,931
Sales services and auxiliary enterprises				
Admission and guarantees	-	20,876,010	\$ -	20,876,010
Facility Rental and Services	-		2,127,383	2,127,383
Corporate sponsorship	165,000	1,678,269	1,389,515	3,232,784
Programs, souvenirs & concessions	-	928,316	608,525	1,536,841
Radio and television rights	-	2,679,941	-	2,679,941
Parking	-	1,403,760	-	1,403,760
Royalties	-	351,194	-	351,194
Southeastern Conference	-	11,561,209	-	11,561,209
Premium Seating	-	2,641,745	988,244	3,629,989
Other revenue	47,450	810,239	714,321	1,572,010
Total sales services and auxiliary enterprises	<u>212,450</u>	<u>42,930,683</u>	<u>5,827,988</u>	<u>48,971,121</u>
Total Operating Revenue	<u>212,450</u>	<u>44,918,614</u>	<u>5,827,988</u>	<u>50,959,052</u>
<b>Nonoperating revenues:</b>				
Gifts				
Contributions & Gifts	14,294,332	94,624	-	14,388,956
Gifts in kind	125,909	-	-	125,909
Total Gifts	<u>14,420,241</u>	<u>94,624</u>	<u>-</u>	<u>14,514,865</u>
Investment income	483,060	483,059	15,144	981,263
Endowment income	90,773	-	-	90,773
Total nonoperating revenues	<u>14,994,074</u>	<u>577,683</u>	<u>15,144</u>	<u>15,586,901</u>
<b>Total Revenues</b>	<b><u>\$ 15,206,524</u></b>	<b><u>\$ 45,496,297</u></b>	<b><u>\$ 5,843,132</u></b>	<b><u>\$ 66,545,953</u></b>
<b>Expenses:</b>				
<b>Operating expenses:</b>				
Compensation and employee benefits	\$ 1,515,304	\$ 14,949,842	\$ 1,392,484	\$ 17,857,630
Service and supplies				
Team travel	8,484	3,393,311	-	3,401,795
General travel	226,316	315,453	36,504	578,273
Recruiting	878,556	-	-	878,556
Game services	72,416	2,351,822	194,349	2,618,587
Other services	457,937	899,560	1,714,707	3,072,204
Supplies and uniforms	214,982	1,785,779	4,192	2,004,953
General & Administrative	2,485,431	11,778,164	947,472	15,211,067
Guarantees	-	1,359,042	-	1,359,042
Total Service and supplies	<u>4,344,122</u>	<u>21,883,131</u>	<u>2,897,224</u>	<u>29,124,477</u>
Utilities	-	865,449	411,907	1,277,356
Scholarships and fellowships - Grants	8,377,744	8,480	-	8,386,224
<b>Total operating expenses</b>	<b><u>\$ 14,237,170</u></b>	<b><u>\$ 37,706,902</u></b>	<b><u>\$ 4,701,615</u></b>	<b><u>\$ 56,645,687</u></b>
Transfers:				
Net Transfers to (from) the University	<u>274,318</u>	<u>7,123,379</u>	<u>472,973</u>	<u>7,870,750</u>
<b>Total expenses and transfers</b>	<b><u>\$ 14,511,488</u></b>	<b><u>\$ 44,830,281</u></b>	<b><u>\$ 5,174,588</u></b>	<b><u>\$ 64,516,437</u></b>
<b>Excess of revenues over expenses and transfers</b>	<b><u>\$ 695,036</u></b>	<b><u>\$ 666,016</u></b>	<b><u>\$ 668,544</u></b>	<b><u>\$ 2,029,516</u></b>

**OTHER INFORMATION (UNAUDITED)**

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

*Schedule of Revenues, Expenditures, Transfers  
and Changes in Fund Balance –  
Debt Service Fund <sup>(1)</sup> and Debt Service Reserve Fund <sup>(1)</sup>  
For the year ended June 30, 2008*

REVENUES:

Student fees	\$ 1,315,867
Seat assessment (Williams Brice Stadium & Colonial Center)	2,024,474
Investment income	101,087
Total Revenues	<u>3,441,428</u>

EXPENDITURES:

Principal	4,915,000
Interest	1,139,691
Other	118
Total Expenditures	<u>6,054,809</u>

TRANSFERS:

Debt service	<u>3,041,409</u>
Excess of expenditures over/(under) revenues and transfers	428,028
Fund balances, beginning of year	<u>543,058</u>
Fund balances, end of year	971,086
Debt Service Reserve Fund Balance	<u>1,997,988</u>
Total Debt Service and Debt Service Reserve Fund Balance	<u>\$ 2,969,074</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 Expenses and Transfers***  
***For the year ended June 30, 2008***

		Football	Men's Basketball	Men's Olympic Sports	Women's Olympic Sports
<b>EXPENSES</b>					
Personnel	\$	2,888,013	942,129	1,488,842	2,699,369
Grants		3,098,440	421,340	1,435,126	3,347,846
Team travel		778,125	507,529	644,457	1,361,193
General travel		72,993	35,881	22,111	60,969
Recruiting		289,639	117,713	152,935	317,055
Game services		178,720	143,942	77,311	162,045
Other services		51,704	1,385	10,727	29,844
Supplies and uniforms		755,909	99,081	268,988	330,186
General administration		508,683	82,921	138,451	395,248
Utilities		-	-	-	11,651
Guarantees		955,000	273,943	26,039	94,060
Total expenses		9,577,226	2,625,864	4,264,987	8,809,466
<b>TRANSFERS OUT/(IN)</b>		5,114	-	-	-
Total expenses and transfers	\$	9,582,340	2,625,864	4,264,987	8,809,466

**University of South Carolina**  
**Department of Athletics - Columbia Campus**

***Schedule of Expenses and Transfers***  
***For the year ended June 30, 2008***

Student Athletic Support Services	Administ. Support Services	Gamecock Club (Operating)	Facilities	Administration	Colonial Center Non-Athletic Events	Total
2,294,042	2,592,436	395,279	1,408,405	1,756,631	1,392,484	17,857,630
60,467	19,753	3,252	-	-	-	8,386,224
59,694	73	8,484	-	42,240	-	3,401,795
48,833	202,596	38,982	8,279	51,125	36,504	578,273
-	-	-	-	1,214	-	878,556
20,026	1,761,087	55,993	-	25,114	194,349	2,618,587
454,190	337,866	9,786	453,200	8,795	1,714,707	3,072,204
240,250	210,505	12,696	17,607	65,539	4,192	2,004,953
487,910	2,198,757	2,024,502	4,075,303	4,351,820	947,472	15,211,067
-	-	-	853,798	-	411,907	1,277,356
-	10,000	-	-	-	-	1,359,042
3,665,412	7,333,073	2,548,974	6,816,592	6,302,478	4,701,615	56,645,687
135,302	371,367	(3,933)	(2,827,319)	9,717,246	472,973	7,870,750
3,800,714	7,704,440	2,545,041	3,989,273	16,019,724	5,174,588	64,516,437



**University of South Carolina**  
**Department of Athletics - Columbia Campus**

***Schedule of Expenses-Men's Olympic Sports***  
***For the year ended June 30, 2008***

	Baseball	Golf	Soccer
<b>EXPENSES</b>			
Personnel	\$ 608,928	\$ 160,888	\$ 206,700
Grants	268,115	96,675	277,975
Team travel	213,081	23,996	80,812
General travel	2,106	2,879	1,679
Recruiting	53,196	21,438	19,395
Game services	48,977	-	11,569
Other services	220	40	-
Supplies and uniforms	102,239	34,543	17,131
General administration	19,122	51,094	14,645
Guarantees	<u>12,000</u>	<u>-</u>	<u>11,938</u>
Total expenses	\$ <u><u>1,327,984</u></u>	\$ <u><u>391,553</u></u>	\$ <u><u>641,844</u></u>

**University of South Carolina**  
**Department of Athletics - Columbia Campus**

***Schedule of Expenses-Men's Olympic Sports***  
***For the year ended June 30, 2008***

Swimming	Tennis	In & Outdoor Track and Cross Country	Totals
\$ 134,125	\$ 169,052	\$ 209,149	\$ 1,488,842
244,840	178,108	369,413	1,435,126
43,652	86,949	195,967	644,457
2,935	3,882	8,630	22,111
21,129	5,846	31,931	152,935
927	14,398	1,440	77,311
-	1,143	9,324	10,727
18,704	66,272	30,099	268,988
12,315	24,850	16,425	138,451
<u>-</u>	<u>-</u>	<u>2,101</u>	<u>26,039</u>
\$ <u><u>478,627</u></u>	\$ <u><u>550,500</u></u>	\$ <u><u>874,479</u></u>	\$ <u><u>4,264,987</u></u>

**University of South Carolina**  
**Department of Athletics-Columbia Campus**

*Schedule of Expenses-Women's Olympic Sports*  
*For the year ended June 30, 2008*

	Basketball	Softball	Volleyball	Swimming
EXPENSES				
Personnel	\$ 792,683	\$ 296,462	\$ 289,770	\$ 207,283
Grants	436,968	398,965	369,759	378,389
Team travel	393,138	105,550	130,753	67,461
General travel	24,762	372	5,361	4,537
Recruiting	85,985	25,133	32,481	32,655
Game services	98,057	15,700	14,563	1,433
Other services	1,405	-	-	-
Supplies and uniforms	59,424	23,399	14,223	28,906
General administration	81,426	8,607	30,693	19,033
Utilities	-	-	-	-
Guarantees	<u>81,000</u>	<u>-</u>	<u>6,304</u>	<u>-</u>
Total expenses	<u>\$ 2,054,848</u>	<u>\$ 874,188</u>	<u>\$ 893,907</u>	<u>\$ 739,697</u>

**University of South Carolina  
Department of Athletics-Columbia Campus**

***Schedule of Expenses-Women's Olympic Sports  
For the year ended June 30, 2008***

			In & Outdoor Track and Cross Country			
	Tennis	Golf		Soccer	Equestrian	Totals
\$	150,835	\$ 158,999	\$ 367,595	\$ 229,189	\$ 206,553	\$ 2,699,369
	218,222	158,824	649,270	395,274	342,175	3,347,846
	81,508	57,980	344,428	110,845	69,530	1,361,193
	3,190	1,121	15,169	494	5,963	60,969
	12,473	8,554	56,122	35,935	27,717	317,055
	8,486	-	2,531	7,939	13,336	162,045
	670	89	16,387	120	11,173	29,844
	46,568	28,704	52,901	34,542	41,519	330,186
	14,525	50,657	28,868	7,294	154,145	395,248
	-	-	-	-	11,651	11,651
	-	-	3,693	3,063	-	94,060
\$	<u>536,477</u>	<u>\$ 464,928</u>	<u>\$ 1,536,964</u>	<u>\$ 824,695</u>	<u>\$ 883,762</u>	<u>\$ 8,809,466</u>

**University of South Carolina**  
**Department of Athletics - Columbia Campus**

*Schedule of Expenses and Transfers - Student Athletic Support Services*  
*For the year ended June 30, 2008*

	Athletic Training Room	Academic Support Services
<hr/>		
EXPENSES		
Personnel	\$ 594,283	\$ 898,289
Grants	-	5,000
Team travel	-	-
General travel	23,346	15,379
Recruiting	-	-
Game services	999	15,424
Other services	440,117	8,034
Supplies and uniforms	196,211	6,016
General administration	286,679	126,469
Guarantees	-	-
	<hr/>	<hr/>
Total expenses	1,541,635	1,074,611
TRANSFERS	<hr/>	<hr/>
	135,000	302
Total expenses and transfers	\$ <u>1,676,635</u>	\$ <u>1,074,913</u>

**University of South Carolina**  
**Department of Athletics - Columbia Campus**

***Schedule of Expenses and Transfers - Student Athletic Support Services***  
***For the year ended June 30, 2008***

Strength Conditioning Program	Cheerleading	Wellness Program Testing	Totals
\$ 641,083	\$ 65,283	\$ 95,104	\$ 2,294,042
14,267	41,200	-	60,467
-	59,694	-	59,694
9,722	-	386	48,833
-	-	-	-
-	3,603	-	20,026
1,898	4,141	-	454,190
7,674	30,258	91	240,250
41,975	11,583	21,204	487,910
-	-	-	-
716,619	215,762	116,785	3,665,412
-	-	-	135,302
\$ <u>716,619</u>	\$ <u>215,762</u>	\$ <u>116,785</u>	\$ <u>3,800,714</u>

**University of South Carolina**  
**Department of Athletics - Columbia Campus**

*Schedule of Expenses and Transfers-Administrative Support Services*  
*For the year ended June 30, 2008*

		Media Relations	Business Office	Ticket Office	Game Management	NCAA Compliance
<b>EXPENSES</b>						
Personnel	\$	482,006	\$ 460,778	\$ 188,145	\$ 320,253	\$ 293,056
Grants		10,196	-	-	8,480	-
Team travel		-	-	-	-	-
General travel		8,224	3,131	3,955	433	7,452
Recruiting		-	-	-	-	-
Game services		5,216	-	1,181	1,386,422	175
Other services		169	-	573	325,321	-
Supplies and uniforms		41,449	1,411	105,525	12,251	1,695
General administration		229,699	12,338	734,601	487,869	13,879
Guarantees		<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Total expenses		776,959	477,658	1,033,980	2,551,029	316,257
<b>TRANSFERS</b>						
		<u>-</u>	<u>-</u>	<u>37,010</u>	<u>293,281</u>	<u>-</u>
Total expenses and transfers	\$	<u>776,959</u>	<u>\$ 477,658</u>	<u>\$ 1,070,990</u>	<u>\$ 2,844,310</u>	<u>\$ 316,257</u>

**University of South Carolina**  
**Department of Athletics - Columbia Campus**

*Schedule of Expenses and Transfers-Administrative Support Services*  
*For the year ended June 30, 2008*

Olympic Sports Administration	Concession	Video Support	Marketing Promotions Advertising	Capital Campaign	Airplane Operations	Premium Seating	Total
\$ (19,398)	\$ -	\$ 193,696	\$ 222,866	\$ 315,587	\$ 131,262	\$ 4,185	\$ 2,592,436
-	-	-	1,077	-	-	-	19,753
-	-	-	73	-	-	-	73
-	-	2,296	16,072	11,019	150,014	-	202,596
-	-	-	-	-	-	-	-
-	-	-	3,000	1,892	-	363,201	1,761,087
-	-	1,073	2,767	-	-	7,963	337,866
-	-	26,258	20,443	-	-	1,473	210,505
-	12,968	46,374	294,770	159,431	42,813	164,015	2,198,757
-	-	-	-	-	-	-	10,000
(19,398)	12,968	269,697	561,068	487,929	324,089	540,837	7,333,073
-	-	-	-	-	-	41,076	371,367
<u>\$ (19,398)</u>	<u>\$ 12,968</u>	<u>\$ 269,697</u>	<u>\$ 561,068</u>	<u>\$ 487,929</u>	<u>\$ 324,089</u>	<u>\$ 581,913</u>	<u>\$ 7,704,440</u>



**University of South Carolina**  
**Department of Athletics - Columbia Campus**

***Schedule of Endowment Fund Assets <sup>(1)</sup>***  
**For the year ended June 30, 2008**

	Cash and Cash Equivalents	Funds held in Trust by Others	Real Estate	Total
<b>Endowments:</b>				
Robert Bond	\$ 25,000	\$ 0	\$ 0	\$ 25,000
Chester Wingate	25,000	0	0	25,000
Elliot Close	26,172	0	0	26,172
B.T. Bootle	19,983	0	0	19,983
Joseph Rosen	7,285	0	39,417	46,702
Harvey Rosen	25,785	0	20,916	46,701
Peter & Peggy Oliver	3,000	0	28,500	31,500
Donald Russell, Jr.	30,000	0	0	30,000
W.G. Moorer	25,000	0	0	25,000
Rebecca Rosen Nurick	7,285	0	39,417	46,702
Ernest A. Brooks	356,600	552,724	0	909,324
Kathryn C. Inabinet	25,000	0	0	25,000
Jerry E. Spann	12,187	0	0	12,187
Roy E. Hudgens	25,000	0	0	25,000
Hubert R. Kelly	25,000	0	0	25,000
Stuart C. Hope	25,000	0	0	25,000
Thomas Glazebrook	25,000	0	0	25,000
G. Thomas Snyder, Jr.	40,000	0	0	40,000
Kyle Snyder	40,000	0	0	40,000
Jack W. Markusen	40,000	0	0	40,000
S.E. Carter, Jr.	40,000	0	0	40,000
David E. & Susan C. Connelly	25,050	0	0	25,050
Leonard Browder	25,000	0	0	25,000
Robert Ringer	25,000	0	0	25,000
Atlas Electric Co./G.H. Timmons	28,000	0	0	28,000
Marshall Martin, Jr.	25,050	0	0	25,050
Aquarian Pools / W.M. Muller	25,000	0	0	25,000
Clyde & Jean Branham	25,000	0	0	25,000
Carol Mosack	40,000	0	0	40,000
Martha E. Barbour	2,500	0	0	2,500
Cherokee County Gamecock Club	25,000	0	0	25,000
E. L. Pooser, Jr.	25,000	0	0	25,000
Terry A. Snyder	25,500	0	0	25,500
Ham & Larae Godwin-Beale	25,000	0	0	25,000
J. Graham Shaw	25,969	0	0	25,969

**University of South Carolina**  
**Department of Athletics - Columbia Campus**

*Schedule of Endowment Fund Assets <sup>(1)</sup>*  
*For the year ended June 30, 2008*

	Cash and Cash Equivalents	Funds held in Trust by Others	Real Estate	Total
<b>Endowments (Continued):</b>				
D. Larry Salley	15,000	0	0	15,000
Lisa & Mark Campbell	25,000	0	0	25,000
W.E. Stillwell, Jr.	40,000	0	0	40,000
Raett & Amy Richardson	25,002	0	0	25,002
Darryl R. Davids	43,000	0	0	43,000
R. Thomas Moore	25,000	0	0	25,000
Canteen of Dixie	25,000	0	0	25,000
Philip J. Babb	10,000	0	0	10,000
Charles F. Crews	40,000	0	0	40,000
Dr. & Mrs. David R. Beckham, Jr.	25,000	0	0	25,000
Samuel H. Vickers	25,000	0	0	25,000
F. R. Bush	25,000	0	0	25,000
James T. Martin	25,000	0	0	25,000
A. Brian McIntyre	25,000	0	0	25,000
M. Graham Proffitt, III	25,000	0	0	25,000
David W. Moon	25,000	0	0	25,000
Sam L. Thomas	25,000	0	0	25,000
Mary R. Ellis	40,000	0	0	40,000
Mary Felder Clay	25,000	0	0	25,000
Mr. & Mrs. William Morris	25,000	0	0	25,000
Edward O. Caughman	25,000	0	0	25,000
Dr. & Mrs. James Stands	40,000	0	0	40,000
James & Sherrie Hall	25,000	0	0	25,000
James E. Brown	40,000	0	0	40,000
Thomas L. Taylor, Jr.	25,000	0	0	25,000
T.R. McConnell	40,000	0	0	40,000
Mr. & Mrs. Bill Dukes	25,000	0	0	25,000
Mortimer Smith	27,449	0	0	27,449
Ervin Hickman	25,000	0	0	25,000
David Curry	25,000	0	0	25,000
Mitchell Bailey	25,000	0	0	25,000
Harvey Capell	24,000	0	0	24,000
William Hutchinson	1,350	0	0	1,350
Bruce Volk	2,000	0	0	2,000
William Moore	40,000	0	0	40,000
Ethan & Shannon M. Nord	175,000	0	0	175,000
James W. Maner, Jr.	159,229	0	0	159,229
Jack L. Springs	100,575			100,575
Total endowments	<u>2,557,971</u>	<u>552,724</u>	<u>128,250</u>	<u>3,238,945</u>

**University of South Carolina**  
**Department of Athletics - Columbia Campus**

***Schedule of Endowment Fund Assets <sup>(1)</sup>***  
***For the year ended June 30, 2008***

	Cash and Cash Equivalents	Funds held in Trust by Others	Real Estate	Total
<b>Quasi-endowments:</b>				
General	44,221	0	0	44,221
Peggy Shaw	0	0	6,500	6,500
P.F. Laborde, Jr.	11,919	0	0	11,919
Rex Enright	2,765	0	0	2,765
Mike Johson	12,272	0	0	12,272
Pat McGuire	4,832	0	0	4,832
J. D. Parler	4,953	0	0	4,953
Doc Ellisor	614	0	0	614
Rut L. Osborne	34	0	0	34
Frank McGuire	8,655	0	0	8,655
Gamecock Club	47,593	0	0	47,593
Pizza Hut	16,000	0	0	16,000
D. L. Kingsbury	5,500	0	0	5,500
F.J. Collins, Jr.	25,000	0	0	25,000
Joe Morrison	17,154	0	0	17,154
Gamecock Club Insurance	59,229	2,391,889	0	2,451,118
Athletic Life Income Fund- Crews	0	1,078,638	0	1,078,638
Total quasi-endowments	<u>260,741</u>	<u>3,470,527</u>	<u>6,500</u>	<u>3,737,768</u>
 Total	 <u>2,818,712</u>	 <u>4,023,251</u>	 <u>134,750</u>	 <u>6,976,713</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 <sup>(1)</sup>***  
***For the year ended June 30, 2008***

	Fund Balance July 1, 2007	Contributions	Other Income <sup>(2)</sup>	Fund Balance June 30, 2008
<b>Endowments:</b>				
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	918,819		(9,495)	909,324
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
B. 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

**University of South Carolina  
Department of Athletics - Columbia Campus**

***Schedule of Changes in Endowment Fund Balances <sup>(1)</sup>  
For the year ended June 30, 2008***

	Fund Balance July 1, 2007	Contributions	Other Income <sup>(2)</sup>	Fund Balance June 30, 2008
<b>Endowments, continued</b>				
Darryl R. Davids	43,000			43,000
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 W. & Shannon M. Nord	175,000			175,000
James Maner Jr.	159,229			159,229
Jack L. Springs		100,575		100,575
Total endowments	3,147,865	100,575	(9,495)	3,238,945

**University of South Carolina  
Department of Athletics - Columbia Campus**

***Schedule of Changes in Endowment Fund Balances <sup>(1)</sup>  
For the year ended June 30, 2008***

	Fund Balance July 1, 2007	Contributions	Other Income <sup>(2)</sup>	Fund Balance June 30, 2008
<b>Quasi-endowments:</b>				
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 Johson	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	47,243	350		47,593
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	2,348,430		102,688	2,451,118
Athletic Life Income Fund	1,078,572		66	1,078,638
Total quasi-endowments	3,634,664	350	102,754	3,737,768
 Total	 \$ 6,782,529	 \$ 100,925	 \$ 93,259	 \$ 6,976,713

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

<sup>(2)</sup> Includes gains on sale of assets and increases in cash surrender value of life insurance.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Board of Trustees  
University 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, 2008 and have issued our report thereon dated December 8, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Department's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Department's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential, will not be prevented or detected by the Department's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Department's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Trustees of the University of South Carolina, management of the Department and the State Auditor's office and is not intended to be and should not be used by anyone other than those specified parties.

*Elliott Davis, LLC*

Columbia, South Carolina  
December 8, 2008