

**College of Charleston  
Intercollegiate Athletics Program**

*NCAA Report*

*Independent Accountant's  
Report on the Application of Agreed-Upon Procedures*

*For the year ended June 30, 2019*

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# College of Charleston Intercollegiate Athletics Program

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**Independent Accountant's Report on the  
Application of Agreed-Upon Procedures**

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

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and management of the College of Charleston (the "College"), solely to assist management in its evaluation of compliance with the National Collegiate Athletic Association ("NCAA") Constitution 3.2.4.15 for the fiscal year ended June 30, 2019. The College's management is responsible for the accompanying Intercollegiate Athletics Program Statement of Revenues, Expenditures and Transfers (the "Statement") and for the College's compliance with the NCAA's requirements. The sufficiency of these procedures is solely the responsibility of those parties listed in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

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

1. We compared and agreed each operating revenue category reported in the Statement during the year ended June 30, 2019 ("reporting period") to supporting schedules provided by the College. If a specific reporting category was less than 4.0% of the total revenues, no procedures were required for that specific category.

We found no exceptions as a result of these procedures.

2. We selected a sample of five operating revenue receipts obtained from the above operating revenue supporting schedules. We compared and agreed each selection to adequate supporting documentation.

We found no exceptions as a result of these procedures.

3. We compared each major revenue account over 10% of the total revenues to prior period amounts and budget estimates. We inquired of management and obtained explanations from management for any variations greater than 10%.

Management has informed us there were no revenue accounts with a variation that exceeded the threshold.

We found no exceptions as a result of these procedures.

4. We compared tickets sold during the reporting period, complimentary tickets provided during the reporting period and unsold tickets to the related revenue reported by the College in the Statement and the related attendance figures and recalculated totals.

We noted variances between the ticket sales reported in the Statement versus the ticket sales reported in the supporting sales reports as listed below.

	Ticket Sales per Sales Report	Ticket Sales per Statement	Variance
Men's Basketball	\$ 927,041	\$ 930,078	\$ (3,037)
Men's Other Sports	42,266	42,230	36
Women's Basketball	4,064	3,921	143
Women's Other Sports	16,515	17,406	(891)

5. We compared and agreed student fees reported by the College in the Statement for the reporting period to student enrollments during the same reporting period and recalculated totals.

We noted a variance of \$40,745 (0.31% of reported student fees) between the student fees we recalculated using the estimated student enrollment information compared to the student fees reported in the Statement.

6. We inquired of management and documented the College's methodology for allocating student fees to intercollegiate athletics programs.

Per management, the Intercollegiate Athletics Program receives a direct student athletic fee per semester. See also Note 1 in attachment A.

7. We obtained the cost allocation detail and other corroborative supporting documentation from the College detailing indirect institutional support recorded by the institution for the reporting period and recalculated totals. We compared the total indirect institutional support in the supporting documentation provided by the College to the corresponding amount in the Statement.

We found no exceptions as a result of these procedures.

8. We planned to request from the College the settlement reports for three away games during the reporting period and to agree each selection to the College's general ledger and/or the Statement and recalculate totals.

The revenue reported for the guarantees revenue reporting category was less than 4.0% of total revenues; therefore, no procedures were required for this specific category.

9. We planned to select one contractual agreement pertaining to revenues derived from guaranteed contests during the reporting period and to compare and agree the selection to the College's general ledger and/or the Statement to recalculate totals.

The revenue reported for the guarantees revenue reporting category was less than 4.0% of total revenues; therefore, no procedures were required for this specific category.

10. We obtained and reviewed supporting documentation and recalculated totals for any contributions of moneys, goods or services received directly by an intercollegiate athletics program from any affiliated or outside organization, agency or group of individuals (two or more) not included above (e.g., contributions by corporate sponsors) that constituted 10.0% or more in aggregate for the reporting year of all contributions received for intercollegiate athletics during the reporting period.

We found no exceptions as a result of these procedures. Management informed us that the College has one such organization, the College of Charleston Athletic Fund d/b/a Cougar Club ("Cougar Club"), an affiliated entity, and substantially all contributions to the intercollegiate athletics program were from the Cougar Club. See also Notes 3 and 4 in attachment A.

11. We compared the in-kind revenue recorded by the College during the reporting period with a schedule of in-kind donations and recalculated totals.

We found no exceptions as a result of these procedures.

12. We planned to compare the amounts recorded in the revenue reporting to the general ledger detail for NCAA distributions and other corroborative supporting documents and recalculate totals.

The revenue reported for the NCAA distributions reporting category was less than 4.0% of total revenues; therefore, no procedures were required for this specific category.

13. We planned to obtain and inspect agreements related to the College's conference distributions and participation in revenues from tournaments during the reporting period for relevant terms and conditions.

The revenue reported for the conference distributions reporting category was less than 4.0% of total revenues; therefore, no procedures were required for this specific category.

14. We planned to compare and agree the revenues related to conference distributions to the College's general ledger, and/or the Statement and recalculate totals.

The revenue reported for the conference distributions reporting category was less than 4.0% of total revenues; therefore, no procedures were required for this specific category.

15. We planned to compare the amount recorded in the concessions reporting category to a general ledger detail of concessions as well as any other corroborative supporting documents and recalculate totals.

The revenue reported for the concessions reporting category was less than 4.0% of total revenues; therefore, no procedures were required for this specific category.

16. We planned to obtain and inspect agreements related to the College's participation in revenues from royalties during the reporting period.

The revenue reported for the royalties reporting category was less than 4.0% of total revenues; therefore, no procedures were required for this specific category.

17. We planned to compare and agree the revenues related to royalties to the College's general ledger, and/or the Statement and recalculate totals.

The revenue reported for the royalties reporting category was less than 4.0% of total revenues; therefore, no procedures were required for this specific category.

18. We compared and agreed the amount recorded in the other operating revenues category to the College's general ledger and the Statement, and recalculated totals.

We found no exceptions as a result of these procedures.

19. We compared and agreed each expense category reported in the Statement during the reporting period to supporting schedules provided by the College. If a specific reporting category was less than 4.0% of the total expenses, no procedures were required for that specific category.

We found no exceptions as a result of these procedures.

20. We selected a sample of five operating expenses obtained from the above operating expense supporting schedules. We compared and agreed each selection to adequate supporting documentation.

We found no exceptions as a result of these procedures.

21. We compared each major expense over 10% of the total expenses to prior period amounts and budget estimates. We inquired of management and obtained explanations from management for any variations greater than 10%.

Management has informed us there were no expense accounts with a variation that exceeded the threshold.

We found no exceptions as a result of these procedures.

22. The College uses the NCAA's Compliance Assistant ("CA") software to prepare the athletic aid detail from the listing of College student aid recipients for the reporting period. We selected 40 student-athletes from the listing of College student aid recipients for the reporting period.

We found no exceptions as a result of these procedures.

23. We obtained individual student account details for each student selected in procedure #22 and compared total aid in the College's student system to the student's detail in CA.

We found no exceptions as a result of these procedures.

24. For each student selected in procedure #22, we compared the student's information to their information reported in the NCAA's CA software using the following criteria:

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

We found no exceptions as a result of these procedures.

25. We recalculated totals for each sport and overall reported in the CA listing obtained in procedure #22.

We found no exceptions as a result of these procedures.

26. We planned to obtain and inspect visiting institution's away-game settlement reports received by the College during the reporting period and agree related expenses to the College's general ledger and/or the Statement and recalculate totals.

The expenditures reported for the guarantees expense reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

27. We planned to select a sample of two contractual agreements pertaining to expenses recorded by the College from guaranteed contests during the reporting period. We planned to obtain the contractual agreements and compare the related amounts expensed by the College during the reporting period to the College's general ledger and/or the Statement and recalculate totals.

The expenditures reported for the guarantees expense reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

28. We obtained and inspected a listing of coaches employed by the College and related entities during the reporting period. We selected a sample of three coaches' contracts that had to include men's and women's basketball from the listing.

We found no exceptions as a result of these procedures.

29. We compared and agreed the financial terms and conditions of each coach selected in procedure #28 to the related coaching salaries, benefits, and bonuses recorded by the College and related entities in the Statement during the reporting period.

We found no exceptions as a result of these procedures.

30. We obtained and inspected payroll summary registers for the reporting year for each coach selected in procedure #28. We compared and agreed payroll summary registers from the reporting period to the related coaching salaries, benefits and bonuses paid by the College and related entities expense recorded by the College in the Statement during the reporting period.

We found no exceptions as a result of these procedures.

31. We compared and agreed the totals recorded within the summary registers to employment contracts executed for the sample of three coaches selected in procedure #28 and recalculated totals.

We found no exceptions as a result of these procedures.

32. We selected a sample of three support staff/administrative personnel employed by the College and related entities during the reporting period.

We found no exceptions as a result of these procedures.

33. We obtained the summary payroll register for the reporting period for each support staff/administrative personnel selected in procedure #32. We compared and agreed the related summary payroll register to the related support staff administrative salaries, benefits and bonuses paid by the College and related entities expense recorded by the College in the Statement for the reporting period and recalculated totals.

We found no exceptions as a result of these procedures.

34. We planned to obtain the College's recruiting expense policies.

The expenditures reported for the recruiting expense reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.



35. We planned to compare and agree to existing institutional- and NCAA-related recruiting expense policies.

The expenditures reported for the recruiting expense reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

36. We planned to obtain a general ledger detail for recruiting expenditures and to compare to the total expenditures reported and recalculate totals.

The expenditures reported for the recruiting expense reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

37. We obtained the College's team travel policies.

We found no exceptions as a result of these procedures.

38. We compared and agreed the College's team travel policies to existing institutional- and NCAA-related team travel expense policies.

We found no exceptions as a result of these procedures.

39. We obtained a general ledger detail for team travel expenditures and compared to the total expenditures reported and recalculated totals.

We found no exceptions as a result of these procedures.

40. We obtained a general ledger detailing total equipment, uniforms and supplies expenditures and compared to the total expenditures reported. We selected a sample of three transactions. For each transaction selected, we obtained support (e.g. invoices, receipts, etc.) and recalculated totals.

We found no exceptions as a result of these procedures.

41. We planned to obtain general ledger detailing total game expenditures and to compare to the total expenditures reported. We planned to select a sample of three transactions. For each transaction selected, we planned to obtain support (e.g. invoices, receipts, etc.) and recalculate totals.

The expenditures reported for the game expenses reporting category were less than 4.0%; therefore, no procedures were required for this specific category.

42. We planned to obtain general ledger detailing total marketing and promotion expenditures and to compare to the total expenditures reported. We planned to select a sample of three transactions. For each transaction selected, we planned to obtain support (e.g. invoices, receipts, etc.) and recalculate totals.

The expenditures reported for the marketing and promotion expenses reporting category were less than 4.0%; therefore, no procedures were required for this specific category.

43. We planned to obtain a general ledger detailing total spirit groups expenditures and compare to the total expenditures reported. We planned to select a sample of three transactions. For each transaction selected, we planned to obtain support (e.g. invoices, receipts, etc.) and recalculate totals.

The expenditures reported for the spirit group expenses reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

44. We obtained a listing of debt service schedules, lease payments and rental fees for athletics facilities for the reporting year. We selected a sample of three facility payments, including the top two highest facility payments, and compared to additional supporting documentation.

We found no exceptions as a result of these procedures.

45. We compared amounts recorded for each payment selected in procedure #44 to the amounts listed in the general ledger detail and recalculated totals.

We found no exceptions as a result of these procedures.

46. We planned to obtain a general ledger detailing total direct overhead and administrative expenditures and compare to the total expenditures reported. We planned to select a sample of three transactions. For each transaction selected, we planned to obtain support (e.g. invoices, receipts, etc.) and recalculate totals.

The expenditures reported for the direct overhead and administrative reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

47. We planned to obtain a general ledger detailing total medical expenditures and medical insurance and compare to the total expenditures reported. We planned to select sample of three transactions. For each transaction selected, we planned to obtain support (e.g. invoices, receipts, etc.) and recalculate totals.

The expenditures reported for the medical expenditures and medical insurance reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

48. We planned to obtain a general ledger detailing total memberships and dues expenditures and compare to the total expenditures reported. We planned to select a sample of three transactions. For each transaction selected, we planned to obtain support (e.g. invoices, receipts, etc.) and recalculate totals.

The expenditures reported for the memberships and dues reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

49. We obtained a general ledger detailing other operating expenditures to the College and compared to the total expenditures reported. We selected a sample of three transactions. For each transaction selected, we obtained support (e.g. invoices, receipts, etc.) and recalculated totals.

We found no exceptions as a result of these procedures.

50. We planned to obtain a general ledger detailing student-athlete meals (non-travel) and compare to the total expenditures reported. We planned to select a sample of three transactions. For each transaction selected, we planned to obtain support (e.g. invoices, receipts, etc.) and recalculate totals.

The expenditures reported for the student athlete meals (non-travel) reporting category were less than 4.0% of total expenditures; therefore, no procedures were required for this specific category.

51. We compared and agreed the sports sponsored reported in the NCAA Membership Financial Reporting System to the CRDE from CA for the College. The NCAA Membership Financial Reporting System populates the sports from the NCAA Membership Database as they are reported by the College. For any discrepancy in the sports sponsored between the NCAA Membership Financial Reporting System and the CRDE, we inquired about the discrepancy and reported the justification in this report.

For the following sports sponsored, we identified discrepancies between the NCAA Membership Financial Reporting System and the CRDE and obtained explanations for the discrepancies from management:

<b>Revenue Distribution Equivalencies:</b>			
	<b>Per NCAA Membership Financial Reporting System</b>		
	<b>Per CRDE</b>	<b>Reporting System</b>	<b>Variance</b>
Men's Basketball	11.36	11.34	0.02
Men's Cross Country	1.23	1.25	(0.02)

Men's Basketball - variance is due to the following events that occurred after the CRDE for men's basketball was certified in January 2019: 1) change in a student athlete's enrollment status (number of hours were reduced for the Spring semester), and 2) Pell grant awarded to a student-athlete mid-year. Due to timing of the changes, both events are reflected in the NCAA Membership Financial Reporting System, but not in the CRDE.

Men's Cross Country - variance is due to additional athletics aid awarded to one student-athlete after the CRDE for men's cross country was certified in February 2019.

52. We compared current year Grants-in-Aid revenue distribution equivalencies to prior year reported equivalencies per the Membership Financial Report submission and documented an explanation for any variances greater than 4%. As a result of our comparisons, we inquired and obtained from management an explanation for variations related to the following Grants-in-Aid revenue distributions equivalencies:

- Baseball
- Men's Basketball
- Men's Cross Country
- Men's Soccer
- Men's Tennis
- Women's Basketball
- Women's Golf
- Softball
- Women's Tennis
- Women's Track - Indoor

We found no exceptions as a result of these procedures.

53. We obtained the College's Sports Sponsorship and Demographics Forms Report for the reporting year. We obtained the countable sports reported by the College and compared the amounts reported to the minimum requirements set forth in Bylaw 20.9.6.3 for the number of contests and the number of participants in each contest that is counted toward the minimum contest requirement. We inquired of management that sports countable for revenue distribution purposes were reported within the NCAA Membership Financial Reporting System.

We found no exceptions as a result of these procedures.

54. We compared current year number of Sports Sponsored to prior year reported total per the Membership Financial Report submission and documented an explanation for any variances.

We found no exceptions as a result of these procedures.

55. We agreed the total number of Division I student-athletes who, during the academic year, received a Pell Grant award (e.g. Pell Grant recipients on Full Grant-in-Aid, Pell Grant recipients on Partial Grants-in-Aid and Pell Grant recipients with no Grants-in-Aid) and the total value of these Pell Grants reported in the NCAA Membership Financial Reporting System to a report, generated out of the College's financial aid records, of all student-athlete Pell Grants.

We found no exceptions as a result of these procedures.

56. We compared current year Pell Grants total to prior year reported total per the Membership Financial Report submission and documented an explanation for any variances greater than 20 grants.

We found no exceptions as a result of these procedures.

57. We obtained repayment schedules for all outstanding intercollegiate athletics debt during the reporting period. We recalculated annual maturities (consisting of principal and interest) provided in the schedules obtained.

We found no exceptions as a result of these procedures.

58. We agreed the total annual maturities and total outstanding athletic related debt to supporting documentation and the College's general ledger, as applicable.

We found no exceptions as a result of these procedures.

59. We agreed the total outstanding institutional debt to supporting documentation and the College's audited financial statements, if available, or the College's general ledger.

We found no exceptions as a result of these procedures.

60. We obtained a schedule of athletics related capital expenditures made by athletics, the College, and affiliated organizations during the reporting period.

We found no exceptions as a result of these procedures.

61. We obtained a general ledger detailing total athletics related capital expenditures and compared to the total expenditures reported. We selected a sample of three transactions. For each transaction selected, we obtained support (e.g. invoices, receipts, etc.) and recalculated totals.

We found no exceptions as a result of these procedures.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the specified areas, accounts, or items and on the effectiveness of internal control over financial reporting described in paragraph one and procedures from pages 1 through 11 of this report. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

A handwritten signature in black ink that reads "Elliott Davis, LLC". The signature is written in a cursive, flowing style.

Charleston, South Carolina  
November 25, 2019

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

*Statement of Revenues, Expenditures and Transfers (unaudited and prepared by management)*

*For the year ended June 30, 2019*

Categories	Men's		Women's		Coed	Non-program Specific	College Total	Cougar Club	Enterprise Total
	Basketball	Other Sports	Basketball	Other Sports					
<b>Revenues:</b>									
Ticket Sales	\$ 930,078	\$ 42,230	\$ 3,921	\$ 17,406	\$ -	\$ -	\$ 993,635	\$ -	\$ 993,635
Student Activity Fees	-	-	-	-	-	13,262,300	13,262,300	-	13,262,300
Indirect Institutional Support	-	-	-	-	-	1,495,221	1,495,221	-	1,495,221
Guarantees	45,000	15,000	-	8,000	-	-	68,000	-	68,000
Contributions	282,433	486,369	5,627	361,099	162,691	1,546,933	2,845,152	1,111,952	3,957,104
NCAA Distributions	-	-	-	-	-	497,201	497,201	-	497,201
Conference Distributions	-	-	-	-	-	58,622	58,622	-	58,622
Concessions	-	-	-	-	-	104,838	104,838	-	104,838
Royalties	-	-	-	-	-	134,842	134,842	-	134,842
Investment and Interest Income	-	-	-	-	-	-	-	10,422	10,422
Other Operating Revenues	-	26,932	-	499,530	-	299,203	825,665	1,996,300	2,821,965
<b>Total revenues</b>	<b>1,257,511</b>	<b>570,531</b>	<b>9,548</b>	<b>886,035</b>	<b>162,691</b>	<b>17,399,160</b>	<b>20,285,476</b>	<b>3,118,674</b>	<b>23,404,150</b>
<b>Expenditures:</b>									
Athletic Student Aid	599,486	1,261,158	681,786	2,454,733	-	119	4,997,282	-	4,997,282
Guarantees	152,500	10,000	-	1,000	-	-	163,500	-	163,500
Personnel Services	1,095,166	746,664	402,702	804,447	49,116	1,264,788	4,362,883	-	4,362,883
Fringe Benefits	248,579	305,260	124,991	318,773	23,485	403,800	1,424,888	-	1,424,888
Recruiting Expenses	87,771	35,464	44,682	55,764	-	-	223,681	-	223,681
Team Travel	278,243	429,747	166,928	1,022,316	22,738	88,979	2,008,951	-	2,008,951
Equipment, Uniforms and Supplies	102,547	155,141	45,274	254,583	21,907	347,130	926,582	-	926,582
Game Expenses	176,647	94,656	72,664	78,512	550	20,770	443,799	-	443,799
Marketing and Promotion	-	-	-	-	-	110,716	110,716	-	110,716
Spirit Group Expenses	-	-	-	-	-	8,175	8,175	-	8,175
Athletic Facilities Debt Service, Leases and Rental Fees	-	75,000	-	89,375	-	1,495,221	1,659,596	-	1,659,596
Direct Overhead and Administrative Expenses	-	-	-	-	-	802,536	802,536	-	802,536
Medical and Insurance	-	-	-	-	-	212,570	212,570	-	212,570
Memberships and Dues	1,219	-	-	3,000	300	116,800	121,319	-	121,319
Student Meals (Non-Travel)	11,215	490	4,409	4,046	-	2,315	22,475	-	22,475
Other Operating Expenses	563,921	543,425	56,648	412,497	396,904	1,426,056	3,399,451	430,668	3,830,119
<b>Total expenditures</b>	<b>3,317,294</b>	<b>3,657,005</b>	<b>1,600,084</b>	<b>5,499,046</b>	<b>515,000</b>	<b>6,299,975</b>	<b>20,888,404</b>	<b>430,668</b>	<b>21,319,072</b>
<b>Nonmandatory transfers:</b>									
Athletics Operations Support to the College	-	-	-	-	-	-	-	2,679,283	2,679,283
<b>Total nonmandatory transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,679,283</b>	<b>2,679,283</b>
<b>Total expenditures and transfers</b>	<b>3,317,294</b>	<b>3,657,005</b>	<b>1,600,084</b>	<b>5,499,046</b>	<b>515,000</b>	<b>6,299,975</b>	<b>20,888,404</b>	<b>3,109,951</b>	<b>23,998,355</b>
<b>Excess (deficiency) of revenues over (under) expenditures and transfers</b>	<b>\$ (2,059,783)</b>	<b>\$ (3,086,474)</b>	<b>\$ (1,590,536)</b>	<b>\$ (4,613,011)</b>	<b>\$ (352,309)</b>	<b>\$ 11,099,185</b>	<b>\$ (602,928)</b>	<b>\$ 8,723</b>	<b>\$ (594,205)</b>

## College of Charleston

### Intercollegiate Athletics Program

*Notes to the Statement of Revenues, Expenditures and Transfers (unaudited and prepared by management)  
For the year ended June 30, 2019*

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

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

##### Basis of presentation:

The accompanying Statement of Revenues, Expenditures and Transfers (the "Statement") presents the recorded amounts of revenues and expenditures of the College of Charleston's Intercollegiate Athletics Program. It is not intended to be a complete presentation of the revenues and expenditures of the College of Charleston or the College of Charleston's Intercollegiate Athletics Program. The Statement has been prepared using the accrual basis of accounting. However, no provision has been made for depreciation of capital assets. Revenue is recognized when earned and expenses when supplies or services are received.

Overhead costs, including general administrative costs, maintenance and other related costs, are allocated to the Department of Athletics as a percentage of Athletics' salaries to total College salaries. These costs of \$592,686 were recorded as, and are a part of, other operating expenses non-program specific in Attachment A.

##### Contributions:

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

##### Athletic student aid:

The Statement includes athletic financial assistance awards for students participating in athletic programs. Financial assistance awarded to athletic participants on the basis of other criteria, such as need or academic excellence, is not reflected in the Statement.

##### Student activity fees:

For the year ended June 30, 2019, the Board of Trustees of the College approved a student fee of \$664 per full time student per semester and a student fee of \$481 per semester per student for students in the School of Professional Studies to support intercollegiate athletics. The fees are prorated for part-time students.

##### Fund accounting:

In order to ensure observance of limitations and restrictions placed on the use of resources available to the College's Department of Athletics, the accounts are maintained in accordance with fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. Separate accounts are maintained for each auxiliary enterprise.

## College of Charleston

### Intercollegiate Athletics Program

*Notes to the Statement of Revenues, Expenditures and Transfers (unaudited and prepared by management)  
For the year ended June 30, 2019*

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#### Note 2. NCAA Legislation

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

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

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

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

#### Note 3. Outside Organizations

The College of Charleston Athletic Club d/b/a Cougar Club (“Cougar Club”) is a 501(c)(3) organization with its own charter and Board of Directors. The primary mission of the Cougar Club is to promote intercollegiate athletics at the College of Charleston. The Cougar Club is a discretely presented component unit of the College of Charleston and the activities of the Cougar Club have been included in the Statement.

#### Note 4. Contributions

For the year ended June 30, 2019, contributions from individual donors to the Intercollegiate Athletics Program in excess of 10% of all contributions to the department were as follows:

<u>Donor</u>	<u>Amount</u>
The College of Charleston Athletic Fund	\$ 2,679,283

#### Note 5. Intercollegiate Athletics Debt

The College obtained Academic and Administrative Facilities Revenue Bonds, Series 2007D to finance several capital projects in 2007, including the construction of an athletics building. These bonds were refunded in January 2017 via Academic and Administrative Facilities Revenue Bonds, Series 2017B, and will mature in 2037. The bonds are maintained by the College and are payable from pledged revenues of the College’s residence halls, food service, and parking and from additional funds from the capital improvement fee imposed by the Board of Trustees. A percentage of the annual debt service payments are allocated to the Athletics Department as determined by College management.



## College of Charleston

### Intercollegiate Athletics Program

*Notes to the Statement of Revenues, Expenditures and Transfers (unaudited and prepared by management)  
For the year ended June 30, 2019*

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#### **Note 5. Intercollegiate Athletics Debt, Continued**

The scheduled maturities of the principal for the Series 2017B bonds are as follows:

2020	\$ 1,080,000
2021	1,135,000
2022	1,195,000
2023	1,250,000
2024	1,315,000
Thereafter	<u>23,360,000</u>
	<u>\$29,335,000</u>

#### **Note 6. Capital Expenditures**

The College capitalizes moveable personal property with a unit value of \$5,000 or more and a useful life in excess of one year; additionally, the College capitalizes depreciable land improvements, buildings and building improvements; and intangible assets costing \$100,000 or more. Routine repairs and maintenance, except individual items costing \$5,000 or more, are charged to operating expenses in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful life of the asset, generally 15 to 50 years for buildings, building improvements and land improvements; and 3 to 25 years for machinery, equipment, and vehicles; and 3 years for intangible assets.

The College capitalized approximately \$200,000 of expenditures related to Athletic Department facilities and equipment during the year ended June 30, 2019.