

THE CITADEL, THE MILITARY COLLEGE OF SOUTH CAROLINA

Independent Accountant's Report on Applying Agreed-Upon Procedures

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The Citadel, The Military College of South Carolina
Charleston, South Carolina

We have performed the procedures enumerated below on the Statement of Athletic Revenues and Expenses of the Intercollegiate Athletics Program (Unaudited) (the "Statement") of the Citadel, the Military College of South Carolina, (the "College"), for the year ended June 30, 2022. The College's management is responsible for the Statement.

The College has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose, as mandated under the provisions of the National Collegiate Athletic Association ("NCAA") Bylaw 3.2.4.17.1, of subjecting to agreed-on procedures all expenses and revenues for or on behalf of the College's intercollegiate athletics program for the year ended June 30, 2022. The College has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are listed below. Materiality for the purposes of this report has been determined to be \$200,000.

Agreed-Upon Procedures for Revenues

1. **Procedure:** We will obtain from management the Statement for the year ended June 30, 2022. We will recalculate the mathematical accuracy of the Statement, trace the individual revenue line items to management's worksheets and compare the amounts on management's worksheets to the College's general ledger. We will also compare each major revenue account greater than 10% of total revenues to prior year amounts and obtain an understanding of any variation greater than 10%.

Results of Procedure: We obtained from management the Statement for the year ended June 30, 2022. We recalculated the mathematical accuracy of the Statement, traced the individual revenue line items to management's worksheets and compared the amounts on management's worksheets to the College's general ledger. No exceptions were found as a result of applying these procedures. We also compared each major revenue account greater than 10% of total revenues to prior year amounts, and obtained an understanding of any variation greater than 10% as follows:

- Ticket sales increased \$1,360,629 or 298% during the year ended June 30, 2022 compared to the prior year due to the College returning to a normal game schedule after the COVID-19 pandemic.
 - Contributions revenue increased \$402,961 or 13% during the year ended June 30, 2022 compared to the prior year due to contributions for Johnson Hagood Stadium that were not received in the prior year being received from the Citadel Foundation in the current year.
 - Royalties, licensing, advertisement and sponsorships increased \$302,297 or 68% during the year ended June 30, 2022 compared to the prior year due to the College receiving more income from promotions in the current year compared to the prior year.
2. **Procedure:** We will compare and agree a sample of five operating revenue receipts to supporting schedules provided by the College. This sample will include the samples obtained for testing in procedure 3, with additional samples picked as necessary to reach a total of five.

Results of Procedure: We compared five operating revenue receipts listed below to supporting schedules provided by the College:

Description

- d. **Procedure:** We will obtain the detailed listing of contributions and will compare the total to the Statement. From the listing, for any contributions that constitute 10% or more of all contributions received for intercollegiate athletics during the year, we will agree amounts per the listing to the supporting documentation, inspect for reasonableness, and will recalculate totals.

Results of Procedure: We obtained the detailed listing of contributions, compared the total to the Statement, and recalculated totals. We inspected the listing, noting one contribution from The Citadel Brigadier Foundation for \$2,000,000 that was greater than 10% of all contributions received by the Intercollegiate Athletics Program. We agreed the \$2,000,000 contribution from The Citadel Brigadier Foundation to supporting documentation and recalculated the total. No exceptions were found as a result of applying these procedures.

- e. **Procedure:** We will obtain and inspect the royalties and licensing agreement related to the College's participation in revenues from royalties, licensing, advertisements, and sponsorships during the reporting period to gain an understanding of the relevant terms and conditions. We will obtain a schedule of revenues from royalties, licensing, advertisements, and sponsorships and recalculate and agree the schedule to the College's general ledger.

Results of Procedure: We obtained and inspected the royalties and licensing agreement related to the College's participation in revenues from royalties, licensing, advertisements, and sponsorships during the year ended June 30, 2022 to gain an understanding of the relevant terms and conditions. We obtained a schedule of revenues from royalties, licensing, advertisements, and sponsorships and recalculate and agreed the schedule to the College's general ledger. No exceptions were found as a result of applying these procedures.

Agreed-Upon Procedures for Expenses

4. **Procedure:** We will recalculate the mathematical accuracy of the Statement, trace the individual expense line items to management's worksheets and compare the amounts on management's worksheets to the College's general ledger. We will also compare each major expense account over 10% of total expenses to prior year amounts and obtain an understanding of any variation greater than 10%.

Results of Procedure: We recalculated the mathematical accuracy of the Statement, traced the individual expense line items to management's worksheets, and compared the amounts on management's worksheets to the College's general ledger. No exceptions were found as a result of applying these procedures. We also compared each major expense account over 10% of total expenses to prior year amounts, and obtained an understand

Results of Procedures: We compared the twenty disbursements listed below to supporting schedules provided by the College. No exceptions were found as a result of applying these procedures.

Payee

Reference

Results of Procedures: We obtained a listing of student athletes receiving student athletic aid and recalculated the student athletic aid totals for each sport and overall. We selected 10% or 30 students, as listed below and on page 6, receiving student athletic aid from the listing of institutional student aid recipients during the year ended June 30, 2022, as provided below. We obtained individual student account details for each selection below and compared total aid allocated from the related aid award letter to the student’s account. For each student selected, we also ensured their information was reported accurately in either the Software or entered directly into the NCAA Membership Financial Reporting System (the “System”) using the criteria above.

	<u>ID</u>	<u>Sport</u>	<u>Amount</u>
1.	10644978	Football	27,355
2.	10641722	Football	6,346
3.	10648355	Soccer	6,292
4.	10636339	Football	20,421
5.	10630131	Football	20,775
6.	10620690	Men's Track	8,929
7.	10630248	Football	5,946
8.	10634412	Football	24,680
9.	10643214	Soccer	5,445
10.	10638414	Volleyball	25,051
11.	10632584	Golf	18,990
12.	10627692	Men's Track	5,077
13.	10627069	Volleyball	11,508
14.	10643213	Basketball	24,365
15.	10645262	Soccer	6,743
16.	10625730	Soccer	3,648
17.	10634137	Women's Track	24,368
18.	10648720	Volleyball	14,676
19.	10634507	Baseball	12,660
20.	10633119	Volleyball	24,826
21.	10638344	Women's Track	23,271
22.	10626057	Golf	19,661
23.	10641488	Tennis	7,616
24.	10635651	Football	27,128
25.	10644209	Baseball	7,673
26.	10647236	Football	29,462
27.	10633435	Mixed Rifle	2,539
28.	10618189	Men's Track	10,529
29.	10653142	Wrestling	4,425
30.	10629177	Baseball	13,698

No exceptions were found as a result of applying these procedures

- Procedure:** In accordance with the NCAA 2022 Agreed-Upon Procedures Guide, if an expense category reported on the Statement is less than 4.0% of total expenses on the Statement, no procedures are required for that specific expense category. Compute 4.0% of total expenses per the Statement. Inspect the Statement and identify each specific expense category in excess of 4.0% of total expenses and perform the procedures specified on the NCAA Agreed-Upon Procedures Guide for that expense category.

Results of Procedure: We mathematically computed 4.0% of total expenses from the Statement. We identified the following expense categories that were in excess of 4.0% of total expenses reported in the Statement and performed the required procedure for that category in accordance with the NCAA 2022 Agree-Upon Procedures Guide:

- a. **Procedure:** We will obtain and inspect a listing of coaches employed by the College during the year. We will select a sample of five coaches, including football and men's basketball, and compare and agree the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the College in the Statement during the year. We will also obtain and inspect respective payroll summary registers for each selection and compare the amounts reported to the related salaries, benefits, and bonuses paid to the expense reported by the College. We will also compare and agree the totals recorded to any employment contracts executed for the sample selected.

Results of Procedure: We obtained and inspected a listing of coaches employed by the College during the year ended June 30, 2022. We selected five coaches, including football and men's basketball, listed below, and compared the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the College in the Statement during the year ended June 30, 2022. We also obtained and inspected respective payroll summary registers for each selection and compared the amounts reported to the related salaries, benefits, and bonuses paid to the expense reported by the College. In addition, we compared the totals recorded to any employment contracts executed for the coaches selected. No exceptions were found as a result of applying these procedures

	<u>Employee</u>	<u>Sport</u>	<u>Position</u>
1.	Brent Thompson	Football	Head Coach
2.	Robert Baucom	Men's Basketball	Head Coach
3.	Anthony Skole	Baseball	Head Coach
	Lou Conte	Football	Football/Offensive
4.			Coordinator
5.	Lori Bonacci	Women's Golf	Head Coach

- b. **Procedure:** We will obtain and inspect a listing of support staff/administrative salaries, benefits, and bonuses paid by the College during the year. We will select a sample of five support staff/administrative employees and compare and agree the financial terms and conditions of each selection to the related support staff/administrative salaries, benefits and bonuses paid by the College recorded in the Statement during the year. We will also obtain and inspect respective payroll summary registers for each selection and compare the amounts reported to the related salaries, benefits, and bonuses paid to the expense reported by the College.

Results of Procedure: We obtained and inspected a listing of support staff/administrative salaries, benefits, and bonuses paid by the College during the year ended June 30, 2022. We selected five support staff/administrative employees, listed below, and compared the financial terms and conditions of each selection to the related support staff/administrative salaries, benefits, and bonuses paid by the College recorded in the Statement during the year ended June 30, 2022. We also obtained and inspected respective payroll summary registers for each selection and compared the amounts reported to the related salaries, benefits, and bonuses paid to the expense reported by the College. No exceptions were found as a result of applying these procedures.

	Employee	Department	Position
1.	Mike Capaccio	Administration	Director of Athletics
2.	Kevin Olivett	Administration	Assistant Athletic Director for External Operations
3.	Daniel Graham	Communications	Associate Director of Athletic Communications
4.	Kerney Lane	Marketing	Associate Director for Marketing
5.	Robert Bennett	Operations	Assistant Athletic Director for Operations

- f. **Procedure:** We will obtain and recalculate the general ledger detail of other operating expenses and transfers and compare to the operating expenses and transfers recorded on the Statement and recalculate totals. We will select a sample of five expenses and obtain supporting documentation to validate the existence of the expense and accuracy of its recorded amount.

Results of Procedure: We obtained a detailed listing from the general ledger of other operating expenses and transfers and compared the general ledger amounts to the amounts reported on the Statement and recalculated totals. From this detail, we selected five expenses, listed below, and obtained supporting documentation to validate the existence of the transaction and accuracy of recording. No exceptions were found as a result of applying these procedures.

	Payee	Reference Number	Disbursement Amount
1.	Peak Sports MGMT	I0133466	\$ 75,367
2.	Peak Sports MGMT	I0136414	160,394
3.	Taymar Sales U, LLC	I0135540	11,131
4.	Taymar Sales U, LLC	I0139106	28,127
5.	Taymar Sales U, LLC	I0141763	28,893

Additional Agreed-Upon Procedures

1. **Procedure:** We will compare and agree the sports sponsored reported in the NCAA Membership Financial Reporting System to the squad lists of the College. If any discrepancies are found between the NCAA Membership Financial Reporting System and the squad lists, we will inquire about the discrepancy and validate that it is justifiable and report any justification on the final agreed-upon procedures report.

Results of Procedure: We compared the sports sponsored reported in the NCAA Membership

Results of Procedure: We obtained the College's Sports Sponsorship and Demographic Forms Report for the reporting year. We inspected it to validate that the countable sports reported by the institution meet the minimum requirements set forth in Bylaw 20.9.6.3 for the number of contests and number of participants in each contest that is counted toward meeting the minimum contest requirement. Once the countable sports were confirmed, we inspected it to ensure the College had properly reported the sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System. No exceptions were found as a result of applying these procedures.

4. **Procedure:** We will compare the current year number of Sports Sponsored to the prior year reported total per the Sports Sponsored per the NCAA Membership Financial Report submission. We will inquire and document any variance.

Results of Procedure: We compared the current year number of sports sponsored to the prior year reported total per the Membership Financial Report submission and inquired and documented an explanation for any variance. We found no variances in the current year number of sports sponsored compared to the prior year reported total per the Membership Financial Report submission. No exceptions were found as a result of applying these procedures.

5. **Procedure:** For Pell Grant recipients, we will agree 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 institutions financial aid records, of all student-athlete Pell Grants.

Results of Procedure: For Pell Grants, we compared the total number of Division I student-athletes

Results of Procedure: We compared the total outstanding institutional debt at June 30, 2022 to supporting documentation and the College's audited financial statements. No exceptions were found as a result of applying these procedures.

9. **Procedure:** We will obtain a schedule of all athletics dedicated endowments maintained by athletics and the College at June 30, 2022. We will agree the fair market value in the schedule to the general ledger.

Results of Procedure: We obtained a schedule of all athletics dedicated endowments maintained by athletics and the College at June 30, 2022. We compared the fair market value in the schedule to the general ledger. No exceptions were found as a result of applying these procedures.

10. **Procedure:** We will agree the total fair market value of the College's endowments at June 30, 2022 to the general ledger.

Results of Procedure: We compared the total fair market value of the College's endowments at June 30, 2022 to the general ledger. No exceptions were found as a result of applying these procedures.

11. **Procedure:** We will obtain a schedule of athletics related capital expenditures made by athletics and the College during the year ended June 30, 2022. We will obtain general ledger detail and compare to the total capital expenditures reported. We will select a sample of one transaction to validate the existence of transactions and accuracy of recording and recalculate totals.

Results of Procedure: We obtained a schedule of athletics-related capital expenditures made by athletics department and the College and recalculated totals. We also obtained general ledger detail and compared to the total capital expenditures reported. We selected the one transaction listed below and traced it to the general ledger detail. No exceptions were found as a result of applying these procedures.

Description	Reference Number	Amount
1. Headset System	10133828	\$ 53,578

We were engaged by the College to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Statement. 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.

We are required to be independent of the College and to meet out other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the management of The Citadel, The Military College of South Carolina, and is not intended to be, and should not be, used by anyone other than this specified party.



Greenville, South Carolina
January 12, 2023

**THE CITADEL, THE MILITARY COLLEGE OF SOUTH CAROLINA
INTERCOLLEGIATE ATHLETICS PROGRAM
STATEMENT OF ATHLETIC REVENUES AND EXPENSES (UNAUDITED)**

YEAR ENDED JUNE 30, 2022

	Football	Men's Basketball	Other Sports	Nonprogram Specific	Total
Operating Revenues:					

See selected Notes to Athletic Statement of Revenues and Expenses (Unaudited).

**THE CITADEL, THE MILITARY COLLEGE OF SOUTH CAROLINA
INTERCOLLEGIATE ATHLETICS PROGRAM**
SELECTED NOTES TO STATEMENT OF ATHLETIC REVENUES AND EXPENSES
(UNAUDITED)

YEAR ENDED JUNE 30, 2022

Note 1—Basis of presentation

The Statement of Athletic Revenues and Expenses (Una

THE CITADEL, THE MILITARY COLLEGE OF SOUTH CAROLINA