

**THE CITADEL, THE MILITARY COLLEGE OF
SOUTH CAROLINA
INTERCOLLEGIATE ATHLETICS PROGRAM**

AGREED-UPON PROCEDURES

Year Ended June 30, 2021

*And Independent Accountant's Report on
Applying Agreed-Upon Procedures*

**THE CITADEL, THE MILITARY COLLEGE OF SOUTH CAROLINA
INTERCOLLEGIATE ATHLETICS DEPARTMENT
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Independent Accountant's Report on Applying Agreed-Upon Procedures

General Glenn M. Walters, USMC (Retired), President
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, 2021. 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, 2021. 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 \$100,000.

Agreed-Upon Procedures for Revenues

1. **Procedure:** We will obtain from management the Statement for the year ended June 30, 2021. 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, 2021. 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:

- Contributions revenue increased \$879,025 or 41% during the year ended June 30, 2021 compared to the prior year due to increased donations from alumni and other donors during the current year.
 - Guarantee revenue increased \$265,000 or 38% during the year ended June 30, 2021. Guarantee revenue fluctuates from year to year based on the higher education institutions the College plays against. In the current year, the College received large guarantees for playing the Army West Point, Clemson University, and the University of South Carolina, which led to higher guarantee revenue in the current year compared to the prior year.
2. **Procedure:** We will compare and agree a sample of three 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 three.

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

Description	Reference Number	Amount
1. Football vs. Army West Point	F0013761	\$ 225,000
2. Football vs. Clemson University	F0013424	450,000
3. Football vs. University of South Florida	F0013396	275,000

No exceptions were found as a result of applying these procedures.

3. **Procedure:** In accordance with the NCAA 2021 Agreed-Upon Procedures Guide, if a revenue category reported on the Statement is less than 4.0% of total revenues on the Statement, no procedures are required for that specific revenue category. Compute 4.0% of total revenues per the Statement. Inspect the Statement and identify each specific revenue category in excess of 4.0% of total revenues and perform the procedures specified on the NCAA Agreed-Upon Procedures Guide for that revenue category.

Results of Procedure: We mathematically computed 4.0% of total revenues from the Statement. We identified the following revenue categories that were in excess of 4.0% of total revenues reported in the Statement and performed the required procedure for that category in accordance with the NCAA 2021 Agree-Upon Procedures Guide:

- a. **Procedure:** We will recalculate the amount of student athletic fees for the year based on enrollment reports and athletic fees for each term. We will also obtain and document an understanding of the College’s methodology for allocating student fees to Intercollegiate Athletics Programs. We will also tie the calculation to supporting documents such as student fee totals.

Results of Procedure: We recalculated the amount of student fees for the year ended June 30, 2021, based on enrollment reports and athletic fees for each term. We also obtained and documented an understanding of the College’s methodology for allocating student fees to Intercollegiate Athletics Programs. In addition, we traced the calculation to student fee totals. No exceptions were found as a result of applying these procedures.

- b. **Procedure:** We will compare the direct institutional support recorded by the College during the reporting period with the institutional supporting budget transfers documentation and other corroborative supporting documentation and recalculate totals.

Results of Procedure: We obtained, recalculated, and traced to the general ledger supporting detail for direct institutional support and recalculated totals. No exceptions were found as a result of applying these procedures.

- c. **Procedure:** We will obtain a sample of three contractual agreements pertaining to guarantee revenues during the year and compare and agree each selection to the College’s detailed general ledger and will recalculate totals.

Results of Procedure: We obtained and recalculated a detailed schedule of guarantee revenues and compared the amounts to the amounts recorded in the general ledger. We selected three distributions, listed below, received by the College and obtained supporting documentation to gain an understanding of the relevant terms and conditions. We compared the contract revenue amounts to the amounts recorded in the general ledger. No exceptions were found as a result of applying these procedures.

	Description	Reference Number	Amount
1.	Football vs. Army West Point	F0013761	\$ 225,000
2.	Football vs. Clemson University	F0013424	450,000
3.	Football vs. University of South Florida	F0013396	275,000

- 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 \$1,950,000 that was greater than 10% of all contributions received by the Intercollegiate Athletics Program. We agreed the \$1,950,000 contribution from The Citadel Brigadier Foundation to supporting documentation and recalculated the total. No exceptions were found as a result of applying these procedures.

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 understanding of any variation greater than 10% as follows:

- Support staff and administrative salaries and benefits increased \$471,012 or 28% during the year ended June 30, 2021 as a result of changes in the way the College mapped its support staff and administrative expenses in the current year compared to the prior year to better align with the NCAA AUP guidelines.
 - Team travel increased \$97,617 or 14% during the year ended June 30, 2021 due to team travel expenses in the prior year being lower than normal due to COVID-19. Team travel increased in the current year due to intercollegiate athletics games resuming.
 - Direct overhead and administrative expenses decreased \$171,314 or 14.9% due to a decrease in the overhead allocation from auxiliary enterprises in the current year compared to prior year.
5. **Procedure:** We will compare and agree a sample of fifteen expenses to supporting schedules provided by the College. This sample will include the samples obtained for testing in procedure 7, with additional samples picked as necessary to reach a total of fifteen.

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

	Payee	Reference Number	Disbursement Amount
1.	Enterprise Rent-A-Car	I0131595	\$ 471
2.	Kelly Tours, Inc.	I0129706	8,340
3.	The Thayer Hotel	S0172634	14,195
4.	Academy Bus	S0171685	2,993
5.	Air Fax – Airline Marketing Associate	I0125908	72,900
6.	Big Game Sports, Inc.	I0126870	11,394
7.	Red Zone Recondition	J0029123	459
8.	Varsity Brand Holding Co, Inc.	I0127843	4,637
9.	Adidas America, Inc.	I0125072	3,458
10.	Riddell All-American Sports Corp.	I0124011	3,417
11.	Enterprise Rent-A-Car	S0180484	448
12.	Kelly Tours, Inc.	I0130682	9,300
13.	Wingate by Wyndham	S0178159	2,004
14.	Doubletree Johnson City	S0178000	2,537
15.	The Waynesville Inn	S0177822	11,176

6. **Procedures:** We will select a sample of 10% of all athletic students from the listing of institutional student aid recipients during the reporting period. We will obtain individual student account detail for each selection and compare total aid allocated from the related aid award letter to the student's account. For each student selected, we will also ensure their information was reported accurately in either the NCAA's Compliance Assistant software (the "Software") or entered directly into the NCAA Membership Financial Reporting System (the "System") using the following criteria:

- a. The equivalency value for each student-athlete in all sports, including headcount sports, needs to be converted to a full-time equivalency value. The full-time equivalency value is calculated using the athletic grant amount reported on the Calculation of Revenue Distribution Equivalencies Report ("CRDE") from the NCAA's Compliance Assistant ("CA") software as the numerator and the full grant amount, which is 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, this equivalency value will be calculated for you on the CRDE report labeled "Revenue Distribution Equivalent Award".
- b. Grants-in-aid is calculated by using the revenue distribution equivalencies by sport and in aggregate. (Athletic grant amount divided by the full grant amount).
- c. Other expenses related to attendance (also known as gap money or cost of attendance) should not be included in grants-in-aid revenue distribution equivalencies. Only tuition, fees, room, board and course-related books are countable for grants-in-aid revenue distribution per Bylaw 20.02.07).
- d. Full grant amount should be entered as a full year of tuition, not a semester or quarter.
- e. Student-athletes are to be counted once and should not receive a revenue distribution equivalency greater than 1.00.
- f. Athletics grants are valid for revenue distribution purposes only in sports in which the NCAA conducts championships competition, emerging sports for women and bowl subdivision football.

- g. Grants-in-aid are valid for revenue distribution purposes in NCAA sports that do not meet the minimum contests and participants' requirements of Bylaw 20.9.6.3.
- h. Institutions providing grants to student-athletes listed on the CRDE as "Exhausted Eligibility (fifth-year)" or "Medical" receive credit in the grants-in-aid component.
- i. The athletics aid equivalency cannot exceed maximum equivalency limits. However, the total revenue distribution equivalency can exceed maximum equivalency limits due to exhausted eligibility and medical equivalencies (reference Bylaw 15.5.3.1).
- j. If a sport is discontinued and the athletic grant(s) are still being honored by the institution, the grant(s) are included in student-athlete aid for revenue distribution purposes.
- k. All equivalency calculations should be rounded to two decimal places.
- l. If a selected student received a Pell Grant, ensure the value of the grant is not included in the calculation of equivalencies or the total dollar amount of student athletic aid expense for the institution.
- m. If a selected student received a Pell Grant, ensure 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 will recalculate the athletic student aid totals for each sport and overall.

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 29 students, listed on page 6, receiving student athletic aid from the listing of institutional student aid recipients during the year ended June 30, 2021, 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. Two exceptions were found as a result of applying these procedures. Student ID #10644978 and #10647599 did not appear on the CRDE report. No other exceptions were found as a result of applying these procedures.

	<u>ID</u>	<u>Sport</u>	<u>Amount</u>
1.	10644978	Football	\$ 4,766
2.	10643100	Baseball	11,005
3.	10647599	Football	3,455
4.	10640367	Football	52,196
5.	10643214	Soccer	37,776
6.	10638817	Womens Track	7,600
7.	10637058	Volleyball	44,993
8.	10634302	Basketball	44,751
9.	10621790	Soccer	45,907
10.	10640835	Tennis	10,640
11.	10621439	Volleyball	38,508
12.	10640842	Football	24,083
13.	10627069	Volleyball	47,907
14.	10624253	Football	33,506
15.	10636921	Womens Track	8,405
16.	10635369	Basketball	45,751
17.	10633119	Volleyball	45,305
18.	10638344	Womens Track	51,321
19.	10638481	Soccer	10,731
20.	10626949	Baseball	6,734
21.	10636977	Mens Track	21,462
22.	10641678	Mixed Rifle	2,280
23.	10638289	Soccer	37,559
24.	10642337	Football	51,544
25.	10624270	Basketball	21,209
26.	10621099	Golf	43,175
27.	10637254	Basketball	45,025
28.	10627777	Football	45,819
29.	10525174	Mens Track	2,683

7. **Procedure:** In accordance with the NCAA 2021 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 2021 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, 2021. 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, 2021. 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.	Duggar Baucom	Men's Basketball	Head Coach
3.	John Castleberry	Men's Basketball	Associate Head Coach / Recruiting Director
4.	Anthony Grantham	Football	Defensive Coordinator
5.	Robert Ruff	Football	Inside Linebackers 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, 2021. 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, 2021. 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.

	<u>Employee</u>	<u>Department</u>	<u>Position</u>
1.	Kathleen Brown	Administration	Assistant Athletic Director of Compliance
2.	Danielle Dillahey	Administration	Assistant Athletic Director for External Operations
3.	Kathryn Kroupa	Administration	Associate Athletic Director for Internal Operations
4.	Brandon McKay	Media	Video Coordinator for Athletics
5.	Kevin Yeager	Equipment	Senior Associate Director of Athletic Equipment

- c. **Procedure:** We will obtain an understanding of the College's team travel policies. We will compare and agree the policies to existing institutional and NCAA-related policies. We will obtain the general ledger detail of travel expenses and compare it to the total travel expenses reported on the Statement and recalculate totals.

Results of Procedure: We obtained an understanding of the College's team travel policies. We compared the policies to existing institutional and NCAA-related policies. We obtained the general ledger detail of travel expenses and compared it to the total travel expenses reported on the Statement and recalculated totals. No exceptions were found as a result of applying these procedures.

- d. **Procedure:** We will obtain and recalculate a listing of athletic facilities debt service schedules, lease payments, and rental fee. We will agree the payments to supporting documentation (including debt financing agreements, leases, rental agreements, etc.). We will also compare the amounts recorded to the Statement and recalculate totals.

Results of Procedure: We obtained a listing of athletic facilities debt service schedules, lease payments, and rental fees and recalculated its mathematical accuracy. We compared the payments to supporting debt financing agreements. We also compared the amounts recorded to the Statement and recalculated totals. We compared the total of facility payments to supporting debt financing agreements. No exceptions were found as a result of applying these procedures.

- e. **Procedure:** We will obtain and recalculate the general ledger detail of direct overhead and administrative expenses and compare to the total direct overhead and administrative expenses 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 of direct overhead and administrative expense, recalculated its mathematical accuracy and compared the amounts to the amounts recorded in the general ledger. We 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.

	<u>Payee</u>	<u>Reference Number</u>	<u>Disbursement Amount</u>
1.	The Budd Group Inc.	UP011871	\$ 34,040
2.	The Budd Group Inc.	UP011871	104,739
3.	Insurance Premiums	UP012356	260
4.	Insurance Premiums	UP012356	20,314
5.	Insurance Premiums	UP012356	5,593

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 Financial Reporting System to the squad lists of the College noting no discrepancies. No exceptions were found as a result of applying these procedures.

2. **Procedure:** We will compare current year Grants-in-Aid revenue distribution equivalencies to prior year reported equivalencies per the NCAA Membership Financial Reporting System. We will inquire and document any variance greater than +/-4%.

Results of Procedure: We compared current year grants-in-aid revenue equivalencies to prior year reported equivalencies per the Membership Financial Report submission and inquired and documented an explanation for any variance greater than +/- 4%. Overall, grants-in-aid decreased by 7% from the prior year. We found that this is due mostly to an 8% decrease in total football aid awarded which accounts for 37% of total athletic aid awarded. No exceptions were found as a result of applying these procedures.

- Procedure:** We will obtain the College's Sports Sponsorship and Demographics Forms Report for the reporting year and validate that the countable sports reported by the College meet 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 meeting the minimum contest requirement. Once countable sports have been confirmed, we will ensure that the College has properly reported these sports as countable for revenue distribution purposes within the NCAA Membership Financial Reporting System.

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.

- 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.

- Procedure:** For Pell Grant recipients, CB 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 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 institution's financial aid records of all student-athlete Pell Grants. No exceptions were found as a result of applying these procedures.

- Procedure:** We will compare the current year Pell Grants total to the prior year total Pell Grants per the NCAA Membership Financial Report submission. We will inquire and document any variance greater than +/-20 grants.

Results of Procedure: We compared the current year Pell Grants total to the prior year reported total per the Membership Financial Report submission and inquired and documented an explanation for any variance greater than +/- 20 grants. We found no variances greater than +/- 20 grants. No exceptions were found as a result of applying these procedures.

Agreed-Upon Procedures for Other Reporting Items

7. **Procedure:** We will obtain a repayment schedule for all outstanding intercollegiate athletics debt during the year ended June 30, 2021 and recalculate annual maturities (consisting of principal and interest) provided in the schedules. We will agree the total annual maturities and total outstanding athletic related debt to supporting documentation and the College's general ledger.

Results of Procedure: We obtained a repayment schedule for all outstanding intercollegiate athletics debt during the year ended June 30, 2021, and recalculated annual maturities (consisting of principal and interest) provided in the schedules. We compared the total annual maturities and total outstanding athletic related debt to supporting documentation and the College's general ledger. No exceptions were found as a result of applying these procedures.

8. **Procedure:** We will agree the total outstanding institutional debt at June 30, 2021 to supporting documentation and the College's audited financial statements.

Results of Procedure: We compared the total outstanding institutional debt at June 30, 2021 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, 2021. 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, 2021. 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, 2021 to the general ledger.

Results of Procedure: We compared the total fair market value of the College's endowments at June 30, 2021 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, 2021. 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 them to the general ledger detail. No exceptions were found as a result of applying these procedures.

Description	Reference Number	Amount
1. Headset System	10125736	\$ 50,206

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.

Cherry Bekaert LP

Greenville, South Carolina
January 13, 2022

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

YEAR ENDED JUNE 30, 2021

	Football	Men's Basketball	Other Sports	Nonprogram Specific	Total
Operating Revenues:					
Ticket sales	\$ 388,762	\$ 28,648	\$ 40,579	\$ (1,470)	\$ 456,519
Student fees	1,868,455	762,307	1,726,563	2,976,930	7,334,255
Direct institutional support	1,450,020	304,307	1,792,194	362,853	3,909,374
Guarantees	970,000	-	-	-	970,000
Contributions	1,524,731	188,051	1,204,132	102,875	3,019,789
NCAA distributions	-	-	-	394,160	394,160
Program sales, concessions, novelty sales, and parking	12,255	1,019	16,881	6,666	36,821
Royalties, advertisements, and sponsorships	-	-	34,812	412,130	446,942
Athletics restricted endowment and investments income	26,469	50,414	197,098	18,697	292,678
Other revenue	-	-	-	52,311	52,311
Total Operating Revenues	6,240,692	1,334,746	5,012,259	4,325,152	16,912,849
Operating Expenses:					
Athletics student aid	2,191,141	459,842	2,708,204	538,179	5,897,366
Guarantees	100,000	11,674	10,000	-	121,674
Coaching salaries and benefits	1,359,436	554,633	1,256,199	-	3,170,268
Support staff/administrative salaries and benefits	-	-	-	2,165,931	2,165,931
Recruiting	11,510	12,194	14,086	-	37,790
Team travel	387,909	100,251	301,934	944	791,038
Equipment, uniforms, and supplies	180,335	19,227	217,939	-	417,501
Game expenses	175,810	74,362	88,433	44,214	382,819
Fundraising, marketing, and promotion	-	444	2,828	58,457	61,729
Spirit groups	-	-	-	24,933	24,933
Athletic facilities debt service	-	-	2,273	1,059,287	1,061,560
Direct overhead and administrative expenses	80,753	136	8,668	890,514	980,071
Medical expenses and medical insurance	8,551	1,814	4,506	74,896	89,767
Memberships and dues	9,217	13,535	7,320	41,961	72,033
Student athlete meals (non-travel)	93,128	28,748	45,637	-	167,513
Other operating expenses	31,437	16,558	70,757	382,796	501,548
Total Operating Expenses	4,629,227	1,293,418	4,738,784	5,282,112	15,943,541
Excess (Deficiency) of Operating Revenues over Expenses	\$ 1,611,465	\$ 41,328	\$ 273,475	\$ (956,960)	\$ 969,308

**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, 2021

Note 1—Basis of presentation

The Statement of Athletic Revenues and Expenses (Unaudited) of The Citadel, The Military College of South Carolina's (the "College") Intercollegiate Athletics Program (the "Statement") was prepared on the accrual basis of accounting modified to omit depreciation expense and pledges which are not considered allocated until cash is received.

Note 2—Contributions

The College received a contribution totaling \$1,950,000 from a related party organization that constituted 10% or more of all contributions received by the Intercollegiate Athletic Program during the year ended June 30, 2021. Contributions are donations that are restricted for financial aid for student athletes and for the support of specific intercollegiate athletic programs.

Note 3—Gifts restricted for plant acquisitions and improvements

During the year ended June 30, 2021, there were no gifts to the athletics department that were restricted for plant acquisitions and improvements.

Note 4—Gifts to the endowment and pledges receivable

At June 30, 2021, the fair value for endowment funds specifically dedicated to support athletics was \$2,008,697. In addition, gross pledges receivable to support athletics was \$55,152 at June 30, 2021. Such amounts are not included in the Statement. At June 30, 2021, the fair value for endowment funds was \$105,04,003.

Note 5—Direct institutional support

The College provided \$3,909,374 of direct institutional support to the Intercollegiate Athletic Program during the year ended June 30, 2021. This total was composed of transfers from non-athletic auxiliary of \$1,730,962, transfers from The Citadel Alumni Association of \$100,000, and waived student tuition and fees of \$2,078,412.

Note 6—Contract with outside vendor

On November 17, 2016, the College entered into an exclusive supplier contract with a soft drink vendor that provided for annual funding up to \$347,000 the year ended June 30, 2021. Such funding is restricted for specific purposes within the athletics department, including capital expenditures. The contract started on December 13, 2016 and ends on June 30, 2022.

Note 7—Facility service charges

Service charges are allocated to athletics buildings based on facility service personnel time spent or square footage and are included in the direct overhead and administrative expenses line item in the Statement.

**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, 2021

Note 8—Capital assets

Capital assets are stated at cost at the date of acquisition or fair value at the date of donation in the case of gifts. The College follows capitalization guidelines established by the state of South Carolina. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions and renovations and other improvements that add to the usable space, prepare existing buildings for new uses, or extend the useful life of an existing building are capitalized. The College capitalizes movable personal property with a unit value in excess of \$5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements, and intangible assets costing in excess of \$100,000. Routine repairs and maintenance and library materials, except individual items costing in excess of \$5,000, 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 lives of the assets, generally 15 to 50 years for buildings and improvements and land improvements and 2 to 25 years for machinery, equipment, and vehicles. A full year of depreciation is taken the year the asset is placed in service and no depreciation is taken in the year of disposition. Depreciation expense is not included in the Statement.

The College capitalizes as a component of construction in progress interest cost in excess of earnings on debt associated with the capital projects; therefore, asset values in capital assets include such interest costs. There was no capitalized interest for any athletics or non-athletics capital projects in 2021.

Note 9—Capital expenditures

The College incurred \$53,577 in athletics capital expenditures during 2021.

Note 10—Long-term liabilities

The total annual debt service for the year ended June 30, 2021 is \$858,419 for athletic facilities. The total debt outstanding at June 30, 2021 was \$8,495,000 for athletic facilities. Total institutional debt at June 30, 2021 was \$54,117,910.