

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

NCAA AGREED-UPON PROCEDURES

*Year Ended June 30, 2023*

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

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

To 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, 2023. 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 20.2.4.17.1, 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, 2023. 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, 2023. 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, 2023. 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 for the year ended June 30, 2023 to prior year amounts, and obtained an understanding of any variation greater than 10% as follows:

- Direct Institutional Support increased \$1,367,403 or 35% during the year ended June 30, 2023 compared to the prior year due to increased athletic scholarships and waivers provided to students during the year ended June 30, 2023.
  - Contributions revenue increased \$640,190 or 19% during the year ended June 30, 2023 compared to the prior year due to increased monthly and other gifts from alumni via the Citadel Foundation during the year ended June 30, 2023.
2. **Procedure:** We will compare and agree a sample of five operating revenue receipts recognized during the year ended June 30, 2023 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 recognized during the year ended June 30, 2023 listed below to supporting schedules provided by the College:

	<b>Description</b>	<b>Reference Number</b>	<b>Amount</b>
1.	Athletics CHK Pepsi 2/23	F0017195	\$ 60,000
2.	USAA	F0016435	10,000
3.	IPS	F0016094	19,300
4.	Affinity 3 <sup>rd</sup> Quarter	F0016783	83,414
5.	Affinity 2 <sup>nd</sup> Quarter	F0016435	43,783

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

3. **Procedure:** In accordance with the NCAA 2023 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 2023 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, procedures a. through e. listed below, and performed the required procedure for that category in accordance with the NCAA 2023 Agreed-Upon Procedures Guide:

- a. **Procedure:** We will compare and recalculate total revenues related to ticket sales, complimentary tickets provided and unsold tickets during the year ended June 30, 2023 to the total ticket revenue reported on the Statement and related attendance figures.

**Results of Procedure:** We compared and recalculated total revenues related to ticket sales, complimentary tickets provided and unsold tickets during the year ended June 30, 2023 to the total ticket revenue reported on the Statement and related attendance figures. No exceptions were found as a result of applying these procedures.

- b. **Procedure:** We will recalculate the amount of student athletic fees for the year ended June 30, 2023 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. In addition, we will agree the calculation to supporting documents such as student fee totals.

**Results of Procedure:** We recalculated the amount of student athletic fees for the year ended June 30, 2023, 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 agreed the calculation to student fee totals. No exceptions were found as a result of applying these procedures.

- c. **Procedure:** We will compare the direct institutional support recorded by the College during the year ended June 30, 2023 with the College's 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 for the year ended June 30, 2023 and recalculated totals. No exceptions were found as a result of applying these procedures.

- d. **Procedure:** We will obtain the detailed listing of contributions for the year ended June 30, 2023 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 for the year ended June 30, 2023, compared the total to the Statement, and recalculated totals. We inspected the listing, noting one contribution from The Citadel Brigadier Foundation for \$2,080,000 that was greater than 10% of all contributions received by for intercollegiate athletics during the year ended June 30, 2023. We agreed the \$2,080,000 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 year ended June 30, 2023 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, 2023 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 for the year ended June 30, 2023. We will also compare each major expense account over 10% of total expenses for the year ended June 30, 2023 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 for the year ended June 30, 2023. No exceptions were found as a result of applying these procedures. We also compared each major expense account over 10% of total expenses for the year ended June 30, 2023 to prior year amounts, and obtained an understanding of any variation greater than 10%, noting no variances greater than 10% as follows:

- Coaching Salaries, Benefits and Bonuses expense increased \$1,188,004 or 38% during the year ended June 30, 2023 compared to the prior year due to turnover the coaching staff during the year ended June 30, 2023 resulting in an increase in salaries for the new coaches, primarily football and basketball.
- Support Staff/Administrative Compensation, Benefits and Bonuses increased \$309,910 or 14% during the year ended June 30, 2023 compared to the prior year due to athletics continuing to fill vacant positions in the prior year during the current year resulting in an increase in compensation as those vacant positions are filled.

5. **Procedure:** We will compare and agree a sample of twenty expenses during the year ended June 30, 2023 to supporting schedules provided by the College. This sample will include items selected from the samples identified in procedure 7, with additional samples picked as necessary to reach a total of twenty.

**Results of Procedures:** We compared the twenty disbursements listed below to supporting schedules provided by the College. For selections marked (\*) below the College was not able to provide supporting documentation other than a copy of the journal entry from the accounting system. The selections marked (\*) were P-Card transactions made by employees that are no longer employed by the College; therefore, the College did not have supporting documentation for these items.

	<b>Payee</b>	<b>Reference Number</b>	<b>Disbursement Amount</b>
1.	Doubletree by Hilton	S0206436	\$ 18,419
2.	Hilton Greenville	S0207939	17,396
3.	Best Western Mountain	S0207943	19,954
4.	Kelly Tours Inc	I0146065	9,300
5.	Venture Tours*	S0213569	9,047
6.	Big Game Sports Inc	I0142430	12,984
7.	Adidas America Inc	I0143651	13,427
8.	Douglas Pads & Sports Inc	I0144106	9,267
9.	The Highland Mint*	S0204901	8,746
10.	Rawlings Sporting Goods Company Inc	I0145983	20,366
11.	Sheraton Hotels Indy DWT*	S0213570	10,000
12.	Venture Tours Inc	I0149623	14,977
13.	Venture Tours Inc	I0149626	16,263
14.	Venture Tours Inc	I0149627	10,988
15.	Doubletree by Hilton*	S0218253	14,065
16.	Relation Insurance Services	I0142736	78,787
17.	FY23 Aux OH Estimate	J0031759	405,310
18.	Insurance Billing FY23	UP013341	58,840
19.	Seignous Hall	UP013481	44,099
20.	MFH	UP013481	135,734

6. **Procedures:** We will select a sample of 10% of all athletic students from the listing of the College's student aid recipients during the year ended June 30, 2023. 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 inspect their information for accuracy 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 20.02.10).
- 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 20.10.6.3.
- 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, inspect the value of the grant for inclusion 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, inspect the student's grant for inclusion 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 32 students, as listed below, receiving student athletic aid from the listing of the College's student aid recipients during the year ended June 30, 2023, 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 inspected their information for accurate reporting in either the Software or entered directly into the System using the criteria above. No exceptions were found as a result of applying these procedures

	<u>ID</u>	<u>Sport</u>	<u>Amount</u>
1.	10651770	Football	\$ 15,972
2.	10638840	Men's Track	9,250
3.	10654169	Wrestling	3,977
4.	10650838	Football	52,497
5.	10636039	Football	28,546
6.	10651860	Men's Track	28,094
7.	10648679	Women's Track	53,135
8.	10649880	Soccer	11,040
9.	10641652	Football	53,929
10.	10649875	Golf	58,071
11.	10654897	Football	56,925
12.	10655075	Football	26,510
13.	10649318	Men's Track	1,597
14.	10655046	Women's Track	37,190
15.	10645543	Football	14,165
16.	10637335	Baseball	7,107
17.	10651855	Soccer	20,132
18.	10652284	Wrestling	11,040
19.	10652655	Football	24,590
20.	10643306	Tennis	38,763
21.	10632818	Soccer	11,628
22.	10654859	Basketball	56,972
23.	10642898	Wrestling	44,448
24.	10655022	Baseball	23,480
25.	10652538	Soccer	58,025
26.	10640369	Mixed Rifle	13,214
27.	10644290	Volleyball	46,167
28.	10643954	Soccer	47,646
29.	10637457	Soccer	52,976
30.	10641722	Football	6,607
31.	10647236	Football	54,384
32.	10661061	Football	3,972



7. **Procedure:** In accordance with the NCAA 2023 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 2023 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 procedures a. through e. listed below, and performed the required procedure for that category in accordance with the NCAA 2023 Agreed-Upon Procedures Guide:

- a. **Procedure:** We will obtain and inspect a listing of coaches employed by the College during the year ended June 30, 2023. We will select a sample of three 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 ended June 30, 2023. 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. In addition, we will 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, 2023. We selected three coaches identified below, including football and men's basketball, 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, 2023. 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

	Employee	Sport	Position
1.	Maurice Drayton	Football	Head Coach
2.	Edward Conroy	Men's Basketball	Head Coach
3.	Ciaran Traquair	Women's Soccer	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 ended June 30, 2023. We will select a sample of three 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 ended June 30, 2023. 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, 2023. We selected three support staff/administrative employees, listed on page 8, 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, 2023. 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.

	<b>Employee</b>	<b>Department</b>	<b>Position</b>
1.	Mike Marangelli	Equipment	Director of Football Equipment
2.	Collin Smith	Communications	Assistant Director of Athletic Communications
3.	Joe Varga	Strength & Conditioning	Director of Strength & Conditioning (Football)

- c. **Procedure:** We will obtain an understanding of the College's team travel policies for the year ended June 30, 2023. We will compare and agree the policies to existing College 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 for the year ended June 30, 2023.

**Results of Procedure:** We obtained an understanding of the College's team travel policies for the year ended June 30, 2023. We compared the policies to existing College 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 for the year ended June 30, 2023. 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 fees for the year ended June 30, 2023. 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 for the year ended June 30, 2023 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 for the year ended June 30, 2023 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 confirm 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 for the year ended June 30, 2023, 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 confirm the existence of the transaction and accuracy of recording. No exceptions were found as a result of applying these procedures.

	<b>Payee</b>	<b>Reference Number</b>	<b>Disbursement Amount</b>
1.	Relation Insurance Services	I0142736	\$ 78,787
2.	FY23 Auxiliary Overhead Adjustment	J0031759	405,310
3.	Insurance Billing FY23	UP013341	58,840
4.	Seignous Hall	UP013481	44,099
5.	MFH	UP013481	135,734

## 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 for the year ended June 30, 2023. If any discrepancies are found between the NCAA Membership Financial Reporting System and the squad lists, we will inquire about the discrepancy and confirm 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 for the year ended June 30, 2023, 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 for the year ended June 30, 2023 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 for the year ended June 30, 2023 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 increased by 3.8% from the prior year. The initial increase was 28.5% based on the original prior year equivalencies, however, the College stated that the prior year equivalency total of 119 was incorrect and should have been 147.58 which causes a variance of 3.8% when compared to the prior year.

3. **Procedure:** We will obtain the College's Sports Sponsorship and Demographics Forms Report for the year ended June 30, 2023 and confirm that the countable sports reported by the College meet the minimum requirements set forth in Bylaw 20.10.6.3 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 inspect it for proper reporting of 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 year ended June 30, 2023. We inspected it to confirm that the countable sports reported by the institution meet the minimum requirements set forth in Bylaw 20.10.6.3 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 for proper reporting of 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, during the academic year, who 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, during the academic year, who 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.

6. **Procedure:** We will compare the current year Pell Grants total for the year ended June 30, 2023 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 for the year ended June 30, 2023 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 a variance of 24 fewer Pell Grants for the year ended June 30, 2023 as compared to the prior year. The variance was due to an overall decrease in the number of Pell Grants received by all students at the College. 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, 2023 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, 2023, 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 College debt at June 30, 2023 to supporting documentation and the College's audited financial statements.

**Results of Procedure:** We compared the total outstanding College debt at June 30, 2023 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, 2023. 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, 2023. 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, 2023 to the general ledger.

**Results of Procedure:** We compared the total fair market value of the College's endowments at June 30, 2023 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, 2023. We will obtain general ledger detail and compare to the total capital expenditures reported. We will select a sample of one transaction to confirm 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. Sharp 86in Display	UP013418	\$ 6,482

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 LLP*

Greenville, South Carolina  
January 15, 2024

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

*YEAR ENDED JUNE 30, 2023*

	<b>Football</b>	<b>Men's Basketball</b>	<b>Other Sports</b>	<b>Nonprogram Specific</b>	<b>Total</b>
Operating Revenues:					
Ticket sales	\$ 860,929	\$ 89,076	\$ 68,513	\$ 6	\$ 1,018,524
Student fees	1,986,688	747,329	1,710,774	2,616,007	7,060,798
Direct institutional support	1,911,739	350,912	2,058,685	897,933	5,219,269
Guarantees	352,976	260,125	30,000	-	643,101
Contributions	1,852,930	350,744	1,225,184	634,083	4,062,941
NCAA distributions	-	-	-	487,797	487,797
Conference distributions	-	-	-	265,728	265,728
Program sales, concessions, novelty sales, and parking	61,124	1,824	39,659	41,074	143,681
Royalties, advertisements, and sponsorships	106	-	18,776	1,092,007	1,110,889
Athletics restricted endowment and investments income	(168)	435	3,670	(5,011)	(1,074)
Other revenue	-	-	7,875	84,366	92,241
Total Operating Revenues	<u>7,026,324</u>	<u>1,800,445</u>	<u>5,163,136</u>	<u>6,113,990</u>	<u>20,103,895</u>
Operating Expenses:					
Athletics student aid	2,244,999	412,084	2,417,561	1,224,895	6,299,539
Guarantees	40,000	19,000	26,000	-	85,000
Coaching salaries and benefits	1,918,211	721,570	1,651,807	-	4,291,588
Support staff/administrative salaries and benefits	-	-	-	2,525,839	2,525,839
Recruiting	96,983	83,044	58,831	2,904	241,762
Team travel	271,113	298,355	604,439	6,754	1,180,661
Equipment, uniforms, and supplies	299,401	106,430	402,899	-	808,730
Game expenses	198,462	96,659	109,975	55,948	461,044
Fundraising, marketing, and promotion	3,917	5,557	6,205	139,347	155,026
Spirit groups	-	-	-	35,216	35,216
Athletic facilities debt service	-	-	2,900	1,096,201	1,099,101
Direct overhead and administrative expenses	142,106	630	8,018	1,706,303	1,857,057
Medical expenses and medical insurance	9,384	2,475	5,707	90,370	107,936
Memberships and dues	26,373	34,839	16,088	71,676	148,976
Student athlete meals (non-travel)	196,516	62,665	97,362	131	356,674
Other operating expenses	83,187	118,198	75,405	(404,315)	(127,525)
Total Operating Expenses	<u>5,530,652</u>	<u>1,961,506</u>	<u>5,483,197</u>	<u>6,551,269</u>	<u>19,526,624</u>
Excess (Deficiency) of Operating Revenues over Expenses	<u>\$ 1,495,672</u>	<u>\$ (161,061)</u>	<u>\$ (320,061)</u>	<u>\$ (437,279)</u>	<u>\$ 577,271</u>

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, 2023*

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**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 gross pledges receivable which are not considered allocated until cash is received.

**Note 2—Contributions**

The College received a contribution totaling \$2,080,000 from a related party organization that constituted 10% or more of all contributions received by the Intercollegiate Athletics Program during the year ended June 30, 2023. 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, 2023, 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, 2023, the fair value for endowment funds specifically dedicated to support athletics was \$5,017,375. In addition, gross pledges receivable to support athletics was \$17,655 at June 30, 2023. Such amounts are not included in the Statement. At June 30, 2023, the fair value for the College's endowment funds was \$124,840,434.

**Note 5—Direct institutional support**

The College provided \$5,219,269 of direct institutional support to the Intercollegiate Athletic Program during the year ended June 30, 2023. This total was composed of transfers from non-athletic auxiliary of \$2,244,996, transfers from The Citadel Alumni Association of \$1,196,683, and waived student tuition and fees of \$1,777,590.

**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 \$225,000 the year ended June 30, 2023. Such funding is restricted for specific purposes within the athletics department, including capital expenditures. The contract started on January 2, 2023 and ends on January 1, 2028.

**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, 2023*

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**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 2023.

**Note 9—Capital expenditures**

The College incurred \$6,482 in athletics capital expenditures during 2023.

**Note 10—Long-term liabilities**

The total annual debt service for the year ended June 30, 2023 is \$1,099,101 for athletic facilities. The total debt outstanding at June 30, 2023 was \$7,105,000 for athletic facilities. Total institutional debt of the College at June 30, 2023 was \$48,924,252.