

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

AGREED-UPON PROCEDURES

Year Ended June 30, 2019

*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, which were agreed to by the management of The Citadel, The Military College of South Carolina (the “College”) solely to assist you in evaluating whether the Statement of Athletic Revenues and Expenses of the Intercollegiate Athletics Program of the College is in compliance with the National Collegiate Athletic Association (“NCAA”) Bylaw 3.2.4.15.1 for the year ended June 30, 2019. The College’s management is responsible for compliance with NCAA Bylaw 3.2.4.15.1. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the College’s management. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. Materiality for the purposes of this report has been determined to be \$25,000.

Agreed-Upon Procedures for Revenues

1. We obtained from management the Intercollegiate Athletics Program’s Statement of Athletic Revenues and Expenses (the “Statement”) for the year ended June 30, 2019. We tested 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 noted as a result of these procedures. If a specific reporting category was less than 4% of total revenues, no procedures were required for that specific category. 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:
 - Direct institutional support revenue increased \$579,081 or 15% during the year ended June 30, 2019, because the College recognized higher profit on auxiliaries in the current year. Some of the additional profit can be used at the discretion of the Vice President of Finance and was allocated to direct institutional support.
2. We compared five operating revenue receipts listed below to supporting schedules provided by the College.

Description	Reference Number	Amount
1. University of South Florida	F0011667	\$ 75,000
2. Football vs. University of Alabama	F0011092	500,000
3. Men’s Basketball vs. Campbell University	F0010977	10,000
4. Men’s Basketball Las Vegas Invitational	F0010977	102,500
5. Men’s Basketball vs Clemson University	F0010811	95,000

No exceptions were noted as a result of these procedures.

3. We compared and recalculated total revenues related to ticket sales, complimentary tickets provided, and unsold tickets during the year ended June 30, 2019, to the total ticket revenue reported on the Statement and related attendance figures.

No exceptions were noted as a result of these procedures.

4. We recalculated the amount of student fees for the year ended June 30, 2019, 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 noted as a result of these procedures.

5. Direct state or other governmental support revenues were less than 4% of total revenues. No procedures were required for this specific category.
6. We obtained, recalculated, and traced to the general ledger supporting detail for direct institutional support and recalculated totals.

No exceptions were noted as a result of these procedures.

7. We obtained and recalculated a detailed schedule of guarantee revenue and compared the amounts to the amounts recorded in the general ledger. We selected five distributions 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.

Description	Reference Number	Amount
1. University of South Florida	F0011667	\$ 75,000
2. Football vs. University of Alabama	F0011092	500,000
3. Men's Basketball vs. Campbell University	F0010977	10,000
4. Men's Basketball Las Vegas Invitational	F0010977	102,500
5. Men's Basketball vs Clemson University	F0010811	95,000

No exceptions were noted as a result of these procedures.

8. We obtained the detailed listing of contributions, compared the total to the Statement, and recalculated totals. We inspected the listing, finding one contribution in the amount of \$1,750,000 that was greater than 10% of all contributions received by the Intercollegiate Athletics Program. We confirmed the \$1,750,000 contribution with The Brigadier Foundation and compared the amount confirmed by The Brigadier Foundation to supporting documentation.

No exceptions were noted as a result of these procedures.

9. In-kind contributions revenue was less than 4% of total revenues. No procedures were required for this specific category.
10. Revenues from NCAA distributions were less than 4% of total revenues. No procedures were required for this specific category.
11. Program sales, concessions, novelty sales, and parking revenues were less than 4% of total revenues. No procedures were required for this specific category.
12. Royalties, advertisements, and sponsorships revenues were less than 4% of total revenues. No procedures were required for this specific category.
13. Other revenue was less than 4% of total revenues. No procedures were required for this specific category.

Agreed-Upon Procedures for Expenses

1. We tested 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 noted as a result of these procedures. If a specific reporting category was less than 4% of total expenses, no procedures were required for that specific category. We also compared each major expense account over 10% of total expenses to prior year amounts. We noted no variations greater than 10%.

No exceptions were noted as a result of these procedures.

2. We compared the 20 disbursements listed below to supporting schedules provided by the College.

	Payee	Reference Number	Disbursement Amount
1.	Sheraton Roanoke Hotel	S0139973	\$ 14,588
2.	Holiday Inn Riverview	S0140857	5,782
3.	Courtyard by Marriott	S0147053	5,361
4.	Holiday Inn Express	S0145906	5,806
5.	Embassy Suites	S0136925	4,176
6.	Adidas America Inc.	I0101725	3,327
7.	Adidas America Inc.	I0112763	1,770
8.	Agron Adidas Outdoor	S0131642	1,150
9.	Adidas INDY LLC	I0101671	3,353
10.	Daniel Willis	I0101360	1,090
11.	Marriott Macon City	S0136782	15,574
12.	Kelly Tours Inc.	I0108451	14,000
13.	Comfort Inn Homewood	S0139825	3,715
14.	Holiday Inn Express	S0143185	1,797
15.	Silver Legacy Hotel Depos	S0136785	2,061
16.	The Budd Group Inc.	P0030308	163,188
17.	Budget Transfer	J0025422	281,593
18.	Budget Transfer	J0025714	99,000
19.	Overhead Allocation	N/A	474,086
20.	Baseline Sports Construction LLC	I0104036	47,750

No exceptions were noted as a result of these procedures.

3. We selected 10% or 29 athletic students from the listing of institutional student aid recipients during the year ended June 30, 2019 as provided below. We recalculated the athletic student aid for each sport and overall. No exceptions were noted as a result of these procedures.

	ID	Sport	Amount
1.	10635546	Men's Basketball	\$ 2,928
2.	10628063	Football	16,970
3.	10596644	Football	24,270
4.	10597628	Women's Soccer	27,411
5.	10626959	Women's Soccer	13,348
6.	10606817	Women's Volleyball	26,866
7.	10615047	Football	27,894
8.	10613643	Women's Volleyball	27,342
9.	10630122	Football	31,570
10.	10630131	Football	31,624
11.	10624403	Football	26,394
12.	10623627	Men's Basketball	25,094

13.	10570173	Baseball	12,600
14.	10629428	Football	31,690
15.	10608391	Women's Track	25,666
16.	10610371	Football	26,320
17.	10622001	Women's Volleyball	25,887
18.	10616356	Football	12,173
19.	10622283	Football	26,301
20.	10631056	Men's Wrestling	28,308
21.	10623721	Football	13,806
22.	10616003	Football	29,717
23.	10596435	Women's Volleyball	26,875
24.	10623326	Football	19,087
25.	10622753	Football	23,641
26.	10630374	Football	31,534
27.	10615934	Football	28,000
28.	10604783	Men's Basketball	20,812
29.	10630709	Women's Track	32,150

We obtained individual student account details for each selection 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 NCAA's Compliance Assistant software (the "Software") or entered directly into the NCAA Membership Financial Reporting System (the "System") using the following criteria for which no exceptions were noted.

- a. The equivalency value for each student-athlete in all sports, including head-count 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 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, the value of the grant should not be 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, the student's grant should not be included in the total number and total dollar value of Pell Grants reported for Revenue Distribution purposes in the NCAA Membership Financial Reporting System.

No exceptions were noted as a result of these procedures.

- 4. Guarantees expense was less than 4% of total expenses. No procedures were required for this specific category.
- 5. We obtained and inspected a listing of coaches employed by the College during the year ended June 30, 2019. 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, 2019. 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.

	<u>Employee</u>	<u>Sport</u>	<u>Position</u>
1.	Brent Thompson	Football	Head Coach
2.	Duggar Baucom	Men's Basketball	Head Coach
3.	Tony Skole	Baseball	Head Coach
4.	Lou Conte	Football	Offensive Coordinator
5.	Daniel Willis	Baseball	Assistant Head Coach

No exceptions were noted as a result of these procedures.

- 6. We obtained and inspected a listing of support staff/administrative salaries, benefits, and bonuses paid by the College during the year ended June 30, 2019. 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, 2019. 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.

	<u>Employee</u>	<u>Department</u>	<u>Position</u>
1.	Michael Capaccio	Administration	Athletic Director
2.	Geoffrey N. Von Dollen	Administration	Senior Associate Athletic Director for Finance and Operations
3.	Kathleen Brown	Compliance	Assistant Athletic Director for Compliance
4.	Michael A. Dunkerley	Facilities and Operations	Assistant Athletic Director for Facilities
5.	Austin Hopcia	Compliance	Assistant Director of Compliance and Business

No exceptions were noted as a result of these procedures.

7. Recruiting expense was less than 4% of total expenses. No procedures were required for this specific category.
8. 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 noted as a result of these procedures.

9. We obtained the general ledger detail of total equipment, uniforms, and supplies expense and compared it to the equipment, uniforms, and supplies expense 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.

Payee	Reference Number	Disbursement Amount
1. Adidas America Inc.	I0101725	\$ 3,327
2. Adidas America Inc.	I0112763	1,770
3. Agron Adidas Outdoor	S0131642	1,150
4. Adidas INDY LLC	I0101671	3,353
5. Daniel Willis	I0101360	1,090

No exceptions were noted as a result of these procedures.

10. Game expense was less than 4% of total expenses. No procedures were required for this specific category.
11. Fundraising, marketing, and promotion expense was less than 4% of total expenses. No procedures were required for this specific category.
12. We obtained a listing of athletic facilities debt service schedules, lease payments, and rental fees and recalculated its arithmetic 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 noted as a result of these procedures.

13. We obtained a detailed listing of direct overhead and administrative expense, recalculated its arithmetic 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.

Payee	Reference Number	Disbursement Amount
1. The Budd Group Inc.	P0030308	\$ 163,188
2. Budget Transfer	J0025422	281,593
3. Budget Transfer	J0025714	99,000
4. Overhead Allocation	N/A	474,086
5. Baseline Sports Construction LLC	I0104036	47,750

No exceptions were noted as a result of these procedures.

14. Medical expenses and medical insurance expense was less than 4% of total expenses. No procedures were required for this specific category.
15. Membership and dues expenses group was less than 4% of total expenses. No procedures were required for this specific category.
16. Other Operating expenses group was less than 4% of total expenses. No procedures were required for this specific category.

Additional Agreed-Upon Procedures

1. 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 noted as a result of these procedures.

2. We compared current year grants-in-aid revenue equivalencies to prior year reported equivalencies per the Membership Financial Report submission.

No exceptions were noted as a result of these procedures

3. We obtained the College's Sports Sponsorship and Demographic Forms Report for the reporting year. We reviewed 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 noted as a result of these procedures.

4. We compared the current year number of sports sponsored to prior year reported total per the Membership Financial Report submission.

No exceptions were noted as a result of these procedures.

5. 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 noted as a result of these procedures.

6. We compared the current year Pell Grants total to the prior year reported total per the Membership Financial Report submission.

No exceptions were noted as a result of these procedures.

Agreed-Upon Procedures for Other Reporting Items

1. We obtained a repayment schedule for all outstanding intercollegiate athletics debt during the year ended June 30, 2019, 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 noted as a result of these procedures.

2. We compared the total outstanding institutional debt at June 30, 2019, to supporting documentation and the College's audited financial statements.

No exceptions were noted as a result of these procedures.

3. We obtained a schedule of all athletics dedicated endowments maintained by athletics and the College at June 30, 2019. We compared the fair market value in the schedule to the general ledger.

No exceptions were noted as a result of these procedures.

4. We compared the total fair market value of the College's endowments at June 30, 2019 to the general ledger.

No exceptions were noted as a result of these procedures.

5. There were no athletics related capital expenditures made by athletics and the College during the year ended June 30, 2019. No procedures were required for this specific category.

We were not engaged to, and did not perform, an audit, the objective of which would be the expression of an opinion on the compliance of the accompanying Statement of Athletic Revenues and Expenses of the Intercollegiate Athletics Program (Unaudited) of The Citadel, The Military College of South Carolina or on compliance with NCAA Bylaw 3.2.4.15.1 for the year ended June 30, 2019. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the 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 14, 2020

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

YEAR ENDED JUNE 30, 2019

	<u>Football</u>	<u>Men's Basketball</u>	<u>Other Sports</u>	<u>Nonprogram Specific</u>	<u>Total</u>
Operating Revenues:					
Ticket sales	\$ 1,435,668	\$ 66,373	\$ 61,262	\$ -	\$ 1,563,303
Direct State or other governmental support	-	-	-	552,836	552,836
Student fees	1,899,184	807,785	1,859,898	3,095,226	7,662,093
Direct institutional support	1,785,553	350,285	2,060,675	246,446	4,442,959
Guarantees	500,000	282,500	1,000	-	783,500
Contributions	862,338	193,540	1,170,446	(58,764)	2,167,560
In-kind contributions	-	-	4,398	-	4,398
NCAA distributions	-	-	-	387,341	387,341
Program sales, concessions, novelty sales, and parking	87,749	-	14,473	-	102,222
Royalties, advertisements, and sponsorships	-	-	58,365	488,988	547,353
Other revenue	41,875	4,598	29,465	13,923	89,861
Total Operating Revenues	6,612,367	1,705,081	5,259,982	4,725,996	18,303,426
Operating Expenses:					
Athletics student aid	2,528,611	496,057	2,918,226	349,005	6,291,899
Guarantees	-	13,500	15,228	-	28,728
Coaching salaries and benefits	1,283,495	559,401	1,288,002	-	3,130,898
Support staff/administrative salaries and benefits	31,713	-	-	2,143,481	2,175,194
Recruiting	137,542	42,709	70,418	-	250,669
Team travel	250,821	175,449	468,104	-	894,374
Equipment, uniforms, and supplies	292,279	54,907	388,015	9,107	744,308
Game expenses	76,841	75,947	91,779	-	244,567
Fundraising, marketing, and promotion	18,633	4,574	11,048	239,014	273,269
Athletic facilities debt service	-	-	-	1,067,234	1,067,234
Direct overhead and administrative expenses	54,300	1,167	12,387	1,451,274	1,519,128
Medical expenses and medical insurance	13,669	2,903	7,176	79,937	103,685
Memberships and dues	3,761	17,245	10,147	44,786	75,939
Other operating expenses	211,915	33,844	128,756	297,602	672,117
Total Operating Expenses	4,903,580	1,477,703	5,409,286	5,681,440	17,472,009
Excess (Deficiency) of Operating Revenues over Expenses	\$ 1,708,787	\$ 227,378	\$ (149,304)	\$ (955,444)	\$ 831,417

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, 2019

Note 1—Basis of presentation

The Statement of Athletic Revenues and Expenses of The Citadel, The Military College of South Carolina's (the "College") Intercollegiate Athletics Program (Unaudited) (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 \$1,750,000 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, 2019. 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, 2019, 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, 2019, the fair value for endowment funds specifically dedicated to support athletics was \$1,493,167. During the year ended June 30, 2019, gifts totaling \$62,452 were added to the athletics endowment funds. In addition, gross pledges receivable to support athletics was \$2,970 at June 30, 2019. Such amounts are not included in the Statement.

Note 5—Direct institutional support

The College provided \$4,442,959 of direct institutional support to the Intercollegiate Athletic Program during the year ended June 30, 2019. This total was composed of transfers from non-athletic auxiliary of \$2,126,693, transfers from unrestricted gift funds of \$61,052, transfers from The Citadel Alumni Association of \$75,000, and waived student tuition and fees of \$2,180,214.

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, 2019. 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, 2019

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 Citadel 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 Citadel 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 2019.

Note 9—Capital expenditures

The Citadel incurred no athletics capital expenditures during 2019.

Note 10—Long-term liabilities

The total annual debt service for the year ended June 30, 2019 is \$595,000 for athletic facilities. The total debt outstanding at June 30, 2019 was \$9,765,000 for athletic facilities. Total institutional debt at June 30, 2019 was \$18,205,000.