



Dr. Harold L. Martin, Sr., Chancellor
North Carolina A&T State University
Greensboro, North Carolina

We have performed the procedures enumerated below, which were agreed to by Dr. Harold L. Martin, Sr., Chancellor, North Carolina A&T State University (the University), solely to assist you in connection with the accompanying statement of revenues and expenses (the statement) in regards to certain records and transactions of the University for the purpose of complying with National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.16 for the year ended June 30, 2015. The University is responsible for the statement of revenues and expenses. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed and the associated findings, subject to only those revenue findings in excess of \$1 million and/or 10 percent of total revenues and those expense findings in excess of \$1 million and/or 10 percent of total expenses, are as follows:

Agreed-Upon Procedures Program for Revenues

General

Compare and agree each revenue category reported in the statement during the reporting period to supporting schedules provided by the institution. Compare and agree a sample of operating revenue receipts obtained from the above operating revenue supporting schedules to adequate supporting documentation. Compare each major revenue account (over \$1 million and/or greater than 10 percent of the total revenues) from the prior-period and budget estimates. Obtain and document an understanding of any variation greater than \$1 million and/or 10 percent from the prior year. Report analysis as a supplement to the final agreed upon procedures report.

We found no exceptions as a result of these procedures. We have reported the analysis as a supplement to the final agreed upon procedures.

Ticket Sales

Select a sample of ten events and compare tickets sold during the reporting period, complimentary tickets provided during the reporting period and unsold tickets to the related revenue reported by the institution in the statement and the related attendance figures and recalculate totals.

We found no exceptions as a result of these procedures.

Student Fees

Compare and agree student fees reported by the institution in the statement for the reporting period to student enrollments during the same reporting period. Obtain and document an understanding of the institution's methodology for allocating student fees to intercollegiate athletics programs and recalculate totals. Recalculate the totals of the methodology for supporting fees allocated to each sport and tie the calculation to supporting documents, such as seat manifests, ticket sales reports and student fee totals.

We found no exceptions as a result of these procedures.

Direct State or Other Governmental Support

Compare direct state or other governmental support recorded by the institution during the reporting period with state appropriations, institutional authorizations and/or other corroborative supporting documentation and recalculate totals.

We found no evidence of direct state or other governmental support.

Direct Institutional Support

Compare the direct institutional support recorded by the institution during the reporting period with state appropriations, institutional authorizations and/or other corroborative supporting documentation and recalculate totals.

We found no exceptions as a result of these procedures.

Transfers Back to Institution

Compare transfers back to institution with permanent transfers back to institution from the athletics department and recalculate totals.

We found no evidence of transfers back to institution.

Indirect Institutional Support

Compare the indirect institutional support recorded by the institution during the reporting period with expense payments, cost allocation detail, and other corroborative supporting documentation and recalculate totals.

We found no exceptions as a result of these procedures.

Guarantees

Select a sample of five settlement reports for away games during the reporting period and agree each selection to the institution's general ledger and/or the statement. Select a sample of ten contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period and compare and agree each selection to the institution's general ledger and/or the statement and recalculate totals.

We noted one settlement report; however, all ticket revenue for this away game was recorded in ticket sales.

We found no exceptions as a result of the procedures relative to revenues derived from guarantees.

Contributions

Compare each major revenue account to prior period amounts and budget estimates. Obtain and document an understanding of any significant variations. Obtain and review supporting documentation for each contribution of moneys, goods or services received directly by an intercollegiate athletics program that constitutes 10 percent or more of all contributions received for intercollegiate athletics during the reporting period not included above.

We found no exceptions as a result of these procedures.

In-Kind

Compare the in-kind donations recorded by the institution during the reporting period with a schedule of in-kind donations.

We found no exceptions as a result of the procedures.

Compensation and Benefits Provided by a Third-Party

Obtain the summary of revenues from affiliated and outside organizations (the Summary) as of the end of the reporting period from the institution. Select a sample of ten funds from the Summary and compare and agree each selection to supporting documentation, the institution's general ledger and/or the Summary and recalculate totals. If the third party was audited by independent auditors, obtain the related independent auditors' report. Recalculate totals.

The accounts of the University Foundation have been blended with the University's statements. We found no exceptions related to the blending of these accounts. We obtained the audited financial statements of the University Foundation.

Media Rights

Obtain and inspect agreements to understand the institution's total media (broadcast, television, and radio) rights received by the institution or through the conference offices. Compare and agree the media right revenues recorded to a summary statement of all media rights identified. Compare and agree the related revenues to the general ledger, and/or the statement and recalculate totals.

We found no exceptions as a result of these procedures.

NCAA Distributions

Compare the amounts recorded in revenue and expense reporting to general ledger detail for NCAA distributions and other corroborative supporting documents and recalculate totals.

We found no exceptions as a result of these procedures.

Conference Distributions

Obtain and inspect agreements related to the institution's conference distributions and participation in revenues from tournaments during the reporting period to gain an understanding of the relevant terms and conditions. Compare and agree related revenues to the institution's general ledger and/or the statement and recalculate totals.

We found no exceptions as a result of these procedures.

Program Sales, Concessions, Novelty Sales and Parking

Compare and agree the program sales, concessions, novelty sales and parking revenue category reported in the statement during the reporting period to a general ledger detail as well as any other corroborative supporting documents.

We found no exceptions as a result of these procedures.

Royalties, Licensing, Advertisements and Sponsorships

Obtain and inspect a sample of ten agreements related to the institution's participation in revenues from royalties, licensing, advertisements and sponsorships during the reporting period to gain an understanding of the relevant terms and conditions. Compare and agree the related revenues to the institutions' general ledger and/or statement and recalculate totals.

We found no exceptions as a result of these procedures.

Sports-Camp Revenues

Obtain and inspect a sample of ten sports-camp contract(s) between the institution and person(s) conducting institutional sports-camps or clinics during the reporting period to obtain an understanding of the institution's methodology for recording revenues from sports camps. Obtain schedules of camp participants. Obtain and inspect a sample of ten individual camp participant cash receipts from the schedule of sports-camp participants and agree each selection to the institution's general ledger, and/or the statement and recalculate totals.

We found no evidence of sports-camp contracts or camp participant cash receipts from outside parties. All support for sports camps comes from the University Foundation, which is considered to be an Affiliated Organization as outlined in the 2015 NCAA AUP Guide. The amounts were agreed to the general ledger detail as outlined in the 2015 NCAA AUP Guide.

Athletics Restricted Endowment and Investment Income

Obtain and inspect a sample of ten endowment agreements to gain an understanding of the relevant terms and conditions. Compare and agree the classification and use of endowment and investment income reported in the statement during the reporting period to the uses of income defined within the related endowment agreement and recalculate totals.

We inspected the one endowment agreement outside of the University Foundation. We found no exceptions as a result of these procedures. Endowment income from the University Foundation was reported.

Other

Compare and agree the other revenue category reported in the statement during the reporting period to supporting schedules provided by the institution. Compare and agree a sample of ten other revenue receipts obtained from the above other revenue supporting schedules to adequate supporting documentation and recalculate totals.

We found no exceptions as a result of these procedures.

Agreed-Upon Procedures Program for Expenses

General

Compare and agree each expense category reported in the statement during the reporting period to supporting schedules provided by the institution. Compare and agree a sample of expenses obtained from the above operating expense supporting schedules to adequate supporting documentation. Compare each major expense account (over \$1 million and/or greater than 10 percent of the total expense for the category) to prior-period amounts and budget estimates. Obtain and document an understanding of any variation greater than \$1 million and/or 10 percent and recalculate totals. Report analysis as a supplement to the final agreed upon procedures report.

We found no exceptions as a result of these procedures. We have reported the analysis as a supplement to the final agreed upon procedures.

Athletic Student Aid

Select a sample of students (no less than 10 percent of the total student athletes if the institution has used NCAA's Compliance Assistant software to prepare athletic aid detail and no less than 20 percent of total student athletes if the institution has not) from the listing of institutional student aid recipients during the reporting period. Obtain individual student-account detail for each selection and compare total aid allocated from the related aid award letter to the student's account. Perform a check of each student selected to ensure their information was reported accurately in either the NCAA's Compliance Assistant software or entered directly into the NCAA Membership using the following criteria: equivalency value for each student-athlete in all sports, including head counts are converted to full-time equivalency value using the NCAA stated calculation, Rev. Dist. Equivalent Award is only included in one sport, and all equivalency calculations are rounded to two decimal places.

The full grant amount should be the full cost of tuition for the academic year, not semester. Student athletes receiving athletic aid who have exhausted eligibility or are inactive due to medical reasons should be included in grants-in-aid calculation and be properly marked. Only athletic grants awarded in sports in which there are NCAA championship competitions, emerging sports for women and football should be included in the calculations. Recalculate totals.

We selected a sample of 10 percent of total student-athletes who received financial aid as the NCAA's Compliance Assistant software is used by the University. We found no exceptions as a result of these procedures.

Guarantees

Obtain and inspect a sample of ten away-game settlement reports received by the institution during the reporting period and agree related expenses to the institution's general ledger and/or the statement. Obtain and inspect contractual agreements pertaining to expenses recorded by the institution from guaranteed contests during the reporting period and recalculate totals.

We found no evidence of away-game settlement reports. We reviewed the five contractual agreements for game guarantees during the reporting period. We found no exceptions as a result of these procedures.

Coaching Salaries, Benefits and Bonuses Paid by the Institution and Related Entities

Obtain and inspect a listing of coaches employed by the institution and related entities during the reporting period. Select a sample of ten coaches' contracts that must include football, and men's and women's basketball from the above listing. Compare and agree the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the institution and related entities in the statement during the reporting period. Obtain and inspect payroll summary registers for the reporting year for each selection. Compare and agree payroll summary registers from the reporting period to the related coaching salaries, benefits, and bonuses paid by the institution and related entities expense recorded by the institution in the statement during the reporting period. Compare and agree totals recorded to any employment contracts executed for the sample selected and recalculate totals.

We found no exceptions as a result of these procedures.

Coaching Other Compensation and Benefits Paid by a Third Party

Obtain and inspect a listing of coaches employed by third parties during the reporting period. Select a sample of ten coaches and compare and agree the financial terms and conditions of each selection to the related coaching other compensation and benefits paid by a third party and recorded by the institution in the statement during the reporting period. Obtain and inspect reporting period payroll summary registers for each selection. Compare and agree related payroll summary registers to the coaching other compensation and benefits paid by a third party recorded by the institution in the statement for the reporting period and recalculate totals.

We found no evidence of coaching other compensation and benefits paid by a third party.

Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the Institution and Related Entities

Select a sample of ten support staff/administrative personnel employed by the institution and related entities during the reporting period. Obtain and inspect reporting period payroll summary registers for each selection. Compare and agree related summary payroll registers to the related support staff/administrative personnel salaries, benefits and bonuses paid by the institution and related entities expense recorded by the institution in the statement during the reporting period and recalculate totals.

We found no exceptions as a result of these procedures.

Support Staff/Administrative Other Compensation and Benefits Paid by a Third Party

Select a sample of ten support staff/administrative personnel employed by the third parties during the reporting period. Obtain and inspect reporting period payroll summary registers for each selection. Compare and agree related payroll summary registers to the related support staff/administrative personnel other compensation and benefits expense recorded by the institution in the statement during the reporting period and recalculate totals.

We found no evidence of support staff/administrative personnel other compensation and benefits paid by a third party.

Severance Payments

Select a sample of ten employees receiving severance payments by the institution during the reporting period and agree each severance payment to the related termination letter or employment contract, and recalculate totals.

We found no evidence of severance payments.

Recruiting

Obtain and document an understanding of the Institution's recruiting expense policies. Compare and agree to existing institutional- and NCAA-related policies. Obtain general ledger detail and compare to the total expenses reported.

We found no exceptions as a result of these procedures.

Team Travel

Obtain and document an understanding of the Institution's team travel policies. Compare and agree to existing institutional- and NCAA-related policies. Obtain general ledger detail and compare to the total expenses reported.

We found no exceptions as a result of these procedures.

Equipment, Uniforms and Supplies

Obtain general ledger detail and compare to total expenses reported. Select a sample of ten transactions to validate existence or transaction and accuracy of recording, and recalculate totals.

We found no exceptions as a result of these procedures.

Game Expenses

Obtain general ledger detail and compare to total expenses reported. Select a sample of ten transactions to validate existence of transaction and accuracy of recording, and recalculate totals.

We found no exceptions as a result of these procedures.

Fund Raising, Marketing and Promotion

Obtain general ledger detail and compare to total expenses reported. Select a sample of ten transactions to validate existence of transaction and accuracy of recording, and recalculate totals.

We found no exceptions as a result of these procedures.

Sports-Camp Expenses

Obtain general ledger detail and compare to the total expenses reported. Select a sample of ten transactions to validate existence of transactions and accuracy of recording and recalculate all totals.

All sports-camp expenses were from the University Foundation and blended with the financial statements. The University Foundation is considered to be an Affiliated Organization as outlined in the 2015 NCAA AUP Guide. The amounts were agreed to the general ledger detail as outlined in the 2015 NCAA AUP Guide.

Spirit Groups

Obtain general ledger detail and compare to the total expenses reported. Select a sample of ten transactions to validate existence of transaction and accuracy of recording, and recalculate totals.

We found no exceptions as a result of these procedures.

Athletic Facility Debt Services, Leases and Rental Fees

Obtain a listing of debt service schedules, lease payments and rental fees for athletics facilities for the reporting year. Compare a sample of facility payments including the top two highest facility payments to additional supporting documentation. Compare amounts recorded to amounts listed in general ledger detail and recalculate totals.

We found no exceptions as a result of these procedures.

Direct Overhead and Administrative Expenses

Obtain general ledger detail and compare to the total expenses reported. Select a sample of ten transactions to validate existence of transaction and accuracy of recording and recalculate totals.

We found no exceptions as a result of these procedures.

Indirect Institutional Support

We tested this expense in the revenue section – Indirect Institutional Support.

Medical Expenses and Medical Insurance

Obtain general ledger detail and compare to the total expenses reported. Select a sample of ten transactions to validate existence of transaction and accuracy of recording, and recalculate totals.

We found no exceptions as a result of these procedures.

Memberships and Dues

Obtain general ledger detail and compare to the total expenses reported. Select a sample of ten transactions to validate existence of transaction and accuracy of recording, and recalculate totals.

We found no exceptions as a result of these procedures.

Other Operating Expenses and Transfers to the Institution

Obtain general ledger detail and compare to the total expenses reported. Select a sample of ten transactions to validate existence of transaction and accuracy of recording, and recalculate totals.

We found no exceptions as a result of these procedures.

Additional Minimum Agreed Upon Procedures

Compare and agree the sports sponsored reported in the NCAA Membership Financial Reporting System to the squad lists of the institution. If there is a discrepancy in the sports sponsored between the NCAA Membership Financial Reporting System and the squad lists, inquire about the discrepancy and report the justification.

We found no exceptions as a result of these procedures.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the compliance of the accompanying statement of revenues and expenses of the University. 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 Chancellor, management of North Carolina A&T State University, and the NCAA, and is not intended to be and should not be used by anyone other than these specified parties.

McGladrey LLP

Greensboro, North Carolina
January 12, 2016

RSM US LLP, an Iowa limited liability partnership, is doing business as McGladrey LLP in the state of North Carolina and is a CPA firm registered with the North Carolina State Board of Certified Public Accountants under the name McGladrey LLP. Rules permitting the use of RSM US LLP have been published in the North Carolina Register and are pending final approval.

Supplemental Analysis of Major Revenue and Expense Accounts

To perform our analysis, we examined all major revenue and expense accounts which were all accounts over \$1,000,000 and/or over 10 percent of total revenues/expenses. We obtained and documented an understanding of any variations over the lesser of \$1,000,000 or 10 percent from prior year and budget estimates for these major accounts.

Student Fees

Student fees increased from \$6,132,790 in 2014 to \$6,753,379 in 2015, or 10.1 percent. Through our discussions with University personnel and review of the 2014 and 2015 enrollment numbers and athletic fee documentation, we noted that there was a steady growth of student enrollment and that the student athletic fee increased from 2014 to 2015. Full-time student enrollment increased 2.6 percent and student athletic fees increased by 9.1 percent from 2014. We compared actual student fees recorded to the budget amount of \$6,851,213 and noted the variance was within the threshold.

Ticket Sales

Ticket sales increased from \$818,161 in 2014 to \$1,014,481 in 2015, or 24.0 percent. Through our discussions with University personnel, we noted that in 2014 and 2015, an adjustment of approximately \$117,000 was made for season tickets sold in financial year 2014 for the 2015 football season. An adjustment in 2013 and 2014 was not made for 2013 sales related to 2014. We compared actual ticket sales recorded to the budget amount of \$959,383 and noted that the variance was within the threshold.

Direct Institutional Support

Direct institutional support increased from \$993,107 in 2014 to \$1,265,061 in 2015, or 27.4 percent. Through our discussions with University personnel, the majority of this change is attributable to the University's coverage of the athletic department's budgeted revenue deficit. The estimated deficit in 2014 was \$845,000 and the University provided 92 percent of this amount to the athletic department. The estimated deficit in 2015 was \$1,106,000 and the University provided 90 percent of this amount to the athletic department. We compared actual direct institutional support recorded to the transfers to support budget amount of \$476,202. Through our discussions with University personnel, the initial budget amount was made as a target goal to minimize the University's direct support. This estimate was too aggressive as athletics needed increasing support to cover their budget deficit.

Athletic Student Aid

Athletic student aid increased from \$2,849,151 in 2014 to \$3,165,338 in 2015, or 11.1 percent. Through our discussions with University personnel, there was a mandated 12.3 percent increase in tuition for out-of-state students for the 2015 academic year. The athletics department increased student aid to help cover those increased student tuition costs. We compared actual athletic student aid recorded to the budget amount of \$2,977,450 and noted that the variance was within the threshold.

Coaching Salaries

Coaching salaries increased from \$2,446,625 in 2014 to \$2,780,642 in 2015, or 13.7 percent. Through our discussions with University personnel, this line item increased due to reclassification of several costs and raises. We noted that the athletics department included unemployment, accrued vacation, and volunteer costs associated with coaching in 2015. In 2014, these costs totaled approximately \$110,000. There was a state salary increase of \$1,000 per employee, which amounted to an additional \$57,000 and benefit costs increased \$28,000. There were approximately \$12,000 in bonuses related to APR scores. Additionally, there was an increase in the Football and Men's Basketball Head Coach salaries, which amounted to approximately \$35,000. We compared actual coaching salaries combined with support staff/administrative salaries to the budgeted total salaries/benefits amount of \$4,510,978 and noted that the variance was within the threshold.

Support Staff/Administrative Salaries

Support staff/administrative salaries decreased from \$1,959,641 in 2014 to \$1,828,549 in 2015, or 6.7 percent, and noted that the variance was within the threshold. We compared actual support staff/administrative salaries to the budgeted total salaries/benefits amount of \$4,510,978 and noted that the variance was within the threshold.

Team Travel

Team travel increased from \$1,000,771 in 2014 to \$1,087,330 in 2015, or 8.6 percent and was within the threshold. We compared actual team travel recorded to the budget amount of \$856,500 and noted that the difference was 27.0 percent. Through our discussions with University personnel, we noted that the athletics department planned to reduce costs related to team travel. The estimated reduction was too aggressive and expenses were in line with 2014 actuals.

We found no exceptions as a result of our procedures.

North Carolina Agricultural and Technical State University

Intercollegiate Athletic Program Statement of Revenues and Expenses Year Ended June 30, 2015

	Football	Men's Basketball	Women's Basketball	Other Sports	Non-Program Specific	Total
Revenues						
Operating revenues:						
1 Ticket sales	\$ 926,566	\$ 87,175	\$ 740	\$ -	\$ -	\$ 1,014,481
3 Student fees	1,098,816	738,935	848,086	2,585,118	1,482,424	6,753,379
4 Direct institutional support	182,405	122,664	140,783	429,125	390,084	1,265,061
6 Indirect institutional support	333,882	25,635	25,635	333,322	18,241	736,715
7 Guarantees	415,000	380,000	20,000	1,000	-	816,000
8 Contributions	13,834	505	15,115	68,178	245,977	343,609
9 In-kind	45,190	-	-	22,721	24,888	92,799
11 Media rights	-	-	-	-	24,643	24,643
12 NCAA distributions	-	-	-	-	336,992	336,992
13 Conference distributions (non-media or bowl)	-	-	-	-	166,668	166,668
14 Program, novelty, parking and concession sales	35,735	-	-	-	6,375	42,110
15 Royalties, licensing, advertisements and sponsorships	16,520	16,520	-	9,975	129,405	172,420
16 Sports camp revenues	11,590	10,208	4,465	9,552	605	36,420
17 Athletics restricted endowment and investment income	(1,019)	-	-	-	(7,992)	(9,011)
18 Other operating revenues	36	-	-	17,345	104,495	121,876
19 Total operating revenues	3,078,555	1,381,642	1,054,824	3,476,336	2,922,805	11,914,162
Expenses						
Operating expenses:						
20 Athletic student aid	1,061,095	361,580	377,796	1,316,941	47,926	3,165,338
21 Guarantees	30,000	11,000	1,500	-	-	42,500
22 Coaching salaries, benefits, and bonuses paid by the University and Related Entities	1,047,654	523,037	401,638	808,313	-	2,780,642
24 Support staff/administrative compensation, benefits and bonuses paid by the University and Related Entities	37,915	-	36,024	-	1,754,610	1,828,549
27 Recruiting	44,609	53,753	30,532	71,445	56	200,395
28 Team travel	159,698	237,875	172,532	517,225	-	1,087,330
29 Sports equipment, uniforms and supplies	66,078	33,632	40,774	128,713	92,911	362,108
30 Game expenses	292,282	102,932	64,747	93,164	2,300	555,425
31 Fundraising, marketing and promotion	16,520	16,520	-	-	69,794	102,834
32 Sports camp expenses	17,940	6,026	3,107	7,912	320	35,305
33 Spirit groups	36,000	-	-	-	60,492	96,492
34 Athletic facilities debt service, leases and rental fees	115,759	-	-	128,895	-	244,654
35 Direct overhead and administrative expenses	19,709	4,456	15,577	74,103	368,279	482,124
36 Indirect institutional support	218,123	25,635	25,635	217,564	18,241	505,198
37 Medical expenses and insurance	-	-	-	40	45,020	45,060
38 Memberships and dues	6,006	4,575	5,350	4,090	41,649	61,670
39 Other operating expenses	41,748	14,990	6,201	41,604	173,575	278,118
40 Total operating expenses	3,211,136	1,396,011	1,181,413	3,410,009	2,675,173	11,873,742
Excess (deficiency) of revenues over (under) expenses	\$ (132,581)	\$ (14,369)	\$ (126,589)	\$ 66,327	\$ 247,632	\$ 40,420
Other reporting items relating to debt and endowments						
43 Total athletics related debt	\$ 1,415,000	\$ -	\$ -	\$ 1,415,000	\$ -	\$ 2,830,000
44 Total institutional debt	\$ -	\$ -	\$ -	\$ -	\$ 22,441,915	\$ 22,441,915
45 Value of athletics dedicated endowments	\$ 13,786	\$ -	\$ -	\$ 9,000	\$ 161,115	\$ 183,901
46 Value of institutional endowments	\$ -	\$ -	\$ -	\$ -	\$ 42,320,596	\$ 42,320,596

See Notes to Statement of Revenues and Expenses.

North Carolina Agricultural and Technical State University

Intercollegiate Athletics Program

Notes to the Statement of Revenues and Expenses

June 30, 2015

Note 1—Significant Accounting Policies

Organization and Purpose

North Carolina Agricultural and Technical State University (the University) is a constituent institution of The University of North Carolina System which is a component unit of the State of North Carolina and an integral part of the State's *Comprehensive Annual Financial Report*. North Carolina Agricultural and Technical State University is classified as a Division I institution by the National Collegiate Athletic Association (NCAA).

Basis of Presentation

The Statement of Revenues and Expenses presents the University's intercollegiate athletics program's activity in accordance with the National Collegiate Athletic Association Financial Audit Guidelines. Those guidelines require only a presentation of the current funds revenues and expenses by major program. The Statement of Revenues and Expenses reflects the revenue and expense classifications prescribed by the NCAA. This presentation is not intended to provide a complete presentation of the program's financial position or its changes in net assets and cash flows.

Basis of Accounting

The Statement of Revenues and Expenses was prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

Non-Monetary Transactions

The University reports goods and services received either by donation or in an exchange transaction at their fair value at the date of receipt.

During the year, food, medical services, lodging, advertising, and facilities were provided to the University at no charge. Where gifts were provided in exchange for tickets or advertising, sponsorship revenue and expense were recorded based on the value of the contract in the preceding Statement of Revenues and Expenses.

During the year, coaching services were provided at no charge to the University. The value of these donations has been recorded as in-kind revenue and coaching salaries expense in the preceding Statement of Revenues and Expenses.

North Carolina Agricultural and Technical State University

Note 2—Related Parties

Funds have been established within the North Carolina A&T University Foundation, Inc. (the Foundation) for the benefit of the University's Intercollegiate Athletics Program. In addition, the Aggie Athletic Foundation, Inc. (the AAF), a separate legal entity, has been established to promote and support the University's Intercollegiate Athletics Program as well. During the fiscal year, payments were made to third parties on behalf of the University's intercollegiate athletics program by the Foundation. The Foundation recorded \$197,938 in contributions, of which \$133,704 was received from the AAF. The AAF also made contributions directly to the University totaling \$190,000. These amounts are reported as contributions in the preceding Statement of Revenue and Expenses.

Note 3—Contributions

The University did not directly receive gifts from individuals or outside organizations that constituted 10 percent or more of all contributions received for the Intercollegiate Athletics Program during the year.

Note 4—Capital Assets

Capital assets are stated at cost at date of acquisition or construction and at fair value at date of donation in the case of gifts. The University capitalizes assets that have a value or cost in excess of \$5,000 at the date of acquisition and an expected useful life of more than one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 10 to 20 years for equipment and 50 years for facilities.

As of and for the year ended June 30, 2015, the cost of capital equipment and facilities and related annual depreciation expense for the Intercollegiate Athletics Program are listed below:

	<u>Cost</u>	<u>Depreciation</u>
Stadium	\$ 3,914,422	\$ 78,288
Stadium press box	4,840,627	96,813
Video display	726,785	48,452
Stadium upgrades	751,440	30,058
Stadium track	1,723,678	34,474
Softball field	308,755	6,175
Equipment	198,398	12,030
Totals	<u>\$ 12,464,105</u>	<u>\$ 306,290</u>

North Carolina Agricultural and Technical State University

Note 5—Long-Term Liabilities

Bonds Payable

The University was indebted for bonds payable on the Stadium System as follows:

	Series	Interest Rate Ranges	Final Maturity Date	Original Amount of Issue	Principal Paid Through 6/30/2015	Principal Outstanding 6/30/2015
UNC System Pool	2011C	2.00-4.50	10/01/2031	\$ 3,365,000	\$ 535,000	\$ 2,830,000
Stadium System						99,278
Add Unamortized Premium						<u>\$ 2,929,278</u>

The future annual requirements to pay principal and interest on the bonds at June 30, 2015, are as follows:

Fiscal Year	Annual Requirements	
	Principal	Interest
2016	\$ 125,000	\$ 107,456
2017	130,000	103,944
2018	130,000	100,044
2019	135,000	95,901
2020	140,000	91,256
2021	145,000	86,541
2022	150,000	81,837
2023	155,000	76,687
2024	160,000	70,775
2025	170,000	64,175
2026	175,000	57,275
2027	180,000	50,175
2028	190,000	42,300
2029	200,000	33,525
2030	205,000	24,412
2031	215,000	14,962
2032	<u>225,000</u>	<u>5,063</u>
	<u>\$ 2,830,000</u>	<u>\$ 1,106,328</u>