



OFFICE OF GENERAL COUNSEL

VIA CERTIFIED MAIL & EMAIL
February 22, 2017

Mr. Gregory Calhoun
4155 Lomac Street, Suite G
Montgomery, Alabama 36106

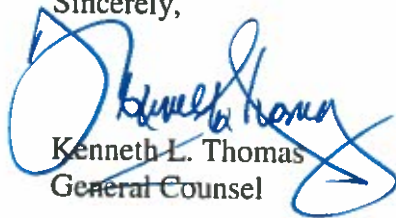
Re: Turkey Day Classic Corporate Sponsorship Event
Planning and Marketing Services Agreement/
Alabama State University Turkey Day Classic
Agreed Upon Procedures 2016

Dear Mr. Calhoun:

Attached please find Alabama State University Turkey Day Classic Agreed-Upon Procedures 2016 (a/k/a ASU's Turkey Day Classic Profit and Loss Statement). Please provide HarCal's Audit Report (Profit and Loss Statement) of the Turkey Day Classic Events by Friday, February 24, 2017, so that we may proceed further pursuant to the Agreement. If anything further is needed to perfect this request, please advise.

Thanking you in advance for your assistance and cooperation on this request.

Sincerely,



Kenneth L. Thomas
General Counsel

KLT:sgs

Enclosure: Alabama State University Turkey Day Classic Agreed-Upon
Procedures 2016

Cc: Dr. Leon C. Wilson, Interim President (w/enclosure)
Mrs. Wanda L.P. Smith, Vice-President (w/enclosure)
Brandon Williams, Esq. (via email – BrandonWilliams@alston.com)
(w/enclosure)

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ALABAMA STATE UNIVERSITY

TURKEY DAY CLASSIC

AGREED-UPON PROCEDURES

2016

INDEPENDENT ACCOUNTANTS' REPORT ON THE APPLICATION OF AGREED-UPON PROCEDURES

Dr. Leon C. Wilson
Interim President
Alabama State University

We have performed the procedures enumerated below, which were agreed to by the president of Alabama State University (the University), solely to assist you with respect to the 2016 Turkey Day Classic (TDC) in compliance with the TDC Corporate Sponsorship Event Planning & Marketing Services Agreement. The University's management is responsible for its TDC records. 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 those 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.

Agreed-Upon Procedures Related to the Turkey Day Classic

The procedures that we performed and our findings are as follows:

Procedures Performed

1. We obtained from University management a Profit and Loss Statement (the Statement) for the Turkey Day Classic football game held on November 24, 2016. Amounts provided on the statement were generated from and in agreement with the University's general ledger.
 - a. We mathematically checked the totals and subtotals included on the Statement.
 - b. We agreed the amounts for each operating revenue and expense category included on the Statement to the University's general ledger.

Management has represented that the Profit and Loss Statement on the following page illustrates the receipts and disbursements for the 2016 Turkey Day Classic. This Statement was compiled from the University's general ledger and supporting documentation.

Turkey Day Classic Profit and Loss Statement

Event Game	Miles College
Date of Game	11/24/2016
Attendance (number of tickets sold)	11,251
Complimentary Attendance (number of tickets)	2,886
Total Attendance (number of tickets)	<u>14,137</u>
Revenues	
Ticket sales	\$ 364,725.00
Expenses	
Guarantees	65,000.00
Contract services	4,120.25
Game officials	6,535.00
Sales tax expense – ticket sales	33,513.45
Students travel/meals/lodging	19,260.12
Advertising	2,474.90
Golf carts	2,490.00
Audit fees	7,500.00
Labor cost	17,245.67
Miscellaneous	8,596.48
Total expenses	<u>166,735.87</u>
Net Income	<u>\$ 197,989.13</u>

Allocation of Net Income

	<u>ASU 60%</u>	<u>HarCal 40%</u>	<u>Total</u>
Income Allocation	\$ 118,793.48	\$ 79,195.65	\$ 197,989.13
Adjustment for minimum requirement	<u>51,206.52</u>	<u>(51,206.52)</u>	<u>-</u>
Adjusted Income Allocation	<u>\$ 170,000.00</u>	<u>\$ 27,989.13</u>	<u>\$ 197,989.13</u>

Findings

There were no findings in this area.

2. We obtained from University management a listing of ticket office sales reports comprising ticket sales revenue included in the Statement for the event date November 24, 2016.
 - a. We mathematically checked the total of the listing.
 - b. We agreed the total of the listing to the ticket revenues in the University's general ledger.
 - c. We agreed the total dollar amount of the listing to the amount of ticket sales included in the Statement.
 - d. We mathematically checked the total quantity of complimentary tickets included in the listing of ticket office sales reports and agreed to the quantity amount included in the Statement.

The general ledger detail reflected a \$1,956.93 variance (overstatement) from ticket sale revenue per the Profit and Loss Statement and the supporting documentation.

3. We verified the complimentary tickets reported on the Statement were issued in accordance with the TDC Corporate Sponsorship Event Planning & Marketing Services Agreement

Findings

There were no findings in this area.

4. We obtained from University management a detailed listing of expenditures for the Turkey Day Classic held on November 24, 2016 covering the following captions on the Statement: Guarantees, Contract services, Game officials, Sales tax expense – ticket sales, Students travel/meals/lodging, Advertising, Golf carts, Audit fees, Labor cost, and Miscellaneous.
 - a. We mathematically checked the total dollar amount of each expense category in the listing.
 - b. We agreed the totals for each category to the respective line items of the same caption included in the Statement.
 - c. We examined 100% of expenditure transactions from the detailed listing of expenditures for the Turkey Day Classic held on November 24, 2016 for the following expense captions: Guarantees, Contract services, Game officials, Sales tax expense – ticket sales, Student travel/meals/lodging, Advertising, Golf carts, Audit fees, and Miscellaneous. We obtained supporting documentation and verified that each expenditure was associated with the production of the Turkey Day Classic, and we agreed each applicable pay rate to the University payroll system.
 - d. We selected a sample of 50% of expenditure transactions from the detailed listing of expenditures for the Turkey Day Classic held on November 24, 2016 for the Labor cost expense caption. We obtained from University management an allocation of Labor costs. For each sample selection, we traced individual employee amounts to the applicable timecard to verify that time paid related to the production of the Turkey Day Classic, and we agreed each applicable pay rate to the University payroll system.

Findings

There were no findings in this area.

5. We mathematically checked the calculation of the net revenue share calculation on the Statement to verify it was computed in accordance with the TDC Corporate Sponsorship Event Planning & Marketing Services Agreement.

Findings

There were no findings in this area.

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 Profit and Loss Statement 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 University's management to comply with the TDC Corporate Sponsorship Event Planning & Marketing Services Agreement, and is not intended to be and should not be used by anyone other than these specified parties.

Warren Averett, LLC

Montgomery, Alabama
January 31, 2017