

**LANDER UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM**

**INDEPENDENT ACCOUNTANTS' REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

**JUNE 30, 2009**

*State of South Carolina*



*Office of the State Auditor*

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October 20, 2009

The Honorable Mark Sanford, Governor  
and  
Members of the Board of Trustees  
Lander University  
Greenwood, South Carolina

This report on the application of certain agreed-upon procedures to the accounting records and the statement of revenues, expenditures, and transfers of the Intercollegiate Athletics Program of Lander University for the fiscal year ended June 30, 2009, was issued by Elliott Davis, LLC, Certified Public Accountants, under contract with the South Carolina Office of the State Auditor.

If you have any questions regarding this report, please let us know.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard H. Gilbert, Jr.", written in a cursive style.

Richard H. Gilbert, Jr., CPA  
Deputy State Auditor

RHGjr/trb

**LANDER UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM**

**GREENWOOD, SOUTH CAROLINA**

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Richard H. Gilbert, Jr., CPA  
Office of the State Auditor  
State of South Carolina  
Columbia, South Carolina

We have performed the procedures described below, which were agreed to by the South Carolina Office of the State Auditor, Board of Trustees and management of Lander University (management), solely to assist the University in complying with NCAA Bylaw 6.2.3.1. for the fiscal year ended June 30, 2009. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the 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.

### Procedures Related to the Statement of Revenues, Expenditures and Transfers

1. We obtained from management the Statement of Revenues, Expenditures and Transfers (the Statement) of Lander University's Intercollegiate Athletics Program for the year ended June 30, 2009, as shown on Attachment A of this report. We recalculated the mathematical accuracy of the Statement, traced those amounts to management's worksheets and agreed the amounts on management's worksheets to the related series of accounts in Lander University's general ledger. No additional procedures were performed with respect to management's representations of the Statement and related worksheets.

We found no exceptions as a result of this procedure.

2. We scanned the University's general ledger of Intercollegiate Athletic Program related accounts for individual contributions that constituted more than ten percent of contributions received. Lander Foundation's total contributions were \$224,254 as noted in Attachment A.

There was no single contribution that constituted individually more than ten percent of contribution revenue. No additional procedures were performed.

3. We obtained from the University the supporting records for ticket sales revenue of \$4,384 as remitted to the University for the year ended June 30, 2009. We selected two games and recalculated each game's ticket revenue based upon the ticket price, game attendance and tickets sold. For these two games selected, we traced the sales revenue received less amount held for sales tax to the deposit slip. We traced the revenue received for these two games into the ticket sales account detail. We obtained the South Carolina admissions tax forms (L-511) for the period of each game selected and verified the tickets sales tax for the two games was included and remitted to South Carolina.

We found no exceptions as a result of the procedures.

4. We requested from management a summary of guarantees revenue for the year ended June 30, 2009. Management informed us that the University received no guarantees revenue for the year. No additional procedures were performed.
5. We requested from management a summary of royalties revenue for the year ended June 30, 2009. Management informed us that the University received no royalties revenue. No additional procedures were performed.
6. We obtained from management the squad lists which detailed scholarships provided for each student participating in Intercollegiate Athletic Program. We haphazardly selected the two students from each squad as noted below from the squad list. For each student selected, we obtained a detail of the student account and compared the total aid awarded per the detail to an award letter.

Ches Courtney - Baseball  
 T. Brooks Reames - Baseball  
 Curtis Milner - Men's Basketball  
 Dane Sparrow - Men's Basketball  
 Seb Brown - Men's Golf  
 Mark Vanadia - Men's Golf  
 Aaron Brittain - Men's Soccer  
 Ivan Stoykov - Men's Soccer  
 Michael Fedoseyev - Men's Tennis  
 Juan Manrique - Men's Tennis  
 Mukia Myrick - Women's Basketball  
 Holly Williams - Women's Basketball  
 Anna Lohmann - Women's Cross-Country  
 Katie Quarles - Women's Cross-Country  
 Jessica Skowron - Women's Soccer  
 Ashton Tatum - Women's Soccer  
 Nikki Brown - Softball  
 Daisy Stewart - Softball  
 Nicola James - Women's Tennis  
 Melanise Newbold - Women's Tennis  
 Abbey Focht - Volleyball  
 Kay Stewart - Volleyball

We compared the total athletic student financial aid in the schedule provided by the University to the corresponding amount of athletic student aid expenditures in the Statement.

We found no exceptions as a result of this procedure.

7. We requested from management a listing of athletic department employees receiving severance payments from the University during the year ended June 30, 2009. Management informed us that there were no severance payments made during the year. No additional procedures were performed.
8. We compared actual revenues and expenditures in the Statement for the year ended June 30, 2009, to the prior year amounts (FY 2008). We identified actual variances of greater than 10% and \$5,000 from the prior year amounts and obtained explanations for variances from management to determine if a reasonable explanation was provided by management. Below are the reasonable and general descriptions provided by management for the overall variances by program.

**Tuition Waivers** - Tuition waivers expenditures decreased \$143,725, or 32%, compared to fiscal year 2008. In an attempt to increase enrollment for out of state students for 2008-2009 year, incoming freshmen and transfer students were given an academic scholarship for at least \$500 to waive the out of state fees.

Therefore, these abatements for athletic students did not come out of the athletic abatements, but out of the regular University abatements.

**Other Personnel Services** - Other personnel service expenditures decreased \$10,423, or 17%, compared to fiscal year 2008. The decrease is attributable to efforts to cut expenditures due to economic conditions and overall University budget cuts.

**Travel-Team Expenditures** - Travel- team expenditures decreased \$16,994, or 13%, compared to fiscal year 2008. The decrease is attributable to efforts to cut expenditures due to economic conditions and overall University budget cuts.

**Supplies and Equipment** - Supplies and equipment expenditures decreased \$26,440, or 22%, compared to fiscal year 2008. The decrease is attributable to efforts to cut expenditures due to economic conditions and overall University budget cuts.

**Membership Expenditures** - Membership expenditures increased \$7,066, or 35%, compared to fiscal year 2008. The increase is primarily attributable to increases of \$4,000 for Peach Belt Conference membership and \$1,500 for the The Links golf course membership.

**Game Day Expenditures** - Game day expenditures increased \$5,112, or 12%, compared to fiscal year 2008. The increase is attributable to more home games and tournaments than in the prior year.

No additional procedures were performed with respect to management's representations as to the reasons for the variances described above.

We found no exceptions as a result of this procedure.

9. We requested from management a summary of revenues distributed from the NCAA and the Peach Belt Conference for the year ended June 30, 2009. We found total distributions received during the year of \$32,196 and \$7,498 from the NCAA and the Peach Belt Conference, respectively. We agreed these amounts to the Statement. For all distributions included in these two totals, we agreed the remittance advice to the accompanying distribution and traced the amount of each deposit to the general ledger.

We found no exceptions as a result of these procedures.

10. We obtained from management a listing of coaches employed during the year ended June 30, 2009. From this listing we haphazardly selected the six coaches listed below and compared the financial terms and conditions of each coach's contract or other salary documentation to the salaries and benefits expense recorded in the general ledger by the University. If the individual was employed during calendar year 2008, we compared the recorded amounts to the IRS Form W-2 issued to the individual for reasonableness.

Heather Jones	Van Taylor
Carla Decker	Chris Ayer
Bruce Evans	Austin Smithwick

We compared the total expenditures for athletic department salaries and benefits paid by the University per the detailed listing to the corresponding amounts recorded in salaries expenditures in the general ledger and presented in the Statement.

We found no exceptions as a result of these procedures.

11. We requested from management a listing of compensation and benefits paid by third parties to the University's coaches or other staff during the year ended June 30, 2009. Management informed us that there were no payments made to University coaches or staff by third parties during the year. No additional procedures were performed.

12. We obtained from management a listing of Intercollegiate Athletics Program support and administrative staff employed during the year ended June 30, 2009. From this listing, we haphazardly selected the three staff members listed below and compared the financial terms and conditions of each staff member's contract or other salary documentation to the salaries and benefits expense recorded in the general ledger by the University. If the individual was employed during calendar year 2008, we compared the recorded amounts to the IRS Form W-2 issued to the individual for reasonableness.

Katy Margeson  
Kent Atkins  
Jeff May

We compared the total expenditures for athletic department salaries and benefits paid by the University per the detailed listing to the corresponding amounts recorded in salaries expenditures in the general ledger and presented in the Statement.

We found no exceptions as a result of these procedures.

13. We requested from management a copy of all sports camp contracts between the University and coaches or other persons conducting camps for the year ended June 30, 2009 to confirm if sports camp revenue should be included as revenue in the Statement. Management confirmed coaches and other persons operated sports camps independently of the University. Neither the University nor the Intercollegiate Athletics Program received revenue from camps during the year. The University, however, received facilities rental fees and meal reimbursement for camps. These revenues were not considered part of Intercollegiate Athletics Program revenue.

We found no exceptions as a result of this procedure.

#### **Procedures Related to Internal Control Over the Financial Reporting**

The management of Lander University is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate. Our procedures and findings are as follows:

1. We obtained from management the name of each outside organization that has as one of its principal purpose generating resources on behalf of the University's Intercollegiate Athletics Program. We were informed the University has one such organization, Lander Foundation. We also obtained understanding of the University's methods for gathering information on the nature and extent of this organization's activities for the Intercollegiate Athletics Program to determine reasonableness of Lander Foundation's contribution and operating expenditures as included in the Statement. Management informed us that there are two types of Intercollegiate Athletic Program Contributions (general contributions and endowment contributions). This procedure is to confirm with management that there are no other sources of outside revenues that should be included in the Statement.

We found no exception as a result of these procedures.

2. For general contributions, we obtained from management, Lander Foundation's general ledger detail for contributed support for the year ended June 30, 2009. From this detail, we selected contributions as listed below based on the criteria of individual contributions greater than or equal to \$3,000.

	L Number	Date	Amount
1.	L00044570	December 15, 2008	\$ 4,500.00
2.	L00166831	August 22, 2008	3,081.20
3.	L00068904	December 23, 2008	11,749.00
4.	L00068904	November 10, 2008	9,245.00
5.	L00068904	November 10, 2008	14,176.00
6.	L00068904	November 14, 2008	8,885.00
7.	L00068904	November 14, 2008	3,800.00
8.	L00068904	November 14, 2008	3,005.00
9.	L00001279	December 12, 2008	12,000.00
10.	L00046340	December 23, 2008	4,573.00

Each contribution was compared to supporting documentation (i.e. receipt, validated deposit slip, and acknowledgement of receipt). We found the amounts of the transactions were in agreement with supporting documentation. We compared the total contributions revenues per the detailed listing to the corresponding amounts recorded in contributed support revenues in the general ledger and presented in the Statement. We found the receipted amounts to be in agreement with related deposit slip(s). The related amount recorded on the general ledger appeared appropriately recorded.

We found no exceptions as a result of these procedures.

3. For endowment contributions, we obtained from management a list of Lander Foundation's endowed funds specifically for Intercollegiate Athletics Program. From this list, we selected twenty endowed funds and obtained support from donors noting earnings to be specifically used for Intercollegiate Athletics Program.

We found one exception as a result of this procedure. Management was unable to provide support for one endowed fund.

4. From management, we observed Lander Foundation's general ledger for the year ended June 30, 2009. We agreed the revenues and expenditures included on the Statement to amounts included in Lander Foundation's general ledger. We found the contributed support of \$224,254 for Intercollegiate Athletics Program agreed to Lander Foundation's general ledger and the amount reported on the Statement.

We found no exceptions as a result of this procedure

5. We obtained from management the general ledger detail of all expenditures presented in the Statement for the year ended June 30, 2009. We selected twenty-five cash disbursements randomly as listed below. For each of these twenty-five disbursements, we compared and agreed the disbursed amount and payee information to supporting documentation and verified that each is properly authorized by the proper signature.

	Payee	Transaction Number	Disbursement Amount
1.	Boles Bus Lines	10029088	\$ 3,900.75
2.	Evans, Bruce Arnez	10031616	320.00
3.	Simpson, Brett Graeme	10029968	906.02
4.	Duncan, Brandon Heath	10032634	2,300.00
5.	Hampton Inn	10029092	529.68
6.	Stoner, Robert A	10032896	542.42

7.	NCAA Convention	CC003588	250.00
8.	Rainbow Signs	10031172	834.60
9.	Collins Surgical	CC003463	1,142.16
10.	Sterling Printing Co	CC003706	540.35
11.	Romac Trophies	CC003560	458.54
12.	Action Sports	CC003778	1,344.19
13.	Acushnet Company	CC003550	701.36
14.	First Teams Sports Center	10030427	2,004.88
15.	Rice Video	10032810	229.58
16.	The Golf Doctor	CC003625	1,112.79
17.	Biodex	CC003571	1,492.65
18.	Roberts, James	10031441	514.24
19.	Boggeros	10030863	30.00
20.	Konica Monolta	10030150	13.91
21.	Emerald Ink and Stitches	CC003501	224.04
22.	Boles Bus Lines	10030937	2,841.50
23.	First Teams Sports Center	10030642	3,697.90
24.	Dillard's Sporting Goods	CC003639	970.07
25.	Decker, Carla	10033748	399.00

We found one exception whereby management was unable to locate supporting documentation for a cash disbursement to Sterling Printing Co. No further procedures were performed as a result of this finding.

6. We requested from management the method of allocating the University's overhead expense to the Intercollegiate Athletic Program during the year ended June 30, 2009. Management confirmed no allocation of overhead expenses was made to the Intercollegiate Athletic Program. No additional procedures performed.

We found no exceptions as a result of this procedure.

We were not engaged to, and we did not perform an audit, the objective of which would be the expression of an opinion on the specified areas, accounts or items, and on the effectiveness of internal control over financial reporting described in the procedures from pages 1 to 6 of this report on the Statement of Revenues, Expenditures and Transfers of the University's Intercollegiate Athletics Program for the year ended June 30, 2009. Accordingly, we do not express such an opinion. Had we performed additional procedures, or had we performed an audit or review of the financial statements of the University's Intercollegiate Athletics Program, or any part thereof, 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 Lander University and is not intended to be, and should not be, used by anyone other than this specified party.

Greenwood, South Carolina  
September 23, 2009

*Elliott Davis, LLC*

**INTERCOLLEGIATE ATHLETICS PROGRAM**  
**STATEMENT OF REVENUES, EXPENDITURES AND TRANSFERS**  
**FOR THE YEAR ENDED JUNE 30, 2009**  
*(Unaudited and Prepared by Management)*

	Men's <u>Sports</u>	Women's <u>Sports</u>	Nonprogram <u>Specific</u>	<u>Total</u>
<b>Revenues</b>				
Student activity fees	\$ 142,800	\$ 131,640	\$ -	\$ 274,440
Contributed support - The Lander Foundation	61,672	53,777	108,805	224,254
Tuition waivers	201,420	106,306	-	307,726
NCAA distributions	6,345	19,162	6,689	32,196
Athletic support - General			31,087	31,087
Concession sales			17,452	17,452
Peach Belt Conference distributions			7,498	7,498
Ticket sales	<u>4,384</u>	<u>-</u>	<u>-</u>	<u>4,384</u>
 Total revenue	 416,621	 310,885	 171,531	 899,037
 Transfers in - University	 496,240	 459,629	 644,112	 1,599,981
Transfers in - University designated scholarships	<u>233,625</u>	<u>215,654</u>	<u>-</u>	<u>449,279</u>
Total revenue after transfers	<u>1,146,486</u>	<u>986,168</u>	<u>815,643</u>	<u>2,948,297</u>
 <b>Expenditures</b>				
Salaries	270,039	250,111	384,579	904,729
Other personnel services	2,500	2,615	44,099	49,214
Fringes	97,347	81,435	119,828	298,610
Travel				
Team	57,730	57,663	-	115,393
Recruiting	9,345	6,409	-	15,754
Other	682	577	64,123	65,382
Insurance			80,719	80,719
Contractual services and other	29,063	22,409	98,664	150,136
Supplies, uniforms and equipment	49,915	45,894	-	95,809
Memberships	2,447	1,055	23,631	27,133
Game day	26,233	19,859	-	46,092
Scholarships, financial aid and tuition waivers	<u>601,185</u>	<u>498,141</u>	<u>-</u>	<u>1,099,326</u>
 Total expenditures	 <u>1,146,486</u>	 <u>986,168</u>	 <u>815,643</u>	 <u>2,948,297</u>
 Revenue and transfers over (under) expenditures	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

**NOTE 1 - CONTRIBUTIONS**

Contributed support from The Lander Foundation, an outside organization, in the amount of \$224,254 results from the Foundation making or committing to make expenditures on behalf of the intercollegiate athletics program for athletic scholarships of \$68,000 and other expenses of \$156,254. Such contributions equaled 100% of the total contributions received for intercollegiate athletics during the year ended June 30, 2009. Contributions for intercollegiate athletics program are received directly by Lander Foundation from all outside contributions. When contribution restrictions are met, intercollegiate athletics revenue is provided to the athletic department for designated use.