

**WINTHROP UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM**

Rock Hill, South Carolina

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

June 30, 2004

State of South Carolina



Office of the State Auditor

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March 14, 2005

The Honorable Mark Sanford, Governor
and
Members of the Board of Trustees
Winthrop University
Rock Hill, South Carolina

This report on the review of the statement of revenues, expenditures and transfers of the Winthrop University Intercollegiate Athletics Program for the fiscal year ended June 30, 2004, and the application of certain agreed-upon procedures to the accounting records of the Winthrop University Intercollegiate Athletics Program was issued by Cherry, Bekaert & Holland, LLP, 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 dark ink, appearing to read "Tom Wagner", written over the typed name and title.

Thomas L. Wagner, Jr., CPA
State Auditor

TLWjr/cwc

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INDEPENDENT AUDITORS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Mr. Thomas L. Wagner, Jr., CPA
State Auditor
State of South Carolina
Columbia, South Carolina

Dr. Anthony J. DiGirogio
President
Winthrop University
114 Tillman Hall
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We have performed the procedures described below, which were agreed to by the South Carolina Office of the State Auditor and the Board of Trustees and management of Winthrop University, solely to assist these users in evaluating the performance of the University's Intercollegiate Athletics Program (IAP) and to assist the University in complying with NCAA Bylaw 6.2.3.1 for the fiscal year ended June 30, 2004. Management is responsible for Winthrop University's compliance with the requirements of NCAA Bylaw 6.2.3.1, the Intercollegiate Athletics Program's financial records, internal controls and compliance with applicable laws, rules and regulations. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the 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 and associated findings are as follows:

Procedures Related to the Statement of Revenues, Expenditures and Transfers

1. We obtained the statement of revenues, expenditures and transfers of Winthrop University Intercollegiate Athletics Program for the year ended June 30, 2004, as prepared by management of the University and shown on pages 7 and 8 (Attachment A) in this report. We recalculated the addition of the amounts on the statement, traced the individual line item amounts from the financial statement to management's worksheets and compared the amounts on management's worksheets to the 91000 & 92000 series of accounts in the University's general ledger.

We found no exceptions as a result of the procedures.

2. For guarantee revenue, we obtained a detail listing of the revenue reported and compared the amount per the detail to the corresponding amount in Attachment A. We compared the individual amounts in the detail listing to a copy of the signed guarantee contract.

We found Attachment A and the detail listing to be in agreement. We found the amounts in the detail listing to be in agreement with the supporting contracts.

3. We obtained the advertising revenue detail and compared the amount per the detail to the corresponding amount in Attachment A. We chose five advertisers: Dr. Ben Willis, Federal Express Ground, Good Pharmacy, Rinehart Realty, and Community Long Distance Inc. and compared the revenue per the signed contracts to the advertising revenue recorded by Winthrop University on the general ledger.

We found Attachment A and the detail to be in agreement. We found the amounts recorded in the general ledger for advertising by Dr. Ben Willis, Federal Express Ground, Good Pharmacy, Rinehart Realty, and Community Long Distance, Inc. to be in agreement with the signed advertising contracts.

4. We obtained a detail listing of NCAA and Conference Grants and NCAA Distributions. We compared the amounts per the detail to the corresponding amounts in Attachment A. We compared the amounts per the NCAA distribution statements to the NCAA and conference grant revenue and NCAA distribution revenue recorded by Winthrop University on the general ledger.

We found the detail and Attachment A to be in agreement. We found the amounts per the detail to be in agreement with the conference and NCAA distribution statements.

5. We scanned the Intercollegiate Athletics Program contributions revenue account detail to identify each individual contribution received directly that constitutes more than ten percent of all contributions received for intercollegiate athletics. For these recorded receipts, we obtained and read correspondence from the donor to determine the receipts were classified in accordance with NCAA guidelines, to identify those received from independent outside sources and to determine that the source and value of each such contribution is disclosed in a footnote to the statement.

We found the contribution described in Note 1 of Attachment B to be the only individual contribution in excess of ten percent of all contributions.

6. We compared the amount of Student Activity Fees and Student Athletic Fees per the general ledger to the corresponding amounts reported in Attachment A.

We found the attachment and the general ledger to be in agreement.

7. We compared the amount for Contributed Support – Winthrop Foundation per the general ledger to the corresponding amount reported in Attachment A.

We found the attachment and the general ledger to be in agreement.

8. For Contributions – Restricted and Contributions – Unrestricted, we obtained a detail listing of the revenue reported and compared the amounts per the detail listing to the corresponding amounts in attachment A and in the general ledger.

We found the attachment and the detail listing to be in agreement; and we found the attachment and the general ledger to be in agreement.

9. For salaries we obtained a detail listing of the salaries and compared the amounts per the detail listing to the corresponding amounts in the general ledger. We then compared the total amount of salaries per the detail listing to the total salary amounts per category reported in Attachment A.

We found the detail listing to be in agreement with the general ledger. We found the total of the detail listing to be in agreement with the total salary amounts per category reported in Attachment A.

Procedures Related to Internal Control Over Financial Reporting

10. Fifteen days ticket sales for the year ended June 30, 2004 were haphazardly selected from the Future Ticket Sales Report from Winthrop's point of sale units located in the ticket office. Each event's revenue was compared with the amount recorded in the general ledger and the amount on the validated receipt from the Treasurer's office. The events selected were as follows:

	<u>Event</u>	<u>Date</u>	<u>Amount</u>
1.	Women's Basketball	December 1, 2003	\$ 58.00
2.	Women's Basketball	January 6, 2004	75.00
3.	Women's Basketball	February 18, 2004	29.00
4.	Women's Basketball	March 5, 2004	47.00
5.	Men's Baseball	February 23, 2004	430.00
6.	Men's Baseball	March 25, 2004	371.00
7.	Men's Baseball	May 3, 2004	149.00
8.	Men's Baseball	May 25, 2004	375.00
9.	Men's Basketball	November 25, 2003	1,317.00
10.	Men's Basketball	January 13, 2004	670.00
11.	Men's Basketball	February 12, 2004	966.00
12.	Men's Basketball	March 1, 2004	2,777.00
13.	Volleyball	September 1, 2003	131.00
14.	Women's Soccer	September 4, 2003	127.00
15.	Men's Soccer	October 16, 2003	64.00

We found the amounts from the Future Ticket Sales Report to be in agreement with the general ledger and the validated receipt from the Treasurer's office.

11. We haphazardly selected six contribution receipts from Winthrop's general ledger for the year ended June 30, 2004. For each of these receipts we compared the amount of the gift to acknowledgement letters and correspondence from the donor. The items selected were as follows:

<u>Item Number</u>	<u>Amount</u>
1.	\$ 1,000.00
2.	1,234.00
3.	100.00
4.	500.00
5.	4,000.00
6.	10,000.00

We found the gift receipts to be in agreement with the acknowledgement letters and correspondence from the donors.

12. We haphazardly selected twenty-four cash disbursements for the Intercollegiate Athletic Program for the year ended June 30, 2004 from Winthrop's general ledger. For each of these twenty-four disbursements we compared the amount disbursed and payee information to supporting documentation (invoices and travel vouchers). Each disbursement was authorized in accordance with Winthrop's policies and procedures. The items selected were as follows:

<u>Description</u>	<u>Voucher Number</u>	<u>Amount Disbursed</u>
1. Tucker Iron Works	P410333	\$ 1,400.00
2. Anaconda Sports	P410380	1,231.15
3. ARA	P410604	2,457.75
4. Millsaps	P403359	296.80
5. Cooks Auto Rental	P410690	285.27
6. Randy Peele	T4092	1,302.87
7. Regal Graphics	P410986	297.06
8. Pal's Printing and Embroidery	P411151	48.00
9. Art Stone	P411008	1,457.32
10. DV Sport	P411292	7,850.00
11. Buck's Pizza	P411233	64.80
12. Jim Brown Signs Inc.	P410001	91.12
13. Southpaw Screen Printing	P411648	28.62
14. Wingate Inn	P410765	65.49
15. Cook's Auto Rental	P411544	114.82
16. Ethnic Artwork	P411734	1,290.19
17. Holiday Inn	P411826	1,968.45
18. Team Connection	P411075	1,109.40
19. Jim Brown Signs Inc.	P411860	3,921.50
20. Interactive Sports Medicine	P411948	358.80
21. American Fast Photo	P411183	344.50
22. Tailored Software	P411295	250.00
23. Harry Thompson	P410009	1,200.00
24. BP Oil Company	P410130	375.70

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on compliance with NCAA Bylaw 6.2.3.1 or the expression of an opinion on the Statement of Revenues, Expenditures and Transfers of the Intercollegiate Athletics Program of Winthrop University for the year ended June 30, 2004 and, furthermore, we were not engaged to express an opinion on the effectiveness of the internal controls over compliance with the laws, rules and regulations described in paragraph one and procedures one through twelve of this report. 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 Office of the South Carolina State Auditor and the Board of Trustees and management of Winthrop University and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Bekaert & Holland, L.L.P.

February 23, 2005
Beaufort, South Carolina

**WINTHROP UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM**

Statement of Revenues, Expenditures and Transfers
For the Year Ended June 30, 2004
"Unaudited"

	<u>Men's Basketball</u>	<u>Other Sports</u>	<u>Nonprogram Specific</u>	<u>Total</u>
<u>Revenues</u>				
Ticket Sales	\$ 60,379	\$ 48,753	\$ -	\$ 109,132
Guarantees	172,000	7,850	-	179,850
Coliseum Parking	-	-	5,000	5,000
Coliseum Concessions	270	2,228	2,271	4,769
Coliseum Facility Leasing	-	-	106,029	106,029
Entry Fees	-	38,377	-	38,377
Summer Camps	-	-	4,289	4,289
Student Activity Fees	-	-	3,229,361	3,229,361
Student Athletic Fees	-	-	500,519	500,519
Advertising	77,120	39,729	12,920	129,769
Interest Income	-	-	20,190	20,190
Contributions - Restricted	33,600	61,774	928	96,302
Contributions - Unrestricted	-	-	73,224	73,224
Contributed Support - Winthrop Foundation - Note A	-	4,672	122,855	127,527
NCAA and Conference Grants	53,043	-	152,207	205,250
NCAA Distribution	-	7,436	-	7,436
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Revenues	<u>\$ 396,412</u>	<u>\$ 210,819</u>	<u>\$ 4,229,793</u>	<u>\$ 4,837,024</u>

**WINTHROP UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM**

Statement of Revenues, Expenditures and Transfers
For the Year Ended June 30, 2004
"Unaudited"

	<u>Men's Basketball</u>	<u>Other Sports</u>	<u>Nonprogram Specific</u>	<u>Total</u>
<u>Expenditures</u>				
Salaries				
Coaches	\$ 235,704	\$ 716,195	\$ -	\$ 951,899
Other	-	-	710,934	710,934
Graduate Assistantships	2,422	20,134	19,376	41,932
Fringe Benefits	54,579	175,183	181,877	411,639
Financial Aid	176,467	787,159	750	964,376
Telephone	5,346	23,777	33,649	62,772
Repairs	28	90	10,334	10,452
Printing and Advertising	6,234	12,900	93,006	112,140
Contractual Services	38,333	89,488	112,952	240,773
Food Services	3,726	7,494	16,331	27,551
Travel				
Team	49,824	346,370	2,065	398,259
Recruiting	25,888	65,389	-	91,277
Other	8,499	16,549	18,729	43,777
Uniforms	4,961	97,812	7,210	109,983
Rents	-	16,612	5,153	21,765
Insurance	2,058	3,535	74,096	79,689
Dues, Licenses, and Subscriptions	1,900	7,505	34,313	43,718
Awards	585	3,709	13,558	17,852
Equipment and Supplies	37,236	63,005	77,131	177,372
Purchases For Resale	-	3,439	8,606	12,045
Guarantees	30,585	12,293	-	42,878
Postage	2,293	3,069	17,754	23,116
	<u>686,668</u>	<u>2,471,707</u>	<u>1,437,824</u>	<u>4,596,199</u>
Total Expenditures				
	<u>686,668</u>	<u>2,471,707</u>	<u>1,437,824</u>	<u>4,596,199</u>
<u>Transfers In (Out)</u>				
Transfers In For Scholarships	11,874	-	333,332	345,206
Transfers Out For Debt Service	(6,588)	(619)	(332,597)	(339,804)
	<u>5,286</u>	<u>(619)</u>	<u>735</u>	<u>5,402</u>
Total Transfers				
	<u>5,286</u>	<u>(619)</u>	<u>735</u>	<u>5,402</u>
(Deficit) Excess Revenues (Under) Over Expenditures and Transfers	<u>\$ (284,970)</u>	<u>\$ (2,261,507)</u>	<u>\$ 2,792,704</u>	<u>\$ 246,227</u>

**WINTHROP UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM**

Note to Statement
June 30, 2004
(Unaudited)

NOTE ONE - CONTRIBUTIONS

Contributed support from the Winthrop Foundation, an outside organization, in the amount of \$ 127,524 results from the Foundation making or committing to make expenditures on behalf of the Intercollegiate Athletics Program for items such as athletic scholarships and equipment. This amount is more than ten percent of the total contributions received for intercollegiate athletics during the year ended June 30, 2004. No other contributions, from individual sources, in excess of the ten percent were received during the fiscal year.