

**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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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 black 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  
Rock Hill, South Carolina 29733

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, Bekant & 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<br/>Basketball</u> | <u>Other<br/>Sports</u> | <u>Nonprogram<br/>Specific</u> | <u>Total</u>        |
|---|-----------------------------|-------------------------|--------------------------------|---------------------|
| <b><u>Revenues</u></b>                                |                             |                         |                                |                     |
| 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<br>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<br/>Basketball</u> | <u>Other<br/>Sports</u> | <u>Nonprogram<br/>Specific</u> | <u>Total</u>      |
|--|-----------------------------|-------------------------|--------------------------------|-------------------|
| <b><u>Expenditures</u></b>   |                             |                         |                                |                   |
| 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>  |
| <b><u>Transfers In (Out)</u></b>                                     |                             |                         |                                |                   |
| Transfers In For Scholarships  | 11,874                      | -                       | 333,332                        | 345,206           |
| Transfers Out For Debt Service                                       | <u>(6,588)</u>              | <u>(619)</u>            | <u>(332,597)</u>               | <u>(339,804)</u>  |
|  | <u>5,286</u>                | <u>(619)</u>            | <u>735</u>                     | <u>5,402</u>      |
| (Deficit) Excess Revenues (Under)<br>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.