

**WINTHROP UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM**

Rock Hill, South Carolina

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

June 30, 2000

State of South Carolina



Office of the State Auditor

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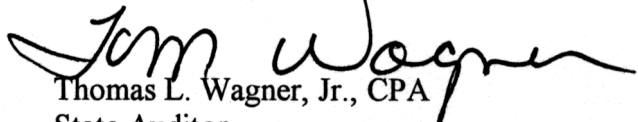
January 10, 2001

The Honorable Jim Hodges, 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, 2000, 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,

  
Thomas L. Wagner, Jr., CPA  
State Auditor

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

Mr. Thomas L. Wagner, Jr., CPA  
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 and the Board of Trustees and management of Winthrop University, solely to assist the University in complying with NCAA Bylaw 6.2.3.1. for the fiscal year ended June 30, 2000. This engagement to apply agreed-upon procedures was performed in accordance with 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:

1. We obtained from management the statement of revenues, expenditures and transfers of Winthrop University Intercollegiate Athletics Program for the year ended June 30, 2000, as prepared by management of the University and shown on pages 6 and 7 in this report. We recalculated the addition of the amounts on the statement, traced those amounts to management's worksheets and agreed the amounts on management's worksheets to the 91000 & 92000 series of accounts in the University's general ledger. We discussed the nature of the worksheet adjustments with management to satisfy ourselves that the adjustments were appropriate. We found no exceptions as a result of the procedures.
2. We obtained from management a list of all outside organizations not under the University's accounting control. Such an organization has as its principal or one of its principal purposes the generating of resources for or on behalf of the University's intercollegiate athletics program or the promotion of the program. We also obtained descriptions of the University's methods for gathering information on the nature and extent of each of those organizations' activities for or on behalf of the intercollegiate athletics program. We found no exceptions as a result of the procedures.
3. From management, we obtained copies of each outside organization's statement of revenues and expenditures for the University's fiscal year and confirmed the revenues and expenditures on these statements directly with responsible officials of the respective organizations. We found no exceptions as a result of the procedures.
4. We obtained from management a listing of all expenditures made directly by the respective outside organizations (not under the University's accounting control) to or on behalf of the University's intercollegiate athletics program or employees to determine if they are included as revenues and expenditures on the University's intercollegiate athletics program's accounting records and its statement of revenues, expenditures, and transfers. We found no exceptions as a result of these procedures.
5. We requested a listing of all expenditures made directly by other external parties (e.g. related parties, foundations, individuals, business, or other organizations) for or on behalf of the University's intercollegiate athletes program or its employees to determine if they were included as revenues in the University's statement of revenues, expenditures and transfers. We also obtained descriptions of the University's methods for gathering information on the nature and extent of such gifts/contributions by those parties. For fiscal year ended June 30, 2000, management told us that no expenditures by such external parties were made. We found no exceptions as a result

of the procedures.

6. We scanned the intercollegiate athletics program contributions revenue accounts 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 planned to review the supporting documentation to determine if they were properly classified, to identify those received from independent outside sources (those which don't have as one of their principal purposes the promotion and support of the athletics program), and to determine that the source and value of each such contribution is disclosed in a footnote to the statement. We identified no such recorded individual contributions.
7. From deposit transmittals, we randomly selected 25 receipts for intercollegiate athletics and tested them to determine if they were properly recorded and classified in the accounting records based on our review of the supporting documentation. The total of the selected receipts was 68% of the aggregate total of recorded receipts. We found no exceptions as a result of the procedures.
8. We asked management to describe specific elements of the University's internal control unique to the intercollegiate athletics program's accounting system and financial reporting.
  - a. Based on the materiality of certain revenue sources as reported on the statement, we tested all recorded ticket sales and game guarantees and selected recorded facility leasing, NCAA and conference grants, and concession reports to determine if the items were complete and properly classified based on a review of supporting documentation of basketball ticket sales reports prepared by coliseum director, contracts with lessees, game guarantee contracts, NCAA and conference distributions, and concession reports. The tested facility leasing documents and concession reports were chosen randomly. The total of selected items of facility leasing was 27% of the total of 37 leased events, the total of the selected concession reports were 21% of the total of recorded concession receipts, and the total of selected NCAA and conference grants was 23% of the total recorded NCAA and conference grants receipts. We also tested the selected recorded revenues to determine if internal control related to financial reporting over these revenues were operating as described. We found no exceptions as a result of the procedures.
  - b. Based on the materiality of certain expenditure accounts reported on the statement, we tested randomly selected recorded expenditures for contractual services, travel, uniforms, financial aid and equipment and supplies to determine if these expenditures were properly valued, properly classified, and properly authorized based on a review of the supporting documentation of vendor invoices and purchase requisitions and if internal control related to financial reporting over expenditures were operating as described. The total of the selected expenditures was 10% of the aggregate of total recorded expenditures. We found no exceptions as a result of the procedures.
  - c. We asked management to describe the basis for allocating student fees to athletics and obtained from management the reconciliation of total student fees revenue. We tested the reasonableness of reported student activity fees and of student athletic fees to our estimates of those fees using prior years allocations. We found no exceptions as a result of the procedures.
9. We obtained all daily cash receipts reports for the intercollegiate athletics program prepared by various program representatives. We randomly selected two of these reports, one from sports clinics and one from softball for testing, verified their clerical accuracy, reviewed supporting documentation to determine if the receipts were properly classified, and traced the receipts to the University's general ledger accounts for the intercollegiate athletics program. We found no exceptions as a result of the procedures. The totals of the tested sports clinics and softball were 27% and 9%, respectively, of the total recorded receipts for the applicable two reports.
10. We examined guarantee contracts for all basketball games during fiscal year 2000. We compared the contract revenues to recorded revenues in the general ledger. We also compared basketball guarantee expenditures per the contracts to expenditures recorded in the program's accounts in the general ledger. We found no exceptions as a result of the procedures.

11. We obtained a schedule of athletics department salaries and agreed those amounts to the appropriate general ledger salary accounts. We estimated the related employer contributions expenditures using the University's average fringe benefits rates for comparably paid employees and compared our estimates with reported expenditures in the appropriate general ledger accounts. We identified no material unexplained variance.
12. We reviewed the status of the deficiency described in the finding reported in the prior year to determine if the University has taken adequate corrective action. We found the University had taken adequate corrective action on the previously reported weakness.

We were not engaged to, and 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 paragraph one and procedures one through twelve of this report. Accordingly, we do not express such an opinion. Had we performed additional procedures or had we conducted 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 Governor and the users specified in paragraph one and is not intended to be used by anyone other than these specified parties.

*Chung, Belknap, Holland, L.L.P.*

December 14, 2000  
Florence, South Carolina

**WINTHROP UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**

Statement of Revenues, Expenditures and Transfers  
For the Year Ended June 30, 2000

	<b><u>Men's Basketball</u></b>	<b><u>Other Sports</u></b>	<b><u>Nonprogram Specific</u></b>	<b><u>Total</u></b>
<b><u>Revenues</u></b>				
Ticket Sales	\$ 35,654	\$ 3,111	\$ -	\$ 38,765
Guarantees	148,250	6,750	-	155,000
Coliseum Parking	-	-	7,187	7,187
Coliseum Concessions	-	4,533	37,275	41,808
Coliseum Facility Leasing	-	-	193,989	193,989
Entry Fees	-	11,868	-	11,868
Summer Camps	-	-	12,261	12,261
Student Activity Fees	-	-	2,085,561	2,085,561
Student Athletic Fees	-	-	299,768	299,768
Advertising	27,406	15,293	1,379	44,078
Interest Income	-	-	24,483	24,483
Contributions - Restricted	3,792	34,244	-	38,036
Contributions - Unrestricted	-	-	79,053	79,053
Contributed Support - Winthrop Foundation - Note A	10,623	7,539	93,635	111,797
NCAA and Conference Grants	61,750	-	104,271	166,021
NCAA Distribution	<u>27,103</u>	<u>-</u>	<u>-</u>	<u>27,103</u>
 Total Revenues	 <u>\$ 314,578</u>	 <u>\$ 83,338</u>	 <u>\$ 2,938,862</u>	 <u>\$ 3,336,778</u>

**WINTHROP UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**

Statement of Revenues, Expenditures and Transfers  
For the Year Ended June 30, 2000

	<b>Men's Basketball</b>	<b>Other Sports</b>	<b>Nonprogram Specific</b>	<b>Total</b>
<b>Expenditures</b>				
Salaries				
Coaches	\$ 161,056	\$ 378,871	\$ -	\$ 539,927
Other	9,983	46,091	426,601	482,675
Graduate Assistantships	-	13,000	9,622	22,622
Fringe Benefits	42,604	105,145	93,343	241,092
Financial Aid	116,212	423,058	9,484	548,754
Telephone	5,472	12,739	20,818	39,029
Repairs	-	315	9,984	10,299
Printing and Advertising	1,682	4,276	54,543	60,501
Contractual Services	28,374	39,731	100,150	168,255
Food Services	2,315	164	59,481	61,960
Travel				
Team	49,391	217,084	18,491	284,966
Recruiting	15,668	33,768	-	49,436
Other	1,845	5,483	17,566	24,894
Uniforms	2,813	59,517	7,711	70,041
Rents	-	10,078	7,378	17,456
Insurance	274	137	40,436	40,847
Dues, Licenses, and Subscriptions	708	4,535	24,854	30,097
Awards	-	62	3,027	3,089
Equipment and Supplies	1,103	18,400	86,527	106,030
Purchases For Resale	-	770	14,400	15,170
Guarantees	7,695	8,832	-	16,527
Postage	1,788	2,510	17,636	21,934
Conference Payments	-	-	57,319	57,319
	<u>448,983</u>	<u>1,384,566</u>	<u>1,079,371</u>	<u>2,912,920</u>
Total Expenditures				
	<u>448,983</u>	<u>1,384,566</u>	<u>1,079,371</u>	<u>2,912,920</u>
Transfers Out For Debt Service			208,922	208,922
			<u>208,922</u>	<u>208,922</u>
(Deficit) Excess Revenues (Under)				
Over Expenditures and Transfers	<u>\$ (134,405)</u>	<u>\$ (1,301,228)</u>	<u>\$ 1,650,569</u>	<u>\$ 214,936</u>



**WINTHROP UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**

Note to Statement  
June 30, 2000

**NOTE ONE - CONTRIBUTIONS**

Contributed support from the Winthrop Foundation, an outside organization, in the amount of \$ 111,797 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, 2000. No other contribution, from individual sources, in excess of the ten percent were received during the fiscal year.