

**WINTHROP UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM  
ROCK HILL, SOUTH CAROLINA**

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**Independent Accountants' Report On  
Applying Agreed-Upon Procedures  
June 30, 2008**



**WINTHROP UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
For the Year Ended June 30, 2008

Table of Contents

Independent Accountants' Report On Applying Agreed-Upon Procedures	1-5
Statement of Revenues, Expenditures and Transfers	6-7
Notes to the Statement	8

Independent Accountants' Report On  
Applying Agreed-Upon Procedures

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We have audited the financial statements of Winthrop University as of and for the year ended June 30, 2008, and have issued our unqualified report thereon under date of September 18, 2008. At your request, we have also performed the procedures described below which were agreed to by 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 and to assist the University in complying with NCAA Bylaw 6.2.3.1 for the fiscal year ended June 30, 2008. 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 made 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, 2008, as prepared by management of the University and shown on pages 6 and 7 (Attachment A) in this report. We recalculated the addition of the amounts on the statement, traced the individual line item amounts from the Statement of Revenues, Expenditures and Transfers to management's worksheets and compared the amounts on management's worksheets to the 191000 & 192000 series of accounts in the University's general ledger.

We found no exceptions as a result of this procedure.

2. We obtained from management a list of all outside organizations not under the University's accounting control that have 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 then confirmed the amounts received from these outside organizations directly with the responsible official of these organizations. We compared the amount per the confirmation with the amount recorded in the Athletic Department's general ledger and on the Statement of Revenues, Expenditures and Transfers.

We found no exceptions as a result of this procedure.

3. 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 A to be the only individual contribution in excess of ten percent of all contributions.

4. We asked management to describe the basis for allocating student activity fees and student athletic fees to athletics and obtained from management the reconciliation of total student fees revenue. We obtained the University's general ledger detail from management and compared the total with the amount of Student Activity Fee revenue recorded in the general ledger and on the Statement of Revenues, Expenditures and Transfers.

We found no exceptions as a result of this procedure.

5. We obtained all daily cash receipts reports for the Intercollegiate Athletics Program prepared by various program representatives. We then selected a sample and recalculated the reports, compared the amount on the department deposit receipt with the amount on the cashier's office deposit transmittal, and compared the amount recorded on the cashier's office deposit transmittal to the amount recorded in University's general ledger accounts for the Intercollegiate Athletics Program.

We found no exceptions as a result of this procedure.

6. We obtained and read copies of the game guarantee contracts. We recalculated the total amount of the contracts, and compared this amount with the amount recorded as Guarantee revenue on the Statement of Revenues, Expenditures and Transfers. We also compared expenditures per the contracts to expenditures recorded in the program's accounts in the general ledger.

We found no exceptions as a result of this procedure.

7. We obtained a schedule of athletics department salaries from management. We compared the amounts listed on the schedule to amounts recorded in the general ledger and on the Statement of Revenues, Expenditures and Transfers. We calculated the related fringe expenditures using Winthrop's fringe benefit rate and compared the amounts calculated with the reported expenditures in the appropriate general ledger accounts.

We found no exceptions as a result of this procedure.

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

8. We obtained from management the general ledger activity for all cash receipts related to intercollegiate athletics. We selected a sample of individual receipts and compared the recorded cash receipt amount to the amount on the cashier office deposit transmittal reports prepared by the athletic department and submitted along with the cash to the treasurer's office.

We found no exceptions as a result of this procedure.

9. 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.

We found no exceptions as a result of this procedure.

10. We obtained from management a listing of coliseum events for the year and from this list we selected a sample of events. For coliseum lease events we obtained and read the signed rental agreement. We compared the amount of lease revenue per the contract with the amount recorded in the general ledger. For the events that have ticket sales, we compared the number of tickets sold per the lease agreement with the amount of tickets sold per the future ticket report. We recalculated the mathematical accuracy of the amount of ticket sales revenue by multiplying the number of tickets sold, per the future ticket sales report, by the individual ticket price. We obtained and read the correspondence accompanying any concession revenue commission checks received. We compared the amount on the accompanying correspondence with the amount recorded in the general ledger.

	<u>Event</u>	<u>Date</u>	<u>Amount</u>
1.	Women's Basketball	February 21, 2008	\$ 162
2.	Women's Basketball	January 2, 2008	132
3.	Women's Basketball	January 14, 2008	498
5.	Men's Baseball	March 3, 2008	751
6.	Men's Baseball	March 14, 2008	656
7.	Men's Baseball	April 28, 2008	426
9.	Men's Basketball	February 25, 2008	904
10.	Men's Basketball	February 26, 2008	515
11.	Men's Basketball	February 11, 2008	1,212
12.	Volleyball	October 1, 2007	173
13.	Women's Soccer	October 9, 2007	47
14.	Men's Soccer	October 9, 2007	283

We found no exceptions as a result of this procedure.

11. We selected a sample of recorded expenditures for contractual services, travel, uniforms, financial aid and equipment and supplies from the general ledger. We compared the classification of the selected expenditures in the statement to the classifications permitted by NCAA Guidelines as stated by the NCAA Audit Legislation. For the selected expenditures we obtained the related disbursement package to determine the items required by Winthrop's procurement policy were included and that the expenditure had been authorized in accordance with Winthrop's procurement policy.

Description	Reference Number	Amount Disbursed
1. Daktronics, Inc.	8005121	\$ 5,966.32
2. Linda L. Hancock	8005031	2,200.00
3. Hampton inn	8006068	2,963.70
4. Melissa Basilio for	8007897	2,400.00
5. Keen Sports Co.	8001116	15,734.01
6. Basketball Travelers	8009583	20,575.00
7. Ramada Inn	8010901	6,115.20
8. Varsity Spirit Fashion	8007701	9,688.23
9. Bookworm at Winthrop	8008627	21,260.27
10. Reynolds & Reynolds	8007450	8,185.50
11. Redrock Software	8000720	3,203.58
12. New Life 91.9	8011353	24,020.50
13. Integrate ID System		3,546.50
14. Palmetto collegiate	8003506	3,320.00
15. Aramark	8013677	3,897.88

We found no exceptions as a result of this procedure.

### Procedures Related to Expenditures by Outside Organizations

12. We obtained from management a listing of all expenditures made directly by the respective outside organizations (not under the University's accounting control) on behalf of the University's Intercollegiate Athletics Program or employees to determine if they were included as revenues and expenditures on the University's Intercollegiate Athletics Program's accounting records and the Program's statement of revenues, expenditures, and transfers. We compared the amounts of this list with the amounts recorded on management's worksheets.

We found no exceptions as a result of this procedure.

13. 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 Athletics program or the Program's employees to determine if they were included as revenues in the Program's statement of revenues, expenditures, and transfers.

We found no exceptions as a result of this procedure.

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, 2008 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.



December 16, 2008

**WINTHROP UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
Statement of Revenues, Expenditures and Transfers  
For the Year Ended June 30, 2008  
(Unaudited)

<b>REVENUES</b>	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Ticket Sales	\$ 199,513	7,581	45,552	-	252,646
Student Fees	151,831	200,023	890,431	3,657,757	4,900,042
Guarantees	229,550	29,000	23,000	-	281,550
Contributions	16,873	6,193	134,432	1,011,573	1,169,071
Direct Institutional Support	175,911	153,164	1,325,104	1,554,991	3,209,170
Indirect Facilities	-	-	-	1,110,977	1,110,977
NCAA / Conference Distributions	105,118	750	16,558	256,966	379,392
Program Sales, Concessions, Novelty Sales, and Parking	94	-	-	23,163	23,257
Royalties, Licensing, Advertisements and Sponsorships	103,254	-	16,656	88,405	208,315
Sports Camp Revenues	-	-	-	6,782	6,782
Endowment and Investment Income	(2,299)	(2,164)	(8,022)	(54,849)	(67,334)
Other	18,648	-	48,102	83,013	149,763
<b>Total Revenues</b>	<b>\$ 998,493</b>	<b>394,547</b>	<b>2,491,813</b>	<b>7,738,778</b>	<b>11,623,631</b>

CONTINUED,

**WINTHROP UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
Statement of Revenues, Expenditures and Transfers, Continued  
For the Year Ended June 30, 2008  
(Unaudited)

<b>EXPENDITURES</b>	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Athletic Student Aid	403,209	412,599	2,406,468	239,004	3,461,280
Guarantees	8,129	13,161	19,401	-	40,691
Coaching Salaries Benefits and Bonuses	439,755	255,030	1,083,138	-	1,777,923
Support Staff / Administrative Salaries, Benefits, and Bonuses	53,713	20,622	39,069	1,282,583	1,395,987
Recruiting	41,612	36,203	91,483	-	169,298
Team Travel	218,023	81,514	473,725	-	773,262
Equipment, Uniforms and Supplies	24,484	33,322	233,605	351,215	642,626
Game Expenses	38,845	29,353	67,055	10,728	145,981
Fund Raising, Marketing and Promotion	31,839	8,213	194,700	797,320	1,032,072
Sports Camp Expenses	3,100	-	3,713	-	6,813
Spirit Groups	-	-	-	20,561	20,561
Indirect Facilities	-	-	-	1,110,977	1,110,977
Medical Expenses	1,754	977	3,482	124,865	131,078
Memberships and Dues	1,985	2,000	5,912	21,141	31,038
Other Operating Expenses	72,347	34,927	64,612	328,563	500,449
Total Expenditures	<u>1,338,795</u>	<u>927,921</u>	<u>4,686,363</u>	<u>4,286,957</u>	<u>11,240,036</u>
Excess (Deficiencies) of Revenue Over (Under) Expenses	<u>(340,302)</u>	<u>(533,374)</u>	<u>(2,194,550)</u>	<u>3,451,821</u>	<u>383,595</u>

SEE ACCOMPANYING NOTES TO STATEMENT OF REVENUES, EXPENDITURES AND TRANSFERS

**WINTHROP UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
Notes to the Statement of Revenues, Expenditures and Transfers  
June 30, 2008  
(Unaudited)

**NOTE 1-CONTRIBUTIONS**

Contributed support from the Winthrop Foundation, an outside organization, in the amount of \$816,685 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, 2008. No other contributions, from individual sources, in excess of the ten percent were received during the fiscal year.

**NOTE 2-NET ASSETS**

Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. Winthrop University follows capitalization guidelines established by the State of South Carolina. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions and renovations and other improvements that add to the usable space, prepare existing buildings for new uses or extend the useful life of an existing building are capitalized. The University capitalizes movable personal property with a unit value in excess of \$5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements and intangible assets costing in excess of \$100,000. Routine repairs and maintenance and library materials, except individual items costing in excess of \$5,000, are charged to operating expenses in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The University has selected a useful life of 25 to 50 years for buildings, renovations and land improvements. The useful life for machinery, equipment and vehicles varies between 2 and 25 years depending on the asset. A full year of depreciation is taken the year the asset is placed in service and no depreciation is taken in the year of disposition.

Interest cost incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed net of interest earned on the invested proceeds over the same period. During the year ended June 30, 2008, there were no material capitalized interest costs incurred.

**NOTE 3-INTERCOLLEGIATE ATHLETICS DEBT**

<b>Intercollegiate Athletics Debt</b>				
Annual Maturities				
	2003	2004	2001	1981
	Institution	Institution	Athletic	Athletic
	Bonds*	Bonds*	Facilities	Facilities
			Revenue	Notes
			Bonds	Payable
2009	246,188	404,156	191,604	119,847
2010	246,462	402,932	186,096	119,846
2011	251,563	398,931	180,588	119,847
2012	251,312	410,831	175,080	-
2013	255,578	407,356	169,572	-
2014-2018	1,301,837	2,124,588	765,240	-
2019-2023	1,064,055	1,770,172	393,048	-
2024-2028	-	-	-	-
Total	<u>\$ 3,616,995</u>	<u>5,918,966</u>	<u>2,061,228</u>	<u>359,540</u>

\* Sixty-nine percent of the 2003 Bonds and 44 percent of the 2004 Bonds were used for athletics.