

**LANDER UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM**

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

**JUNE 30, 2003**

State of South Carolina



Office of the State Auditor

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October 31, 2003

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

This report on the review of the statement of revenues, expenditures and transfers of the Lander University Intercollegiate Athletics Program for the fiscal year ended June 30, 2003, and the application of certain agreed-upon procedures to the accounting records of the Lander University Intercollegiate Athletics Program 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,

  
Thomas L. Wagner, Jr., CPA  
State Auditor

TLWjr/cwc

**LANDER UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
**GREENWOOD, SOUTH CAROLINA**

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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 Lander University (management), solely to assist the University in complying with NCAA Bylaw 6.2.3.1. for the fiscal year ended June 30, 2003. 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 Lander University Intercollegiate Athletics Program for the year ended June 30, 2003, and shown on page 4 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 540 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 the name of each outside organization 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 were told the University had one such organization, the Lander Foundation. We also obtained descriptions of the University's methods for gathering information on the nature and extent of this organization's 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 the Lander Foundation's statement of revenues and expenditures for the University's fiscal year and agreed the revenues and expenditures on these statements with the outside organization's audited financial statements. 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 organization (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. For fiscal year ended June 30, 2003, management confirmed that \$59,751 in expenditures were made directly by this outside organization. We found no exceptions as a result of these procedures.

5. 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. All contributions were from a single source, the Lander Foundation. For these recorded receipts, we reviewed the supporting documentation to determine if they were properly classified, to determine if they were received from an independent outside source which does/does not have as one of its principal purposes the promotion and support of the athletic program; and to determine that the source and value of each such contribution is disclosed in a footnote to the statement. We found no exceptions as a result of the procedures.
6. From all recorded concession revenue receipts, we randomly selected two deposits 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 17% of the aggregate total of recorded concession receipts. We found no exceptions as a result of the procedures.
7. 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 of Revenues, Expenditures and Transfers, we selected recorded revenues to determine if they were complete and properly classified based on a review of the supporting documentation and 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 of Revenues, Expenditures and Transfers, we randomly tested all scholarship aid waiver expenditures and randomly selected recorded expenditures for other contractual services, travel, supplies and equipment, insurance, recruiting and memberships to determine if these expenditures were properly valued, classified, and authorized based on a review of the supporting documentation of vendor invoices, purchase requisitions, financial aid awards, travel vouchers and travel support documents and determined if procedures and documentation were performed in accordance with Lander's procurement policy. The total of the selected expenditures as 8% of the aggregate total of recorded expenditures of the accounts listed. We found no exceptions as a result of the procedures.
  - c. We tested the reasonableness of reported student activity fees by comparing the recorded amount to our estimate of the fees using student enrollment and the fee per student per semester. We found no exceptions as a result of the procedures.
8. We obtained a schedule of athletic department salaries from management 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.
9. We obtained from management the budgeted expenditures for 540 series of accounts for the fiscal year ended June 30, 2003. We compared actual expenditures to the budgeted amount for each 540 series account. We discussed variances with management in which explanation appeared reasonable.

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 nine 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 and should not be used by anyone other than these specified parties.

*Elliott Davis, LLC*

August 26, 2003

**LANDER UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
**STATEMENT OF REVENUES, EXPENDITURES AND TRANSFERS - UNAUDITED**  
**For the year ended June 30, 2003**

	<u>Men's Sports</u>	<u>Women's Sports</u>	<u>Nonprogram Specific</u>	<u>Total</u>
Revenues				
Ticket sales	\$ -	\$ -	\$ 3,189	\$ 3,189
Concession sales	-	-	10,250	10,250
Student activity fees	-	-	272,640	272,640
NCAA distributions	10,180	-	4,833	15,013
Guaranties	300	250	-	550
Contributed support - The Lander Foundation	41,302	11,150	185,305	237,757
Peach Belt Conference distributions	-	-	2,437	2,437
Program revenue	-	1,090	33,345	34,435
Tuition waivers	224,952	116,184	-	341,136
State appropriations	<u>617,418</u>	<u>509,266</u>	<u>5,915</u>	<u>1,132,599</u>
Total revenue	<u>894,152</u>	<u>637,940</u>	<u>517,914</u>	<u>2,050,006</u>
Transfers in for scholarships	<u>-</u>	<u>-</u>	<u>660</u>	<u>660</u>
Expenditures				
Salaries	196,447	139,347	237,475	573,269
Other personal services	6,535	23,908	20,891	51,334
Fringes	53,320	42,656	67,354	163,330
Travel				
Team	53,346	41,911	-	95,257
Recruiting	10,364	10,352	291	21,007
Other	-	-	7,824	7,824
Insurance	-	-	58,141	58,141
Contractual services	30,311	26,680	8,525	65,516
Supplies and equipment	85,124	31,384	98,838	215,346
Memberships	440	530	19,235	20,205
Scholarships, financial aid and tuition waivers	<u>458,265</u>	<u>321,172</u>	<u>-</u>	<u>779,437</u>
Total expenditures	<u>894,152</u>	<u>637,940</u>	<u>518,574</u>	<u>2,050,666</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 \$237,757 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. Such contributions equaled 100% of the total contributions received for intercollegiate athletics during the year ended June 30, 2003.