

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

Independent Accountants' Report On
Applying Agreed-Upon Procedures
June 30, 2009

WINTHROP UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
For the Year Ended June 30, 2009

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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, 2009, and have issued our unqualified report thereon under date of September 18, 2009. 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, 2009. 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, 2009, 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 contributions 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. York Tech Graduation	May 12, 2009	\$ 3,980.00
2. Marvin Ridge HS Graduation	June 12, 2009	4,321.74
3. Men's Basketball		136,461.50
5. Women's Basketball		8,524.00
6. Men's Soccer		1,586.00
7. Women's Soccer		1,025.00
9. Volleyball		3,279.00
10. Baseball		27,071.00

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.

<u>Description</u>	<u>Reference Number</u>	<u>Amount Disbursed</u>
1. Larry Dixon	9000007	\$ 1,376.96
2. Team Connection	9000650	1,008.50
3. Martin McGilian	9001387	1,297.24
4. Melissa Heinz for W	9001417	6,000.00
5. CID Carvalho for Wo	9001720	4,000.00
6. Marvin Mark Cooke	9001974	2,122.82
7. Tega Clay Golf Club	9002254	1,456.67
8. Blue Sky Charter, In	9002511	5,125.00
9. Washingtonville Soccer	9002830	1,187.70
10. Winthrop University Cashier	9003200	500.00
11. Blue Sky Charter, In	9003678	3,750.00
12. Team Connection	9004202	3,330.66
13. Medallion Athletic P	9004239	10,711.99
14. Rich Posipanko for	9004423	9,600.00
15. Logo Works, Inc.	9004503	1,732.60
16. Melissa Basilio for	9004859	10,500.00
17. Jodi Davis For Wome	9004968	7,560.00
18. Gold Medal Prod-Gree	9001664	322.99
19. School Health	9002369	4,646.55
20. Hayes Galitski	9002206	41.76
21. The Big South Conference	9005393	4,935.32
22. USPTA, Inc.	9004931	116.75
23. Sandra R. Mitchell	9003431	2,000.00
24. NDA Summer Camps	9000672	3,596.00
25. General Motors Accep	3010860	677.90

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, 2009 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. Therefore we express no opinion. 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.



January 15, 2010

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

REVENUES	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Ticket Sales	\$ 138,790	8,524	32,961		180,275
Student Fees	647,582	504,519	1,993,315	1,742,903	4,888,319
Guarantees	197,500	17,500	26,500		241,500
Contributions	40,963	36,810	139,574	203,124	420,471
Direct Institutional Support	160,382	158,958	1,484,189	1,265,840	3,069,369
Indirect Facilities				886,986	886,986
NCAA / Conference Distributions	45,702	5,160	17,555	303,197	371,614
Program Sales, Concessions, Novelty Sales, and Parking	1,122		4,745	28,358	34,225
Royalties, Licensing, Advertisements and Sponsorships	132,909	32	7,724	73,977	214,642
Sports Camp Revenues				3,573	3,573
Endowment and Investment Income	(8,719)	(6,287)	(24,398)	(38,847)	(78,251)
Other			38,220	75,092	113,312
Total Revenues	\$ 1,356,231	725,216	3,720,385	4,544,203	10,346,035

CONTINUED,

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

EXPENDITURES	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Athletic Student Aid	423,469	451,802	2,850,755	254,394	3,980,420
Guarantees	4,162	11,849	11,867		27,878
Coaching Salaries Benefits and Bonuses	424,341	263,519	1,078,991		1,766,851
Support Staff / Administrative Salaries, Benefits, and Bonuses	48,543	21,012	38,906	1,261,577	1,370,038
Recruiting	27,659	37,747	61,238		126,644
Team Travel	90,333	107,567	492,783		690,683
Equipment, Uniforms and Supplies	32,592	42,424	214,458	163,475	452,949
Game Expenses	47,552	29,950	72,495	18,418	168,415
Fund Raising, Marketing and Promotion	22,863	10,522	54,819	107,682	195,886
Spirit Groups				21,413	21,413
Indirect Facilities				886,986	886,986
Medical Expenses	12,710	7,821	41,924	159,014	221,469
Memberships and Dues	1,090		4,143	17,916	23,149
Other Operating Expenses	75,112	50,634	116,437	201,050	443,233
Total Expenditures	1,210,426	1,034,847	5,038,816	3,091,925	10,376,014
 Excess (Deficiencies) of Revenue Over (Under) Expenses	 <u>145,805</u>	 <u>(309,631)</u>	 <u>(1,318,431)</u>	 <u>1,452,278</u>	 <u>(29,979)</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, 2009
(Unaudited)

NOTE 1-CONTRIBUTIONS

Winthrop Foundation	\$ 132,317
Comporium	46,179
Other	<u>241,975</u>
	<u>\$ 420,471</u>

NOTE 2: INTERCOLLEGIATE ATHLETICS - RELATED 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. The total estimated book value of plant and equipment, net of depreciation, for Athletics is \$22,007,287 compared to the institution total of \$128,261,426.

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, 2009, there were no material capitalized interest costs incurred.

<u>Athletic Facilities</u>	<u>Basketball</u>	<u>Other</u>	<u>Total</u>
Additions	10,379	179,344	189,723
Deletions			

WINTHROP UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
Notes to the Statement of Revenues, Expenditures and Transfers
June 30, 2009
(Unaudited)

NOTE 3. INTERCOLLEGIATE ATHLETICS - RELATED DEBT

Intercollegiate Athletics Debt				
Annual Maturities				
	2003	2004	2001	1981
	Institution	Institution	Athletic	Athletic
	Bonds*	Bonds*	Facilities	Facilities
			Revenue	Notes
			Bonds	<u>Payable</u>
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>\$ 3,370,807</u>	<u>5,514,810</u>	<u>1,869,624</u>	<u>239,693</u>

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