

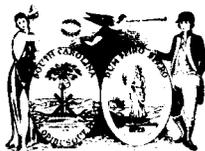
**LANDER UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM**

Greenwood, 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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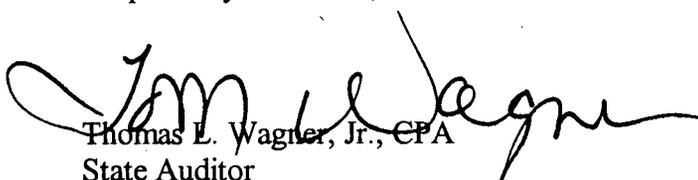
January 18, 2001

The Honorable Jim Hodges, 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, 2000, and the application of certain agreed-upon procedures to the accounting records of the Lander 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

TLWjr/cwc

CONTENTS

Independent Accountants' Report on Applying Agreed-Upon Procedures .....	3 - 5
Statement of Revenues, Expenditures and Transfers .....	6
Note to Statement.....	7



## 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, solely to assist the University in complying with NCAA Bylaw 6.2.3.2. 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 Lander University Intercollegiate Athletics Program for the year ended June 30, 2000, as prepared by management of the University and shown on page 6 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 one 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 organization. We found no exceptions as a result of the procedures.
4. We requested 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, 2000, management told us that no expenditures were made directly by this outside organization. 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, individuals, business, or other organizations) for or on behalf of the University's intercollegiate athletic 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 of 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. 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.
7. From all recorded concession revenue receipts, we randomly selected five 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 28% of the aggregate total of recorded concession 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 tuition waiver revenues to determine if they were complete and properly classified based on a review of the supporting documentation of tuition waivers to student athletes. 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 all scholarship aid waiver expenditures and randomly selected recorded expenditures for other contractual services, travel, supplies and equipment and memberships to determine if these expenditures were properly valued, properly classified, and properly authorized based on a review of the supporting documentation of vendor invoices, purchase requisitions, financial aid awards, travel vouchers and travel support documents and if internal control related to financial reporting over expenditures were operating as described. The total of the selected expenditures was 43% of the aggregate of total 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.
9. We obtained all daily cash receipts for both the men's and women's basketball programs prepared by the University's controller. We randomly selected two of these reports 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. The totals of the tested receipt reports were 38% of the total recorded receipts for the ticket sales. We found no exceptions as a result of the procedures.

10. We obtained a schedule of athletic 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.

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 ten 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.

*Chung, Belant, Holland, L.L.P.*

December 19, 2000  
Florence, South Carolina

**LANDER UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM**

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

	<b>Men's Sports</b>	<b>Women's Sports</b>	<b>Nonprogram Specific</b>	<b>Total</b>
<b>Revenues</b>				
Ticket Sales	\$ -	\$ -	\$ 4,181	\$ 4,181
Concession Sales	-	-	22,156	22,156
Student Activity Fees	58,698	45,224	35,410	139,332
NCAA Distributions	1,741	1,341	4,888	7,970
Contributed Support - Lander Foundation - Note One	150,270	125,954	1,000	277,224
Tuition Waivers	124,044	53,756	-	177,800
State Appropriations	<u>370,682</u>	<u>285,595</u>	<u>223,616</u>	<u>879,893</u>
 Total Revenues	 <u>705,435</u>	 <u>511,870</u>	 <u>291,251</u>	 <u>1,508,556</u>
 Transfers In For Scholarships	 <u>-</u>	 <u>-</u>	 <u>19,407</u>	 <u>19,407</u>
 <b>Expenditures</b>				
Salaries	165,198	133,120	159,244	457,562
Other Personal Services	6,787	4,691	73,132	84,610
Fringe Benefits	41,749	31,587	51,868	125,204
Travel				
Team	41,276	36,600	-	77,876
Recruiting	5,988	2,693	-	8,681
Other	1,464	536	6,084	8,084
Insurance	-	-	24,100	24,100
Contractual Services	17,294	16,362	23,222	56,878
Supplies and Equipment	30,075	27,434	39,043	96,552
Memberships	-	-	14,485	14,485
Scholarships/Financial Aid/ Waivers	<u>332,255</u>	<u>241,676</u>	<u>-</u>	<u>573,931</u>
 Total Expenditures	 <u>642,086</u>	 <u>494,699</u>	 <u>391,178</u>	 <u>1,527,963</u>
 Revenues and Transfers (Under) Over Expenditures	 <u>\$ 63,349</u>	 <u>\$ 17,171</u>	 <u>\$ (80,520)</u>	 <u>\$ -</u>

**LANDER UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**

Note to Statement  
June 30, 2000

NOTE ONE - CONTRIBUTIONS

Contributed support from the Lander Foundation, an outside organization, in the amount of \$ 277,224 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, 2000.