

**LANDER UNIVERSITY  
GREENWOOD, SOUTH CAROLINA**

**Independent Accountant's Report  
on Applying Agreed-Upon Procedures  
For the year ended June 30, 2012**

**LANDER UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM**

**GREENWOOD, SOUTH CAROLINA**

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**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

The Members of the Board of Trustees  
Lander University  
Greenwood, South Carolina

We have performed the procedures described below, which were agreed to by the Board of Trustees and management of Lander University (management), solely to assist Lander University (the University) in complying with NCAA Bylaw 6.2.3.1. for the fiscal year ended June 30, 2012. The University is responsible for its Statement of Revenues, Expenditures, and Transfers of Lander University's Intercollegiate Athletics Program for the year ended June 30, 2012. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this 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 we performed and the associated findings are as follows:

1. We obtained the Statement of Revenues, Expenditures and Transfers of the Intercollegiate Athletics Program of the University (the Statement) for the year ended June 30, 2012, as prepared by management. We recalculated the mathematical accuracy of the amounts on the Statement and agreed the amounts to the University's general ledger.
2. We obtained a listing of contribution revenue remitted to the Intercollegiate Athletics Program of the University and agreed the amount to the Statement. We scanned the listing for individual contributions that constituted more than ten percent of contributions received. We found one individual contribution that constituted more than ten percent of the contribution revenue included in Attachment A. The contribution was from Korea National Sport.
3. We obtained the reconciliation of revenue from athletic ticket sales between the general ledger and the University ticket count worksheets for the year ended June 30, 2012. We compared such revenue amount to the amount recorded in the Statement.
4. For guarantees revenue and expenditures, we obtained a detail schedule of the revenue and expenditures reported.

Management informed us that the University did not receive or pay guarantees during the year. No additional procedures were performed based on the information management provided.

5. We requested the royalties and advertising revenue detail from management.

Management informed us that the University received no royalty or advertising revenue.

6. We compared the total athletic student financial aid in the schedule provided by the University to the amount recorded in the Statement. We obtained a listing of students who received athletic student aid during the year ended June 30, 2012. We haphazardly selected a sample of students that received athletic student aid from that listing. For each selection as listed below, we obtained the individual student account detail and compared the total aid allocated from the related award letter to the student's account.

David I. Ross  
Clement Dauchy  
Jasmine C. Judge  
Katherine E. Finkle  
Aurelia Ruffat  
Stefan Tabasevic  
Katie Quarles

Oliver J. Van Nairn  
Paul-Henri Arrigoni  
Ashley R. Shinn  
Brittney M. Sheriff  
Katelyn E. Kraft  
Matthew T. Sommer  
Christin J. Moss

7. We requested from management a listing of athletic employees receiving severance payments paid by Lander University or related entities during the year ended June 30, 2012.

Management informed us that there were no severance payments made during the year. No additional procedures were performed based on the information management provided.

8. We compared actual revenues and expenditures in the Statement for the year ended June 30, 2012, to the amounts for the year ended June 30, 2011. We identified actual variances of greater than 10% and \$5,000 from the prior year amounts and obtained explanations for variances from management. Below are the explanations provided by management for the variances identified.

**Revenues:**

**Ticket Sales** – Ticket sales revenue increased \$6,807, or 44%, compared to fiscal year 2011. This increase is primarily due to the University beginning to charge for admission to baseball games during fiscal year 2012 and the opening of the new sports complex.

**NCAA Distributions** – NCAA distributions revenue decreased \$13,538, or 155%, compared to fiscal year 2011. These distributions correlate directly to the number of teams within the conference and the number of teams advancing to playoff games. The fewer teams that advance to the playoffs, the less distribution revenue the University receives. In 2012, fewer conference teams advanced to the playoffs reducing the revenues received by the University.

**Program Revenue** – Program revenue increased \$17,225, or 48%, compared to fiscal year 2011. This increase is primarily the result of the new sports complex bringing in additional advertising.

**Expenditures:**

**Other Personnel Services** – Other personnel service expenditures increased \$88,385, or 69%, compared to fiscal year 2011. The increase is attributable to additional student workers and temporary help for athletics. Temporary help for softball was charged to this account until a coach was hired.

**Recruiting Travel Expenditures** – Recruiting travel expenditures decreased \$6,686, or 30%, compared to fiscal year 2011. The decrease is attributable to efforts to cut expenditures due to economic conditions and overall University budget cuts.

**Other Travel Expenditures** – Other travel expenditures increased \$10,945, or 29%, compared to fiscal year 2011. The increase is attributable to additional travel for the women’s basketball team advancing to the NCAA Final 4.

**Supplies, Uniforms and Equipment** – Supplies, uniforms and equipment expenditures decreased \$23,440, or 38%, compared to fiscal year 2011. The decrease is attributable to efforts to cut expenditures due to economic conditions and overall University budget cuts.

**Membership Expenditures** – Membership expenditures decreased \$16,175, or 44%, compared to fiscal year 2011. The decrease is attributable to efforts to cut expenditures due to economic conditions and overall University budget cuts.

**Game Day Expenditures** – Game day expenditures decreased \$25,758, or 28%, compared to fiscal year 2011. The decrease is attributable to efforts to cut expenditures due to economic conditions and overall University budget cuts.

No additional procedures were performed with respect to management's representations as to the reasons for the variances described above.

9. We requested from management detail of NCAA and the Peach Belt Conference distribution revenues for the year ended June 30, 2012. We agreed these amounts to the Statement. For all distributions, we agreed the remittance advice to the accompanying distribution and traced the amount of each deposit to the general ledger.
10. We obtained from management a listing of coaches employed during the year ended June 30, 2012. From this listing we haphazardly selected the six coaches listed below and compared the financial terms and conditions of each coach’s contract or other salary documentation to the salaries and benefits expense recorded in the general ledger by the University.

Kermit Smith  
Van Taylor  
Chris Ayer

Jeff Burkhamer  
DeCole Shoemate  
Doug Spears

11. We requested from management a listing of compensation and benefits paid by third parties to the University’s coaches or other staff during the year ended June 30, 2012.

Management informed us that there were no payments made to University coaches or staff by third parties during the year. No additional procedures were performed based on the information management provided.

12. We obtained from management a listing of Lander University support staff/administrative salaries and benefits paid by the University for the year ended June 30, 2012. From this listing, we haphazardly selected the three staff members listed below and compared the financial terms and conditions of each staff member’s contract or other salary documentation to the salaries and benefits expense recorded in the general ledger by the University.

Jeff May  
Kent Atkins  
Bryan Wells

13. We requested from management a copy of all sports camp contracts between the University and coaches or other persons conducting camps for the year ended June 30, 2012.

Management informed us that coaches and other persons operated sports camps independently of the University. Neither the University nor the Intercollegiate Athletics Program received revenue from camps during the year. The University, however, received facilities rental fees and meal reimbursement for camps. These revenues were not considered part of Intercollegiate Athletics Program revenue.

14. We requested from management a list of all expenditures made by outside organizations not under the accounting control of the University for, or on behalf of, the University's Intercollegiate Athletics Program or any of its employees.

Management informed us that no payments were made by outside organizations not under accounting control of Lander University for, or on behalf of, Lander University's Intercollegiate Athletics Program or any of its employees. No additional procedures were performed based on the information management provided.

15. We haphazardly selected a sample of ten receipts to the Intercollegiate Athletics Program for the year ended June 30, 2012. For each receipt selected, we compared the received amount and contributor information to supporting documentation. Each of the selected receipts were compared to validated deposit slips.

<u>Document #</u>	<u>Description</u>	<u>Date</u>	<u>Amount</u>
F0016850	Little Pigs BBQ	7/20/2011	\$ 125.00
F0017170	Southern Deli	9/5/2011	2,500.00
F0017293	Bearcat Concessions	9/13/2011	540.00
F0017697	Bearcat Concessions	11/8/2011	166.63
F0017895	McDonalds	12/8/2011	2,500.00
F0018324	Little Pigs BBQ	1/1/2012	125.00
F0018548	Bearcat Concessions	2/23/2012	306.00
F0019023	Dixie Drive In	5/7/2012	1,500.00
F0019077	Bearcat Concessions	5/9/2012	945.80
F0019384	Little Pigs BBQ	6/25/2012	125.00

16. For endowment contributions, we obtained from management a list of the Foundation's endowed funds specifically for Intercollegiate Athletics Program. From this list, we selected all eighteen endowed funds and obtained support from donors noting earnings to be specifically used for Intercollegiate Athletics Program.

We found one exception as a result of this procedure. Management was unable to provide support for one endowed fund.

17. We requested from management a summary of revenues for any affiliated or outside organizations for the year ended June 30, 2012.

Other than funds from the Lander Foundation, management informed us that no revenues were received for any affiliated or outside organizations. No additional procedures were performed based on the information management provided.

18. We haphazardly selected a sample of twenty-five cash disbursements for the Intercollegiate Athletics Program for the year ended June 30, 2012. For each disbursement selected, we compared the disbursed amount and payee information to supporting documentation.

<u>Document No.</u>	<u>Description</u>	<u>Date</u>	<u>Amount</u>
I0048217	Unique Art	9/5/2011	\$ 47.50
I0051516	R. Stoner	3/9/2012	272.70
I0049026	BSN Sports	10/17/2012	2,696.40
I0050129	S. Roberts	12/13/2011	202.09
I0049115	J. Burkamer	10/21/2011	140.00
I0052583	R. Bagwell	4/26/2012	407.49
I0049368	Skye Banning	10/31/2011	190.00
I0049102	D. Shoemate	10/18/2011	235.00
I0053126	G. Frank Russell CC	5/29/2012	4,300.00
IF006423	Greenwood County Club	7/21/2011	20,000.00
IF007063	Blue Marlin	4/13/2012	73.03
I0053680	BSN Sports	6/28/2012	1,656.36
I0050602	Bonnitz Flooring	12/13/2011	4,076.71
I0051673	Sharp	3/19/2012	13.16
I0051203	James Thurn	2/17/2012	500.00
I0047780	Pepsi Bottling Co.	8/9/2011	79.18
I0051547	Mid-Atlantic Athletic Trainers Assoc.	2/22/2012	140.00
CC004657	Lowe's	9/1/2011	634.39
CC004670	NCAA convention registration	9/19/2011	250.00
CC004606	Henry Schein	7/14/2011	1,120.48
CC004659	KEH	9/5/2011	1,169.00
CC004669	BSN Sports	9/19/2011	1,673.10
CC004828	The Vernon Co	2/16/2012	2,021.41
CC004819	Sterling Printing Co	3/20/2012	693.36
IF006861	The Links at Stoney Point	1/20/2012	3,000.00

19. We requested from management the method of allocating overhead expense to the athletic department.

Management informed us that no allocation of overhead expenses was made to the Intercollegiate Athletics Program. No additional procedures performed based on the information management provided.

We were not engaged to, and we 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 the procedures from pages 1 to 5 of this report. Accordingly, we do not express such an 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 Board of Trustees and management of Lander University and the South Carolina State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Greenville, South Carolina  
January 7, 2013

*Elliott Davis, LLC*

**LANDER UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
**STATEMENT OF REVENUES, EXPENDITURES AND TRANSFERS**  
**FOR THE YEAR ENDED JUNE 30, 2012**  
**(Unaudited and Prepared by Management)**

**Attachment A**

	<u>Men's Sports</u>	<u>Women's Sports</u>	<u>Nonprogram Specific</u>	<u>Total</u>
<b>Revenues</b>				
Ticket sales	\$ 15,379	\$ -	\$ -	\$ 15,379
Concession sales	-	-	6,798	6,798
Student activity fees	168,937	159,023	-	327,960
NCAA distributions	-	-	8,736	8,736
Contributed support - The Lander Foundation	36,009	9,452	68,506	113,967
Peach Belt Conference distributions	-	-	3,002	3,002
Program revenue	-	-	36,000	36,000
Tuition waivers	<u>347,552</u>	<u>220,772</u>	<u>-</u>	<u>568,324</u>
 Total revenues	 567,877	 389,247	 123,042	 1,080,166
 Transfers in - University	 868,154	 884,102	 205,230	 1,957,486
Transfers in - University designated scholarships	<u>-</u>	<u>-</u>	<u>587,607</u>	<u>587,607</u>
Total revenues after transfers	<u>1,436,031</u>	<u>1,273,349</u>	<u>915,879</u>	<u>3,625,259</u>
 <b>Expenditures</b>				
Salaries	287,923	226,662	428,563	943,148
Other personnel services	2,500	68,000	56,746	127,246
Fringes	109,969	95,378	142,440	347,787
Travel				
Team	71,047	67,518	-	138,565
Recruiting	11,444	10,728	-	22,172
Other	7,515	12,125	18,708	38,348
Insurance	-	-	67,648	67,648
Contractual services and other	39,569	34,202	178,463	252,234
Supplies, uniforms and equipment	26,551	34,355	-	60,906
Memberships	12,509	1,264	23,311	37,084
Game day	45,099	45,752	-	90,851
Scholarships, financial aid and tuition waivers	<u>821,905</u>	<u>677,365</u>	<u>-</u>	<u>1,499,270</u>
 Total expenditures	 <u>1,436,031</u>	 <u>1,273,349</u>	 <u>915,879</u>	 <u>3,625,259</u>
 Revenues and transfers over (under) expenditures	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

**FOOTNOTE 1 - CONTRIBUTIONS**

Contributed support from The Lander Foundation, an outside organization, in the amount of \$113,967 results from the Foundation making or committing to make expenditures on behalf of the Intercollegiate Athletics Program for athletic scholarships of \$45,461 and other expenses of \$68,506. Such contributions equaled 100% of the total contributions received for intercollegiate athletics during the year ended June 30, 2012. Contributions for Intercollegiate Athletics Program are received directly by Lander Foundation from all outside contributions. When contribution restrictions are met, intercollegiate athletics revenue is provided to the athletic department for designated use.

**FOOTNOTE 2 - CAPITAL EXPENDITURES**

The University expended approximately \$22,000 for capital items related to facilities or equipment used by the Intercollegiate Athletics Program which were funded and paid by the University. These capital expenditures are not included as part of the Statement.