

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

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**Independent Accountants' Report On  
Applying Agreed-Upon Procedures  
June 30, 2013**

**WINTHROP UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
For the Year Ended June 30, 2013

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Independent Accountants' Report On  
Applying Agreed-Upon Procedures

Dr. Jayne Comstock  
President  
Winthrop University  
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Rock Hill, South Carolina 29733

We have audited the financial statements of Winthrop University as of and for the year ended June 30, 2013, and have issued our unqualified report thereon under date of January 8, 2014. 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, 2013. The Statement of Revenue and Expenditure of Winthrop University Intercollegiate Athletics Program and related note disclosures presented in attachment A was not audited or reviewed by us. We were not engaged to, and did not, perform an audit or a review, the objectives of which would be the expression of an opinion or limited assurance on the performance of the University's Intercollegiate Athletics Program or the compliance with the NCAA Bylaw 6.2.3.1 for the fiscal year ended June 30, 2013. 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:

1. We obtained the statement of revenues, expenditures and transfers of Winthrop University Intercollegiate Athletics Program and related note disclosures for the year ended June 30, 2013, as prepared by management of the University and shown on page 6 (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 12x and 13x series of accounts in the University's general ledger.

We found the following exceptions as a result of this procedure, all of which were reported to management and corrected.

- Royalties, Licensing, Advertisements and Sponsorships Revenue was understated \$286.01
  - Other Revenue was understated \$3,470
  - Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities Expense was understated \$71.59
  - Recruiting Expense was overstated \$9,472.87
  - Equipment, Uniforms, and Supplies Expense was understated \$12,177.26
  - Other Operating Expense was overstated \$2,704.39
2. We obtained from management a list of all outside organizations not under the University's accounting control that have as their principal or one of their 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 officials of the respective 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

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- 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 contributions described in Note 1 of Attachment A to be the only individual contributions in excess of ten percent of all contributions.

- 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.

- 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 then 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. The sample of the individual receipts selected for comparison is as follows:

Receipt	Date	Amount
2915	07/12/2012	\$ 48.00
70	07/12/2012	48.00
431	08/31/2012	312.50
681	10/09/2012	1,250.00
902	11/09/2012	173.62
952	11/14/2012	250.00
1028	11/29/2012	27.97
1165	12/13/2012	108.00
1146	12/13/2012	60.00
1575	01/31/2013	366.00
1515	01/31/2013	208.75
1598	02/06/2013	270.00
1757	02/19/2013	562.50
1886	03/01/2013	424.00
2094	03/29/2013	100.00
2158	04/03/2013	3,810.00
2359	04/22/2013	160.00
2424	04/26/2013	462.50
2553	05/14/2013	2,599.73
2760	06/10/2013	70.00
2743	06/10/2013	350.00
2881	06/26/2013	275.00
J0011002	02/18/2013	60,000.00
J0012119	06/24/2013	(4,400.00)
J0012600	06/30/2013	207.50

We found no exceptions as a result of this procedure.

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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.

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.

We found no exceptions as a result of this procedure.

9. 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. The events that were tested are as follows:

Event	Date	Amount
1. Softball	5/9/2013-5/12/2012	\$ 7,520.00
2. Men's Basketball	11/10/2012-3/2/2013	79,593.00
3. Women's Basketball	11/11/2012-3/25/2013	11,152.00
4. Men's Soccer	8/15/2012-10/31/2012	2,029.00
5. Women's Soccer	8/26/2012-11/4/2012	4,363.00
6. Volleyball	8/28/2012-10/27/2012	3,213.00
7. Baseball	2/15/2013-5/4/2013	14,848.00

We found the basketball and volleyball game sales recorded by the ticketing software and ticketing manager to be \$505 more in aggregate than sales recorded on the University's general ledger.

**University Response:**

Differences between TicketReturn and the General Ledger are due to the following:

1. Over/short during sales of game tickets.
2. Women's basketball NIT tickets were preprinted and should have been voided if not sold, and this step was not followed through. All individuals involved have been made aware of these issues.

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10. 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. The expenditures selected for testing are as follows:

**Excluding Student Aid:**

<u>Description</u>	<u>Reference Number</u>	<u>Amount Disbursed</u>
Paxton, Benjamin A.	I1300212	(300.00)
Mark Prosser	I1300762	60.00
Southpaw Screenprint & Embroidery	I1301327	21.85
Adidas America Inc	I1301809	149.79
Adidas America Inc	I1302143	68.54
Reggie White	I1302814	68.85
K-Mart Corporation	I1303593	4.48
Medco Supply Company	I1304185	7.76
Southpaw Screenprint & Embroidery	I1304847	135.00
Shimp, Amanda E.	I1305573	398.55
Ben Paxton	I1306321	1,500.00
Appalachian State University	I1306776	100.00
Cid Carvalho	I1307375	1,200.00
Sports Licensed Div of the Adidas G	I1307956	(115.47)
Wingate by Wyndham	I1308790	88.80
Prosser, Mark Charles.	I1309739	275.26
K-Mart Corporation	I1310442	12.00
Francis McCarroll	I1311124	50.00
Clint Chrysler	I1311842	59.00
Brabson, Johnathan W.	I1312887	103.50
BE Rev Deposit recvd FY13 for FY12	J0009206	10.00
JS Printing Svcs 100512	J0010091	47.75
JP Long Dist Phone Svcs Dec 2012	J0010900	2.15
JP Long Dist Phone Svcs Mar 2013	J0011562	0.85
DN BP Gas Charges	J0012225	481.71

We found no exceptions as a result of this procedure.

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**Student Aid:**

Sport	Student	G/L Awarded Amount Traced to Student Account Detail	G/L Awarded Amount Traced to Approved Award Letter
Baseball	Tyler Donovan	Y	Y
Baseball	Thomas Olescuzk	Y	Y
Men's Basketball	Henry Boume	Y	Y
Men's Basketball	Andre Smith	Y	Y
Men's Golf	Taylor Dickson	Y	Y
Men's Golf	Brandon Truesdale	Y	Y
Men's Soccer	Alejandro Isem	Y	Y
Men's Tennis	Liran Levy	Y	Y
Men's CC/Track	Mark Britton	Y	Y
Women's Basketball	Taylor Calvert	Y	Y
Women's Basketball	Juliette Love	Y	Y
Women's Golf	Nicole Mooberry	Y	Y
Women's Golf	Rachel Wyatt	Y	Y
Women's Soccer	Gabrielle Corn	Y	Y
Women's Soccer	Sarah Schippers	Y	Y
Softball	Kelly Blea	Y	Y
Softball	Zharne Glover	Y	Y
Volleyball	Rachel Lenz	Y	Y
Lacrosse	Claire Feeney	Y	Y
Men's Basketball	Joseph Mercurio	Y	Y
Women's Basketball	Krista Beechy	Y	Y

We found no exceptions as a result of this procedure.

11. We obtained from management a listing of all expenditures made directly by the respective outside organizations as referred to in procedure 2 (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 on this list with the amounts recorded on management's worksheets.

We found no exceptions as a result of this procedure.

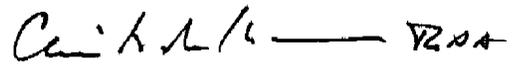
12. We requested a listing of all expenditures made directly by other external parties (e.g. related parties, foundations, individuals, business, or other organizations) for or on behalf of the University's Intercollegiate Athletics program or the Program's employees to determine if they were included 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, 2013 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.

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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.

A handwritten signature in black ink, appearing to read "Cynthia L. [unclear] VZSA". The signature is written in a cursive style with a horizontal line underlining the name.

January 8, 2014

**WINTHROP UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
Statement of Revenues, Expenditures and Transfers  
For the Year Ended June 30, 2013  
(Unaudited)

<b>REVENUES</b>	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Ticket Sales	\$ 79,593	11,152	31,973	-	\$ 122,718
Student Fees	240,341	249,466	954,347	4,799,373	6,243,527
Guarantees	225,000	20,000	13,750	-	258,750
Contributions	11,600	10,696	80,278	251,488	354,062
Direct Institutional Support	163,826	166,191	1,372,335	1,372,824	3,075,176
Indirect Facilities and Administrative Support	-	-	-	1,296,554	1,296,554
NCAA / Conference Distributions	7,696	22,464	54,752	448,660	533,572
Program Sales, Concessions, Novelty Sales, and Parking	-	-	982	18,545	19,527
Royalties, Licensing, Advertisements and Sponsorships	99,923	-	600	91,745	192,268
Sports Camp Revenues	-	-	-	3,367	3,367
Endowment and Investment Income	9,176	3,288	54,421	133,051	199,936
Other	-	-	39,738	114,757	154,495
<b>Total Revenues</b>	<b>\$ 837,155</b>	<b>483,257</b>	<b>2,603,176</b>	<b>8,530,364</b>	<b>\$ 12,453,952</b>

<b>EXPENDITURES</b>	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Athletic Student Aid	\$ 450,944	443,596	2,845,394	234,337	\$ 3,974,271
Guarantees	9,639	8,500	21,994	-	40,133
Coaching Salaries Benefits and Bonuses	509,676	341,885	1,340,487	-	2,192,048
Support Staff / Administrative Salaries, Benefits, and Bonuses	61,665	60,940	65,541	1,548,013	1,736,159
Severance Payments	190,575	-	115,784	-	306,359
Recruiting	48,980	41,397	73,632	-	164,009
Team Travel	112,879	167,428	489,237	-	769,544
Equipment, Uniforms and Supplies	42,475	23,478	270,211	163,537	499,701
Game Expenses	44,936	23,583	96,938	12,096	177,553
Fund Raising, Marketing and Promotion	7,019	6,119	11,060	2,297	26,495
Spirit Groups	-	-	-	24,578	24,578
Indirect Facilities and Administrative Support	-	-	-	1,296,554	1,296,554
Medical Expenses and Medical Insurance	5,628	5,476	32,703	179,942	223,749
Memberships and Dues	980	640	4,579	18,284	24,483
Other Operating Expenses	10,949	61,957	129,328	606,826	809,060
<b>Total Expenditures</b>	<b>\$ 1,496,345</b>	<b>1,184,999</b>	<b>5,496,888</b>	<b>4,086,464</b>	<b>\$ 12,264,695</b>

Excess (Deficiencies) of Revenue Over (Under) Expenses	<u>\$ (659,190)</u>	<u>(701,742)</u>	<u>(2,893,712)</u>	<u>4,443,900</u>	<u>\$ 189,257</u>
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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, 2013  
(Unaudited)

**NOTE 1-CONTRIBUTIONS**

Winthrop Foundation		\$	<u>83,421</u>	
		\$	<u><u>83,421</u></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 \$18,609,526 compared to the institution total of \$124,987,933.

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, 2013, there were no material capitalized interest costs incurred.

<u>Athletic Facilities</u>	<u>Basketball</u>	<u>Other</u>	<u>Total</u>
Additions	\$ 7,759	-	7,759
Deletions	5,959	-	5,959

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Notes to the Statement of Revenues, Expenditures and Transfers  
June 30, 2013  
(Unaudited)

**NOTE 3- INTERCOLLEGIATE ATHLETICS - RELATED DEBT**

<b>Intercollegiate Athletics Debt</b>				
Annual Maturities				
	2003 Institution Bonds (a)	2004 Institution Bonds (b)	2001 Ath Fac Rev Bonds	1981 Ath Fac Note Payable
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
2014	\$ -	284,200	164,064	-
2015	-	-	158,556	-
2016	-	-	153,048	-
2017	-	-	147,540	-
2018	-	-	142,032	-
2019-2023	-	-	393,048	-
2024-2028	-	-	-	-
Total	<u>\$ -</u>	<u>284,200</u>	<u>1,158,288</u>	<u>-</u>

- (a) Sixty-nine percent of the bond series was used for Athletics  
(b) Forty-four percent of the bond series was used for Athletics.