WINTHROP UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
ROCK HILL, SOUTH CAROLINA

Independent Accountants' Report On
Applying Agreed-Upon Procedures
June 30, 2017

WINTHROP UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
For the Year Ended June 30, 2017

Table of Contents

Independent Accountants' Report On Applying Agreed-Upon Procedures	1-10
Statement of Revenues, Expenditures, and Transfers	11
Notes to the Statement	12-13

Members
American Institute of CPAS
Private Companies Practice Section
South Carolina Association of CPAS
Governmental Audit Quality Center

CLINE BRANDT KOCHENOWER
& CO., P.A.
Certified Public Accountants
Established 1950

Albert B. Cline, CPA (1923-2013)
Raymond H. Brandt, CPA
Ben D. Kochenower, CPA, CFE, CVA, CICA, CGMA
Timothy S. Blake, CPA, PFS
Brandon A. Blake, CPA

Independent Accountants' Report On
Applying Agreed-Upon Procedures

Dr. Daniel F. Mahony, President
Winthrop University
114 Tillman Hall
Rock Hill, South Carolina 29733

We have audited the financial statements of Winthrop University as of and for the year ended June 30, 2017, and have issued our unmodified opinion thereon under date of September 15, 2017. 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 whether the accompanying Statement of Revenues, Expenditures and Transfers of Winthrop University is in compliance with the National Collegiate Athletic Association ("NCAA") Bylaw 3.2.4.15 for the fiscal year ended June 30, 2017. The Statement of Revenues, Expenditures and Transfers of Winthrop University Intercollegiate Athletics Program and related note disclosures was not audited or reviewed by us. Management is responsible for Winthrop University's compliance with the requirements of NCAA Bylaw 3.2.4.15, 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 conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these 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 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 and related note disclosures for the year ended June 30, 2017, as prepared by accounting management of the University and shown on page 11 in this report. We recalculated the mathematical accuracy of the amounts on the statement, traced the individual line item amounts from the statement to management's worksheets and compared the amounts on management's worksheets to the accounts in the University's general ledger.

   Please see Athletic-Student Aid exception #6.

Post Office Box 848, 1225 West Floyd Baker Boulevard, Gaffney, SC 29342-0848, (864) 489-7121 Fax (864) 489-7123
Post Office Box 161300, 145 Rogers Commerce Boulevard, Boiling Springs, SC 29316-1300, (864) 541-0218 Fax (864) 541-0221
Internet Address: www.cbkpa.com

2. We compared each major revenue and expense accounts in the Statement of Revenues, Expenditures and Transfers to prior period amounts. We obtained and documented our understanding of any significant variations. If a specific reporting category total (specific line items of revenues and expenses) is less than 4.0% of the total revenues or total expenses, no procedures were performed for that specific category.

   - We compared each major revenue and expense account over 10% of the total revenues and total expenditures to prior period amounts. We obtained and documented our understanding of any variations over 10%. We obtained the following explanations from the University's athletic management regarding the reasons for the variances.

     Direct Institutional Support decreased 12.3%

     Athletic department limited the amount of out-of-state waivers to encourage in-state recruiting in FY'17. Athletic department did not have work study students in FY'17.

     Indirect Institutional Support increased 12.3%

     University provided more resources to assist athletic department with increases incurred from more facility usage and facility maintenance.

     We found no exceptions as a result of this procedure.

3. We inquired of management the 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.

Receipts

- We obtained from accounting 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 cashiers' office deposit transmittal reports prepared by the athletic department and submitted along with the cash to the cashiers' office to determine whether the amounts are the same. The sample of the individual receipts selected for comparison is as follows:

Document Number	Date	Amount
DP000811	5/16/2017	$ 193.00
DP000783	2/1/2017	$ 8.00
DP000811	5/16/2017	$ 1,050.00
J0023624	1/26/2017	$ 219.00
DP000760	10/27/2016	$ 359.00
DP000783	2/1/2017	$ 280.00
DP000752	9/27/2016	$ 575.00
DP000757	9/13/2016	$ 1,475.00
J0023153	11/9/2016	$ 1,750.00
DP000794	3/14/2017	$ 8,000.00
DP000749	9/14/2016	$ 225.54
DP000746	8/30/2016	$ 95.00
J0024922	6/30/2017	$ 4,050.00
DP000812	5/17/2017	$ 850.00
DP000802	4/10/2017	$ 1,050.00
DP000812	5/17/2017	$ 50.00
DP000745	8/30/2016	$ 860.00
J0023315	12/20/2016	$ 1,900.00
J0024826	5/2/2017	$ 840.00
DP000824	6/20/2017	$ 860.00
DP000824	6/20/2017	$ 13,753.87
J0022564	8/2/2016	$ 130.00
DP000761	11/2/2016	$ 40.00
J0024349	11/18/2016	$ 320.00
DP000762	11/9/2016	$ 575.00

We found no exceptions as a result of this procedure.

REVENUES

Student Fees

1. We compared and agreed the student fees reported by the University in the statement for the reporting period to student enrollments during the same reporting period and recalculate the totals.

   We found no exceptions as a result of this procedure.

2. We obtained and documented our understanding of the University's methodology for allocating student fees to intercollegiate athletics programs.

   We found no exceptions as a result of this procedure.

Direct Institutional Support

1. We compared the direct institutional support recorded by the University during the reporting period with the institutional supporting budget transfers documentation and other corroborative supporting documentation and recalculated the totals.

   We found no exceptions as a result of this procedure.

Indirect Institutional Support

1. We compared the indirect institutional support recorded by the University during the reporting period with the institutional supporting budget transfers documentation and other corroborative supporting documentation and we recalculated the totals.

   We found no exceptions as a result of this procedure.

Contributions

1. We obtained and reviewed the supporting documentation and recalculated the totals of any contributions of moneys, goods or services received directly by an intercollegiate athletics program from any affiliated or outside organization, agency or group of individuals not included above (e.g., contributions by corporate sponsors) that constitutes 10% or more in aggregate for the reporting year of all contributions received for intercollegiate athletics during the reporting period.

   We found no exceptions as a result of this procedure.

NCAA Distribution

1. We compared the amounts recorded in the revenue and expense reporting to the general ledger detail for NCAA distributions and other corroborative supporting documents and recalculated the totals.

   We found no exceptions as a result of this procedure.

EXPENSES

Athletic Student Aid

1. We obtained a listing from the University detailing institutional student aid recipients for the year. We selected a sample of 27 students (10% of the total student-athletes).

2. We obtained the individual student account detail for each selection and compared the total aid allocated from the related aid award letter to the student's account detail.

3. We performed a check of each student selected to ensure their information was reported accurately in the NCAA's Compliance Assistant (CA) software using the following criteria:

    a. The equivalency value for each student-athlete in all sports, including head-count sports, needs to be converted to a full-time equivalency value. The full-time equivalency value is calculated using the athletic grant amount reported on the squad list as the numerator and the full grant amount which is the total cost for tuition, fees, books, room and board for an academic year as the denominator.

    b. A student-athlete can only be included in one sport.

    c. All equivalency calculations should be rounded to two decimal places.

    d. The full grant amount should always be the full cost of tuition for an academic year, not semester.

    e. If a sport is discontinued and the athletic grant(s) are still being honored by the University, the grant(s) are included in student-athlete aid for revenue distribution purposes.

    f. Student-athletes receiving athletic aid who have exhausted their athletic eligibility or are inactive due to medical reasons should be included in the student-athlete aid total and correctly noted on the Squad List.

    g. Only athletic aid awarded in sports in which the NCAA conducts championship competitions, emerging sports for women and FBS football should be included in the calculations.

    h. If a selected student received a PELL Grant, we verified that the student's grant was not included in the calculation of equivalencies or the total dollar amount of student athletic and expense for the institution.

    i. If a selected student received a PELL Grant, we verified that the student's grant was included in the total number of and total value of Pell Grants reported for Revenue Distribution purposes in the NCAA Membership Financial Reporting System.

4. We recalculated the totals for each sport and overall.

EXPENSES, continued

Exceptions:

Athletic Student Aid

1. There are 9 students in our sample 27 that appear to have received PELL award in fiscal year 2016-2017 as indicated on the student account history. We obtained a list of student-athletes who received PELL award and we traced the award amounts to the account history.

    - We found two students that appear to have contradicting PELL award amounts.

    - We found five student-athletes where the student account history indicated that these students received PELL award, but they were not included on the list of PELL recipients.

2. In our sample of 27 student-athletes, we found 6 that were not included on the squad list.

3. We found 4 out of 27 student-athletes that do not have the most current grant information recorded on the Squad List. Per NCAA, information should be accurately reported and updated in a timely manner.

4. We found 2 instances where the grant amount on the student account history did not agree to the amount on the student-athletic aid report.

5. The detail worksheet of the total student-athletic aid did not agree with the statement. The difference between the statement and the detail worksheet is 228,167.

    Management's Response:

    We agree with the findings. It is our determination that the absence of an NCAA Compliance professional between October 2016 and March 2017 was the cause of the errors in athletic aid reporting. A new NCAA Compliance professional was hired in March 2017 and was up to date on institutional processes by June 2017.

EXPENSES, continued

Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities

1. We obtained and inspected a listing of coaches employed by the University and related entities during the reporting period. We selected a sample of coaches' contracts from the listing. We ensured that our sample includes coaches' from men's and women's basketball.

2. We compared and agreed the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the University and related entities in the statement during the reporting period.

3. We obtained and inspected payroll summary registers for the reporting year for each selection. We compared and agreed payroll summary registers from the reporting period to the related coaching salaries, benefits and bonuses paid by the University and related entities expense recorded by the University in the statement during the reporting period.

4. We compared and agreed the totals recorded to any employment contracts executed for the sample selected and we recalculated the totals.

   We found no exceptions as a result of these procedures.

Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities

1. We obtained a listing of support staff/administrative salaries, benefits and bonuses paid by the University and related entities for the year ended. From the listing, we selected a sample of support staff/administrative personnel.

2. We obtained and inspected reporting period payroll summary registers for each selection. We compared and agreed the related payroll summary registers to the related support staff administrative other compensation and benefits expense recorded by the University in the statement during the reporting period and we recalculated the totals.

   We found no exceptions as a result of these procedures.

EXPENSES, continued

Disbursements

1. We obtained the general ledger accounts for recruiting expense, team travel expense, equipment, uniform and supplies, game expense, medical expense, and other operating expense. We compared the total expense reported to the statement.

2. We selected a sample of transactions (see below) to validate the existence of the transactions and the accuracy of recording and recalculated the totals.

3. We obtained and documented our understanding of the University's recruiting and team travel policies. We compared the existing University and NCAA related policies to determine if they were in agreement

4. For the selected expenses, we obtained the related disbursement package to determine the items required by University's procurement policy were included and that the expense had been authorized in accordance with the University's policy.

Vendor	Document Number	Date	Amount
Prosser, Mark Charles.	I1700812	8/4/2016	$ 14.00
Adidas America Inc	I1701158	8/17/2016	$ 499.72
Kelsey, Patrick Powers.	I1701498	8/30/2016	$ 68.00
Southpaw Screenprint & Embroidery	I1701858	9/8/2016	$ 40.00
Sign Techniques	I1702244	9/21/2016	$ 51.36
Kelsey, Patrick Powers.	I1702741	10/4/2016	$ 64.00
Coastal Carolina University	I1703253	10/17/2016	$ 600.00
K-Mart Corporation	I1703739	11/1/2016	$ 17.99
Kloman, Edward Brian.	I1704133	11/10/2016	$ 25.00
Aramark	I1704554	11/28/2016	$ 82.89
Event Partners LLC	I1704958	12/8/2016	$ 446.50
Gaston, John Neely.	I1705468	12/20/2016	$ 46.00
Fuller, Kendall Leigh.	I1705818	1/10/2017	$ 600.00
Southeast Toyota Finance	I1706080	1/18/2017	$ 309.85
Smith, Spencer Leet.	I1706604	2/3/2017	$ 300.00
BP Oil Company	I1707026	2/16/2017	$ 247.22
American Honda Finance Corp	I1707511	3/2/2017	$ 369.00
Burke International Tours Inc	I1708226	3/23/2017	$ 800.00
Broach Tours	I1708708	4/6/2017	$ 3,105.00
Rock Hill Coca Cola Bottling	I1709408	4/25/2017	$ 541.42
Seevers, Will	I1710023	5/11/2017	$ 71.08
Turner Communications Inc	I1710710	6/5/2017	$ 3,000.00
Harris, Tesia	I1711317	6/29/2017	$ 306.48
LM Exxon Gas Chrgs Jul 16 to Feb 17	J0023826	2/26/2017	$ 898.69
Smith, Spencer Leet.	I1700426	7/18/2016	$ 475.00

We found no exceptions as a result of these procedures.

EXPENSES, continued

Outside Organizations

1. 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 is generating resources for or on behalf of the University's Intercollegiate Athletics Program or the promotion of the program. We obtained a copy of the outside organization's audited financial statements.

2. We compared the amount received from this outside organization to the amount recorded in the general ledger and on the statement.

   We found no exceptions as a result of these procedures.

ADDITIONAL MINIMUM AGREED-UPON PROCEDURES

In order for NCAA to place reliance on the financial reporting for NCAA distribution purposes, we performed the following procedures:

1. We compared and agreed the sports sponsored as reported in the NCAA Membership Financial Reporting System to the Squad Lists of the University.

2. We obtained the University's Sports Sponsorship and Demographics Forms Report for the reporting year. We compared the number of contests and the number of participants reported by the University to the minimum contests and participants requirements for sports sponsorship set forth in Bylaw 20.9.6.3.

3. We agreed the total number of Division I student-athletes who, during the academic year, received a Pell Grant award and the total value of these Pell Grants reported in NCAA Membership Financial Reporting System to a report, generated out of the institution's financial aid records.

Exception:

1. We were not able to reconcile the initial Pell Grant information reported on the NCAA Membership Financial Reporting System to the report by the University.

Management's Response:

The original PELL document did not include all of the PELL Grants because the Office of Financial Aid does not use the document in Compliance Assistant as their official reporting document. The Department of Athletics was not aware of this until a second request for all student-athletes receiving PELL Grants was made directly to the Office of Financial Aid. The second document had complete information and was accurately reported in the NCAA Financial Reporting System."

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 3.2.4.15 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, 2017, 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. 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 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 12, 2018
Gaffney, SC

Attachment A

WINTHROP UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
Statement of Revenues, Expenditures and Transfers
For the Year Ended June 30, 2017
(Unaudited)

REVENUES	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Ticket Sales	$ 198,124	6,085	14,893	-	$ 219,102
Direct State or Other Government Support	-	-	-	-	-
Student Fees	869,137	656,201	2,418,284	2,017,198	5,960,820
Direct Institutional Support	285,569	369,025	2,570,334	42,656	3,267,584
Less-Transfers to Institution	(32,801)	-	(11,460)	(227,042)	(271,303)
Indirect Institutional	167,273	125,455	710,910	390,304	1,393,942
Indirect Institutional-Athletic Facilities Debt Service	-	-	-	147,540	147,540
Guarantees	340,000	50,000	14,500	-	404,500
Contributions	127,721	8,363	202,598	307,618	646,300
In-Kind	-	-	-	285,475	285,475
Compensation and Benefits Provided by a Third Party	-	-	-	-	-
Media Rights	-	-	-	-	-
NCAA Distributions	47,299	-	-	613,633	660,932
Conference Distributions	20,000	-	-	60,718	80,718
Program, Novelty, Parking, and Concession Sales	-	-	-	22,993	22,993
Royalties, Licensing, Advertisements and Sponsorships	-	-	-	219,511	219,511
Camp Revenues	-	-	-	400	400
Athletics Restricted Endowment and Investment Income	-	-	-	11,992	11,992
Other Revenues	-	-	92,055	144,906	236,961
Total Revenues	$ 2,022,322	1,215,129	6,012,114	4,037,902	$ 13,287,467

EXPENDITURES	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Athletic Student Aid	$ 501,317	521,901	3,646,494	68,968	$ 4,738,680
Guarantees	55,500	1,500	9,813	-	66,813
Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities	573,174	373,109	1,575,906	-	2,522,189
Coaching Other Compensation and Benefits Paid by a Third Party	-	-	-	-	-
Support Staff/Administrative Salaries, Benefits and Bonuses Paid by the University and Related Entities	110,539	89,624	-	1,840,078	2,040,241
Support Staff/Administrative Other Compensation and Benefits Paid by a Third Party	-	-	-	-	-
Severance Payments	-	10,000	-	-	10,000
Recruiting	97,945	28,691	58,923	1,625	187,184
Team Travel	180,144	94,429	694,096	-	968,669
Equipment, Uniforms and Supplies	34,929	19,618	301,159	-	355,706
Game Expenses	56,838	32,975	100,923	431,126	621,862
Fund Raising, Marketing and Promotion	-	-	232	25,847	26,079
Sports Camp Expenses	-	-	-	-	-
Spirit Groups	-	-	-	10,754	10,754
Athletic Facilities Debt Services, Lease and Rental Fee	-	-	-	147,540	147,540
Direct Overhead and Administrative Expenses	-	-	-	-	-
Indirect Institutional Support	301,942	212,471	878,692	837	1,393,942
Medical Expenses	-	856	165	209,555	210,576
Membership Dues	450	800	6,093	31,837	39,180
Student-Athlete Meals (non-travel)	7,367	2,716	4,193	29,879	44,155
Other Operating Expenses	23,151	13,747	45,414	412,941	495,253
Total Operating Expenses	$ 1,943,296	1,402,437	7,322,103	3,210,987	$ 13,878,823
Excess (Deficiencies) of Revenue Over (Under) Expenses	$ 79,026	(187,308)	(1,309,989)	826,915	$ (591,356)

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, 2017
(Unaudited)

NOTE 1-CONTRIBUTIONS

Contributions and gifts to Winthrop University's Intercollegiate Athletics Program totaled $931,775. This amount is reported in Attachment A at the following captions:

Contributions	$	646,300
In-Kind Gifts		285,475
	$	931,775

Individual contributions which exceeded 10 percent of the total contributions and the related donors included in the above amounts are as follows:

Winthrop Foundation	$	646,300
	$	646,300

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 expense in the year in which the expense was incurred. The total estimated book value of plant and equipment, net of depreciation, for Athletics is $10,914,247 compared to the institution total of $104,606,411.

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, 2017, there were no material capitalized interest costs incurred.

Fiscal Year 2017 Additions by Sport:

Athletic Facilities	Basketball	Other	Total
Additions	$ -	53,391	53,391
Deletions	-	-	-

NOTE 3- INTERCOLLEGIATE ATHLETICS - RELATED DEBT

Intercollegiate Athletics Debt
Annual Maturities

		2001 Ath Fac Rev Bonds
2018	$	142,032
2019		136,524
2020		131,016
2021		125,508
Total	$	535,080