

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

**Independent Accountants' Report On
Applying Agreed-Upon Procedures
June 30, 2010**

WINTHROP UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
For the Year Ended June 30, 2010

Table of Contents

Independent Accountants' Report On Applying Agreed-Upon Procedures	1-6
Statement of Revenues, Expenditures and Transfers	7
Notes to the Statement	8-9

Independent Accountants' Report On
Applying Agreed-Upon Procedures

Dr. Anthony J. DiGiorgio
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, 2010, and have issued our unqualified report thereon under date of January 6, 2010. 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, 2010. 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 for the year ended June 30, 2010, 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.

Winthrop University
Intercollegiate Athletics Program

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 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.

<u>Receipt</u>	<u>Date</u>	<u>Amount</u>
141	8/13/2009	\$ 112,054.00
148	8/13/2009	8,200.00
260	8/27/2009	4,055.00
349	9/3/2009	3,000.00
433	9/15/2009	1,830.00
591	10/12/2010	1,473.50
668	10/19/2009	9,000.00
976	11/30/2009	14,870.00
1216	1/8/2010	270.00
1257	1/11/2010	49,512.12
1401	1/22/2010	65,000.00
1650	2/25/2010	1,150.00
1896	3/30/2010	8,190.00
1897	3/30/2010	16,561.54
1927	4/1/2010	6,350.00
2189	5/6/2010	2,250.00
2009	4/13/2010	10,000.00
2201	5/10/2010	200.00
2248	5/18/2010	40,146.25
2392	6/2/2010	1,000.00
2427	6/9/2010	5,000.00
2449	6/14/2010	400.00
2457	6/14/2010	9,548.00
2532	6/29/2010	64,313.00
2581	6/30/2010	1,875.00

We found no exceptions as a result of this procedure.

Winthrop University
Intercollegiate Athletics Program

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.

	<u>Event</u>	<u>Date</u>	<u>Amount</u>
1.	Diamond Devils	9/12/2009-9/14/2009	\$ 750.00
2.	South Pointe Graduation	6/5/2010	2,608.60
3.	Men's Basketball	11/14/2009-3/2/2010	133,461.00
5.	Women's Basketball	11/17/2009-3/1/2010	8,008.00
6.	Men's Soccer	9/5/2009-11/3/2009	1,830.00
7.	Women's Soccer	8/22/2009-10/25/2009	973.50
9.	Volleyball	9/11/2009-11/7/2009	3,444.50
10.	Baseball	2/19/2010-5/28/2010	42,355.00

We found no exceptions as a result of this procedure.

Winthrop University
 Intercollegiate Athletics Program

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.

Excluding Student Aid:

Description	Reference Number	Amount Disbursed
1. Central Supply	SF000003	\$ 676.00
2. Lewis Fence	PF000006	2,400.00
3. Barbizon	PF000015	797.10
4. Printing Services	J002272	2,395.17
5. Printing Services	J002272	382.17
6. Printing Services	J002272	1,000.96
7. NDA Camps	I1000407	1,743.00
8. Super Sod	I1001498	200.00
9. NACWAA	I1001871	150.00
10. Metro Signs	I1002039	468.07
11. Visual Media	I1003407	900.00
12. Daktronics	I1003678	16,761.55
13. Reynolds and Reynolds	I1004803	5,262.26
14. Varsity Spirit	I1005085	4,762.34
15. Adidas	I1006412	1,549.34
16. Show Pros	I1006488	1,385.42
17. Kenneth Buzrr	I1007672	7,000.00
18. Palmetto Tire	I1007685	948.49
19. Medco	I1008548	2,304.60
20. Varsity Athletic	I1010233	1,939.97
21. Sally Polhamus	I1010445	301.27
22. RH Telephone	I1011166	54.53
23. Aramark	I1011225	6,333.92
24. George Neisler	I1012401	2,226.60
25. Joe Hudak	I1100751	798.84

We found no exceptions as a result of this procedure (Except for Student Aid).

Winthrop University
Intercollegiate Athletics Program

Student Aid:

Sport	Student	G/L Awarded Amount Traced to Student Account Detail	G/L Awarded Amount Traced to Approved Award Letter
Women's Basketball	Rachelle Hankins	Y	Y
Volleyball	Kellie Sellers	Y	Y
Softball	Lenore Stoddart	Y	Y
Golf	Rachel Smith	Y	Y
Women's CC/Track	Tara Bowman	Y	Y
Women's CC/Track	Lisa Sickman	Y	Y
Women's Soccer	Andrea McMaster	Y	Y
Non-Sport Specific	Victoria Lauten	Y	Y
Men's Basketball	Julius Francis	Y	Y
Men's Soccer	Daniel DiBiagio	Y	Y
Baseball	Charles Crane	Y	Y
Men's CC/Track	Jelani Bledman	Y	Y
Non-Sport Specific	Joe Mantesta	Y	Y
Non-Sport Specific	Elizabeth Johnson	N	N
Non-Sport Specific	Josh Mantesta	Y	Y
Non-Sport Specific	Courtney Upshaw	Y	Y
Non-Sport Specific	Joshua Bennett	Y	Y
Non-Sport Specific	Stephanie Custer	Y	Y
Non-Sport Specific	Sandra Visentin	Y	Y
Non-Sport Specific	Andy Reid	N	N
Non-Sport Specific	Amanda Lee	Y	Y
Non-Sport Specific	Kathleen Pollard	Y	Y
Non-Sport Specific	Dave Friedman	Y	Y

We noted that there were a few out-of-state grad fee waivers that were not being recorded in the athletic department general ledger but were recorded on the student's account.

There were \$9,514 of out-of-state grad fee waivers that were not being recorded in the athletic department student aid and direct institutional support.

University Response: The amount was missed due to oversight and was corrected when found.

11. 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.

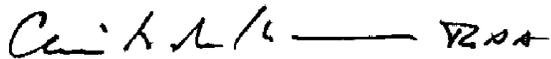
Winthrop University
Intercollegiate Athletics Program

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, 2010 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.

A handwritten signature in black ink, appearing to read "C. H. L. / 6" followed by a horizontal line and the letters "YR 10A".

January 6, 2010

WINTHROP UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
Statement of Revenues, Expenditures and Transfers
For the Year Ended June 30, 2010
(Unaudited)

REVENUES	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Ticket Sales	\$ 133,461	8,008	48,603	-	190,072
Student Fees	654,597	456,217	1,918,966	2,222,686	5,252,466
Guarantees	230,000	25,000	19,250	-	274,250
Contributions	51,529	38,353	107,890	135,979	333,751
Direct State or Other Governmental Support	-	-	7,000	-	7,000
Direct Institutional Support	135,490	160,636	1,250,469	1,313,228	2,859,823
Indirect Facilities and Administrative Support	-	-	-	1,035,664	1,035,664
NCAA / Conference Distributions	40,771	7,928	11,160	412,214	472,073
Program Sales, Concessions, Novelty Sales, and Parking	10	-	2,163	18,961	21,134
Royalties, Licensing, Advertisements and Sponsorships	156,256	-	-	81,621	237,877
Sports Camp Revenues	-	-	-	4,963	4,963
Endowment and Investment Income	19,879	3,985	95,716	249,677	369,257
Other	-	-	39,221	13,925	53,146
Total Revenues	\$ 1,421,993	700,127	3,500,438	5,488,918	11,111,476

EXPENDITURES	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Athletic Student Aid	392,976	442,955	2,571,653	286,206	3,693,790
Guarantees	8,230	5,500	24,047	-	37,777
Coaching Salaries Benefits and Bonuses	453,587	272,537	1,167,159	-	1,893,283
Support Staff / Administrative Salaries, Benefits, and Bonuses	54,112	26,319	40,588	1,363,196	1,484,215
Recruiting	30,141	34,114	50,007	-	114,262
Team Travel	133,668	103,386	437,531	-	674,585
Equipment, Uniforms and Supplies	31,064	52,172	223,586	546,299	853,121
Game Expenses	37,887	24,884	77,284	14,357	154,412
Fund Raising, Marketing and Promotion	5,795	4,017	6,678	9,869	26,359
Spirit Groups	-	-	-	14,970	14,970
Indirect Facilities and Administrative Support	-	-	-	1,035,664	1,035,664
Medical Expenses and Medical Insurance	8,877	2,820	35,297	162,805	209,799
Memberships and Dues	970	685	8,319	15,861	25,835
Other Operating Expenses	76,586	57,061	168,737	269,703	572,087
Total Expenditures	1,233,893	1,026,450	4,810,886	3,718,930	10,790,159

Excess (Deficiencies) of Revenue Over (Under) Expenses	188,100	(326,323)	(1,310,448)	1,769,988	321,317
---	---------	-----------	-------------	-----------	---------

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, 2010
(Unaudited)

NOTE 1-CONTRIBUTIONS

Winthrop Foundation	\$	89,981
Comporium		<u>54,212</u>
	\$	<u><u>144,193</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 \$21,333,591 compared to the institution total of \$136,609,080.

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, 2010, there were no material capitalized interest costs incurred.

<u>Athletic Facilities</u>	<u>Basketball</u>	<u>Other</u>	<u>Total</u>
Additions	505,577	-	505,577
Deletions	-	-	-

WINTHROP UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
Notes to the Statement of Revenues, Expenditures and Transfers
June 30, 2010
(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	Payable
2011	251,563	398,931	180,588	119,847
2012	251,312	410,831	175,080	-
2013	255,578	407,356	169,572	-
2014	259,308	418,506	164,064	-
2015	257,308	418,813	158,556	-
2016-2020	1,313,537	2,163,167	710,160	-
2021-2025	535,740	894,275	125,508	-
2026-2030	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 3,124,346</u>	<u>5,111,879</u>	<u>1,683,528</u>	<u>119,847</u>

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