

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

**Independent Accountants' Report On
Applying Agreed-Upon Procedures
June 30, 2011**

WINTHROP UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
For the Year Ended June 30, 2011

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Independent Accountants' Report On
Applying Agreed-Upon Procedures

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We have audited the financial statements of Winthrop University as of and for the year ended June 30, 2011, and have issued our unqualified report thereon under date of January 3, 2012. 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, 2011. 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, 2011. 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, 2011, 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 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 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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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 contributions 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. The sample of the individual receipts selected for comparison is as follows:

Receipt	Date	Amount
67	7/15/2010	\$ 2,600.00
69	7/15/2010	1,225.00
151	8/19/2010	1,600.00
178	8/19/2010	120,365.00
212	8/19/2010	1,375.00
361	9/10/2010	920.00
461	9/28/2010	1,270.00
461	9/28/2010	1,540.00
463	9/28/2010	555.00
541	10/12/2010	7,840.00
587	10/20/2010	7,840.00
954	12/15/2010	1,724.73
957	12/15/2010	173.70
1008	12/15/2010	5,166.68
1039	12/15/2010	3,520.00
1240	1/21/2011	80,000.00
1291	1/27/2011	2,578.84
1347	1/27/2011	195.00
1367	2/9/2011	16,000.00
1615	3/2/2011	1,500.00
1680	3/10/2011	270.00
1932	4/12/2011	8,655.00
2209	5/10/2011	1,550.00
2298	5/30/2011	4,735.00
2401	6/9/2011	1,055.95

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.	Gymnastics Competition	3/18/2011-3/20/2011	\$ 5,440.00
2.	Marvin Ridge HS Graduation	6/11/2011	4,171.74
3.	Men's Basketball	11/6/2010-2/26/2011	100,223.25
5.	Women's Basketball	11/6/2010-2/28/2011	5,271.00
6.	Men's Soccer	9/3/2010-10/30/2010	1,706.00
7.	Women's Soccer	8/27/2010-10/30/2010	1,578.43
9.	Volleyball (Includes BSC Tournament)	9/3/2010-11/20/2010	7,462.00
10.	Baseball	2/25/2011-5/21/2011	22,184.00
11.	Softball (BSC Tournament Only)	5/12/2011-5/14/2011	5,286

We found no exceptions as a result of this procedure.

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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:

Description	Reference Number	Amount Disbursed
1. Blue Star Basketball	I1100275	775.00
2. Jodi Kay Wendt	I1100291	2,800.00
3. Team Connection	I1101306	1,951.15
4. Golf Coaches Association of	I1101385	335.00
5. Southpaw Screenprint & Embr	I1101439	282.10
6. Double B Sports	I1101587	3,663.83
7. Reynolds and Reynolds Printing	I1102078	937.32
8. First Team Sports Center	I1102211	1,222.39
9. Conder Flag	I1102716	1,396.35
10. Chick-Fila	I1102966	68.13
11. Stentorian Productions	I1103568	640.93
12. Keen Sports Company Inc.	I1104323	781.10
13. Winthrop University Cashier	I1104328	498.00
14. Logo Works Inc.	I1104725	1,655.83
15. Aramark	I1105934	2,169.88
16. Benjamin A Paxton	I1106994	2,150.00
17. Benjamin A Paxton	I1107000	3,350.00
18. Medco Supply Company	I1107053	1,818.47
19. NDA Summer Camps	I1112363	1,350.00
20. Hary Thompson	I1113249	1,395.64
21. DN Visa Staples	J004190	211.56
22. JS Printing Chgs Jan14 2011	J004858	5.40
23. JP Phone Svcs Jan2011	J004978	23.18
24. PCS2895-1008-A Team	PF000019	1,190.00
25. PCS309-0408-Boxwood Tech	PF000027	245.00

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
Women's Basketball	Ashley N. Cox	Y	Y
Women's Soccer	Ann M. Lutzenkirchen	Y	Y
Softball	Carole A. Reda	Y	Y
Women's Tennis	Elizaveta N. Zaytseva	Y	Y
Women's CC/Track	Tara L. Bowen	Y	Y
Volleyball	Lauren M. Marlatt	Y	Y
Baseball	Kenneth P. Monteith	Y	Y
Men's Basketball	Joab Jerome	Y	Y
Men's Golf	Kamito Hirai	Y	Y
Men's Soccer	Jordan Osborn	Y	Y
Men's CC/Track	Andrew B. Harris	Y	Y
Non-Sport Specific	Joshua Bennet	Y	Y
Non-Sport Specific	Zachary Haire	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.

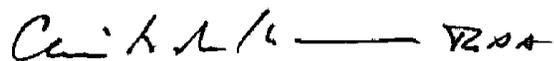
We found no exceptions as a result of this procedure.

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, 2011 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.



January 3, 2012

WINTHROP UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
Statement of Revenues, Expenditures and Transfers
For the Year Ended June 30, 2011
(Unaudited)

REVENUES	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Ticket Sales	\$ 100,247	5,271	38,216	-	143,734
Student Fees	151,036	169,918	801,438	3,939,609	5,062,001
Guarantees	182,500	16,000	18,750	-	217,250
Contributions	33,319	34,650	132,656	170,671	371,296
Direct Institutional Support	131,259	152,510	1,155,560	1,365,634	2,804,963
Indirect Facilities and Administrative Support	-	-	-	937,682	937,682
NCAA / Conference Distributions	54,610	-	12,170	468,084	534,864
Program Sales, Concessions, Novelty Sales, and Parking	-	-	1,671	18,804	20,475
Royalties, Licensing, Advertisements and Sponsorships	143,428	-	-	73,713	217,141
Sports Camp Revenues	-	-	-	4,038	4,038
Endowment and Investment Income	45,408	5,228	38,888	277,181	366,705
Other	-	-	30,415	75,366	105,781
Total Revenues	\$ 841,807	383,577	2,229,764	7,330,782	10,785,930
EXPENDITURES	Men's Basketball	Women's Basketball	Other Sports	Nonprogram Specific	Total
Athletic Student Aid	\$ 398,612	445,054	2,444,302	322,737	3,610,705
Guarantees	8,500	15,030	21,134	-	44,664
Coaching Salaries Benefits and Bonuses	466,810	330,785	1,227,716	-	2,025,311
Support Staff / Administrative Salaries, Benefits, and Bonuses	55,501	29,275	48,439	1,414,423	1,547,638
Severance Payments	-	-	134,222	-	134,222
Recruiting	38,414	27,209	68,716	-	134,339
Team Travel	92,111	62,552	438,695	-	593,358
Equipment, Uniforms and Supplies	31,678	27,624	192,883	100,185	352,370
Game Expenses	29,268	31,634	77,562	18,483	156,947
Fund Raising, Marketing and Promotion	4,841	5,592	5,076	12,740	28,249
Spirit Groups	-	-	-	16,240	16,240
Indirect Facilities and Administrative Support	-	-	-	937,682	937,682
Medical Expenses and Medical Insurance	4,362	3,295	32,757	180,367	220,781
Memberships and Dues	445	580	4,053	18,046	23,124
Other Operating Expenses	94,166	49,227	183,661	520,094	847,148
Total Expenditures	\$ 1,224,708	1,027,857	4,879,216	3,540,997	10,672,778
Excess (Deficiencies) of Revenue Over (Under) Expenses	\$ (382,901)	(644,280)	(2,649,452)	3,789,785	113,152

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, 2011
(Unaudited)

NOTE 1-CONTRIBUTIONS

Winthrop Foundation	\$	93,238
Comporium		<u>48,766</u>
	\$	<u><u>142,004</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 \$20,409,742 compared to the institution total of \$136,202,927.

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, 2011, there were no material capitalized interest costs incurred.

<u>Athletic Facilities</u>	<u>Basketball</u>	<u>Other</u>	<u>Total</u>
Additions	10,550	-	10,550
Deletions	-	-	-

WINTHROP UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
Notes to the Statement of Revenues, Expenditures and Transfers
June 30, 2011
(Unaudited)

NOTE 3- INTERCOLLEGIATE ATHLETICS - RELATED DEBT

	Intercollegiate Athletics Debt			
	Annual Maturities			
	2003 Institution Bonds (a)	2004 Institution Bonds (b)	2001 Ath Fac Rev Bonds	1981 Ath Fac Note Payable
2012	251,312	410,831	175,080	0
2013	255,578	407,356	169,572	0
2014	259,308	418,506	164,064	0
2015	257,308	418,813	158,556	0
2016	259,927	427,381	153,048	0
2017-2021	1,322,238	2,180,810	682,620	0
2022-2026	267,113	448,800	0	0
2027-2031	0	0	0	0
Total	<u>2,872,784</u>	<u>4,712,497</u>	<u>1,502,940</u>	<u>0</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.