

December 16, 1999

The Honorable James H. Hodges, Governor
and
Members of the Board of Trustees
Coastal Carolina University
Conway, South Carolina

This report on the application of certain agreed-upon procedures to the accounting records and the statement of revenues, expenditures, and transfers of the Coastal Carolina University Intercollegiate Athletics Program for the fiscal year ended June 30, 1999, was issued by Wildman & Richards, LLP, Certified Public Accountants, under contract with the South Carolina Office of the State Auditor.

If you have any questions regarding this report, please let us know.

Respectfully submitted,

Thomas L. Wagner, Jr., CPA
State Auditor

TLWjr/trb

COASTAL CAROLINA UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
Year Ended June 30, 1999

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON PROCEDURES

November 19, 1999

Mr. Thomas L. Wagner, Jr., CPA
State Auditor
State of South Carolina
Columbia, South Carolina

We have performed the procedures described below, which were agreed to by the South Carolina Office of the State Auditor and the Board of Trustees and management of Coastal Carolina University, solely to assist the University in complying with NCAA Bylaw 6.2.3.1 for the fiscal year ended June 30, 1999. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants (AICPA). The sufficiency of these procedures is solely the responsibility of the specified users of the 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:

1. We obtained from the University's accounting department, the statement of revenues, expenditures and transfers and note thereto of the intercollegiate athletics program for the year ended June 30, 1999, as prepared by management of Coastal Carolina University and shown as Attachment A in this report. We recalculated the addition of the amounts on the statement, traced those amounts to management's worksheets and agreed the amounts on the management's worksheets to the Athletic Department's accounts in the University's general ledger. We discussed the nature of the worksheet adjustments with management to satisfy ourselves that the adjustments were appropriate. We found no exceptions as a result of the procedures.
2. We obtained from the Athletic Department staff a list of all outside organizations not under the University's accounting control. The list included only the Coastal Carolina Booster Club, Inc. (the CINO Club). The CINO Club has 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 also obtained descriptions of the University's methods for gathering information on the nature and extent of the CINO Club's activities for or on behalf of the intercollegiate athletics program. We found no exceptions as a result of the procedures.
3. From the University's accounting department, we obtained a copy of the CINO Club's financial statements for the University's fiscal year and noted that these statements were audited by other auditors whose opinion dated August 18, 1999 was unqualified. We found no exceptions as a result of this procedure.
4. We obtained from the Assistant Athletic Director a listing of all expenditures made directly by the CINO Club for or on behalf of the University's intercollegiate athletics program or employees and determined they are included as revenues and expenditures on the University's Athletic Department's accounting records and its statement of revenues, expenditures and transfers. We found no exceptions as a result of the procedures.
5. We scanned the Athletic Department's contributions revenue accounts detail to identify each individual contribution received directly that constitutes more than ten percent of all contributions received for intercollegiate athletics. For the one such receipt, we reviewed the supporting documentation to determine if it was properly classified, if it was received from independent outside sources (those which don't have as one of their principal purposes the promotion and support of the intercollegiate athletics program), and to determine that the source and value of the contribution is disclosed in a footnote to the statement. We found no exceptions as a result of the procedures.

6. From the Athletic Department cash receipts files for all sports, we selected 20 receipts for intercollegiate athletics and tested them to determine if they were properly recorded and classified in the accounting records based on our review of the supporting documentation. The items selected for testing were chosen randomly. The total of the selected items was 1.6% of the aggregate total of recorded receipts. We found no exceptions as a result of the procedures.
7. We asked management to describe specific elements of the University's internal control unique to the Athletic Department's accounting system and financial reporting.
 - a. We tested the items selected in 6 above to determine if they were complete and properly classified based on a review of the supporting documentation. We also tested these items to determine if internal control over the reporting of these revenues was operating as described. We found no exceptions as a result of the procedures.
 - b. We tested 25 expenditures recorded in expense accounts applicable to the Athletic Department to determine if these expenditures were complete, properly classified, and properly authorized based on a review of the supporting documentation and if internal control over the reporting of these expenditures was operating as described. The items were selected systematically from the 2,390 Athletic Department vouchers. The items selected were .7% of the aggregate total of recorded expenditures. We found no exceptions as a result of the procedures.
 - c. We tested reported student activity fees revenue for reasonableness by comparing the recorded amount to our estimate of the fees using student enrollment and the fee per student per semester. We found no exceptions as a result of the procedures.
8. We examined guarantee contracts for all basketball games during fiscal year 1999. We compared the contract revenues to recorded revenues in the general ledger. We found no exceptions as a result of the procedures.
9. We obtained a schedule of Athletic Department salaries and agreed those amounts to the appropriate general ledger salary accounts. We estimated the related employer contributions expenditures using the University's average fringe benefits rates for comparably paid employees and compared our estimates with reported expenditures in the appropriate general ledger accounts. We found no exceptions as a result of the procedures.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified areas, accounts, or items. Furthermore, we were not engaged to express an opinion on the effectiveness of internal control over reporting described in paragraph one and procedures 1 - 9 of this report. Accordingly, we do not express such opinions. Had we performed additional procedures, or had we conducted an audit or review of the University's intercollegiate athletics program financial statements or any part thereof, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Office of the State Auditor and the Board of Trustees and management of Coastal Carolina University and is not intended to be and should not be used by anyone other than these specified parties.

WILDMAN & RICHARDS, LLP
Certified Public Accountants

Coastal Carolina University
Intercollegiate Athletics Program
Statement of Revenues, Expenditures, and Transfers
Year Ended June 30, 1999

Attachment A
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	Baseball	Men's Basketball	Soccer	Women's Basketball	Other Sports	Non-Sport Specific	Total
Operating Revenue and Transfers In:							
Student Activity Fees	\$0	\$0	\$0	\$0	\$0	\$1,574,000	\$1,574,000
Transfers from Current Fund of University	0	0	0	0	0	1,255,658	1,255,658
Guarantees	1,000	115,000	2,000	3,000	0	0	121,000
CINO Club Contributions	0	0	0	0	0	83,405	83,405
NCAA Program for Academic Enhancement	0	0	0	0	0	50,000	50,000
NCAA Distributions	0	0	0	0	5,632	29,278	34,910
Big South Distributions	0	0	0	0	0	48,500	48,500
Gifts – Unrestricted	1,250	5,110	0	1,000	5,050	10,154	22,564
Sponsorships	0	0	0	0	0	48,071	48,071
Athletic Camps	0	0	0	0	0	12,576	12,576
Ticket Sales	15,150	11,048	1,515	1,569	0	0	29,282
Tournament Income	9,549	0	0	0	0	0	9,549
Other	8,531	0	797	0	2,123	7,233	18,684
Total Revenues and Transfers In	35,480	131,158	4,312	5,569	12,805	3,118,875	3,308,199
Expenditures and Transfers Out:							
Scholarships	147,181	176,446	113,353	162,103	569,280	49,954	1,218,317
Salaries	70,742	140,136	46,000	89,875	195,411	421,468	963,632
Fringe Benefits	12,251	30,872	8,750	23,559	39,112	102,650	217,194
Team Travel	16,342	36,285	18,980	25,714	128,185	0	225,506
Recruiting	7,871	28,857	12,547	8,506	19,266	0	77,047
Guarantees	0	10,050	500	3,000	0	0	13,550
Equipment Rentals and Leases	1,449	1,200	0	1,449	1,023	8,869	13,990
Equipment Purchase and Repairs	15	1,532	25	1,475	70	511	3,628
Insurance	140	566	0	140	166	19,493	20,505
Broadcasting Services	0	0	0	0	0	12,550	12,550
Game Officials	8,950	15,540	3,602	10,350	4,902	0	43,344
Other Services	2,103	6,830	135	1,480	7,651	19,477	37,676
Athletic Supplies	31,016	27,396	11,372	14,614	87,001	27,244	198,643
Office Expenses	2,757	18,198	6,616	4,494	13,548	72,076	117,689
Staff Travel	149	1,548	1,905	27	3,193	13,084	19,906
Printing and Advertising	792	1,900	417	33	3,217	32,470	38,829
Visiting Team Expenses	3,197	800	350	201	0	0	4,548
NCAA Restricted EarningsSettlement	0	0	0	0	0	57,319	57,319
Transfer to Plant Funds of University	0	0	0	0	0	10,829	10,829
Other	0	0	0	0	150	560	710
Total Expenditures and Transfers Out	304,955	498,156	224,552	347,020	1,072,175	848,554	3,295,412
Excess (Deficiency) of Revenues and Transfers In Over (Under) Expenditures and Transfers Out	(\$269,475)	(\$366,998)	(\$220,240)	(\$341,451)	(\$1,059,370)	\$2,270,321	\$12,787

COASTAL CAROLINA UNIVERSITY
NOTE TO INTERCOLLEGIATE ATHLETICS PROGRAM STATEMENT OF REVENUES,
EXPENDITURES, AND TRANSFERS
Year Ended June 30, 1999

1. INDIVIDUAL CONTRIBUTIONS EXCEEDING TEN PERCENT OF TOTAL CONTRIBUTIONS

Contributions and gifts to Coastal Carolina University's intercollegiate athletics program totaled \$154,040. This amount is reported in Attachment A at the following captions:

CINO Club Contributions	\$ 83,405
Gifts - Unrestricted	22,564
Sponsorships	<u>48,071</u>
	<u>\$ 154,040</u>

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

CINO Club	\$ 83,000
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COASTAL CAROLINA UNIVERSITY
AUDITORS' COMMENTS
Year Ended June 30, 1999

CURRENT YEAR FINDINGS

There are no current year findings.

FOLLOW UP ON PRIOR YEAR FINDINGS

There were no prior year findings