

**COLLEGE OF CHARLESTON
DEPARTMENT OF ATHLETICS
CHARLESTON, SOUTH CAROLINA**

STATEMENT OF REVENUES AND EXPENDITURES

FOR THE YEAR ENDED JUNE 30, 2001

(with Independent Auditor's Report thereon)

State of South Carolina



Office of the State Auditor

1401 MAIN STREET, SUITE 1200
COLUMBIA, S.C. 29201

THOMAS L. WAGNER, JR., CPA
STATE AUDITOR

(803) 253-4160
FAX (803) 343-0723

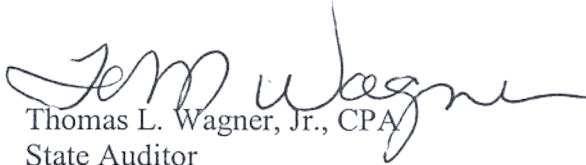
April 4, 2002

The Honorable Jim Hodges, Governor
and
Members of the Board of Trustees
College of Charleston
Charleston, South Carolina

This report on the audit of the statement of revenues and expenditures of the College of Charleston's Department of Athletics for the fiscal year ended June 30, 2001, was issued by Rogers & Laban, PA, 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/kss

**COLLEGE OF CHARLESTON
DEPARTMENT OF ATHLETICS
CHARLESTON, SOUTH CAROLINA**

FOR THE YEAR ENDED JUNE 30, 2001

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ROGERS & LABAN, PA

CERTIFIED PUBLIC ACCOUNTANTS AND FINANCIAL CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of revenues and expenditures of the College of Charleston Department of Athletics for the year ended June 30, 2001. The financial statement is the responsibility of the College's management. Our responsibility is to express an opinion on the statement of revenues and expenditures based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the revenues and expenditures of the College of Charleston Department of Athletics for the year ended June 30, 2001 in conformity with accounting principles generally accepted in the United States of America.

Rogers + Laban, PA

February 15, 2002



SCACPA

**COLLEGE OF CHARLESTON
DEPARTMENT OF ATHLETICS
STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2000**

Categories	Men's		Women's		Coed	Non-program Specific	Total	2000 Total
	Basketball	Other Sports	Basketball	Other Sports				
Revenues:								
Student Activity Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,229,883	\$ 3,229,883	\$ 2,775,229
Vending Machine Sales	-	-	-	-	-	4,271	4,271	1,617
Commissions	-	-	-	-	-	12,373	12,373	11,515
Ticket Sales	15,662	12,247	835	3,162	-	159,231	191,137	146,459
NCAA Distribution	-	3,329	-	-	-	69,910	73,239	51,923
Contributions Restricted for Scholarships	-	7,000	-	-	-	225,000	232,000	221,975
Rental Income	-	-	-	-	-	4,000	4,000	4,200
Royalties	-	-	-	-	-	21,371	21,371	9,824
Guarantees	75,000	-	-	500	-	-	75,500	85,050
Entry Fees	-	-	-	60,525	-	-	60,525	58,785
Other	1,000	15,011	1,000	1,800	-	-	18,811	15,321
Total Revenues	<u>\$ 91,662</u>	<u>\$ 37,587</u>	<u>\$ 1,835</u>	<u>\$ 65,987</u>	<u>\$ -</u>	<u>\$ 3,726,039</u>	<u>\$ 3,923,110</u>	<u>\$ 3,381,898</u>
Expenditures:								
Personal Services	\$ 231,491	\$ 246,781	\$ 105,063	\$ 218,440	\$ 106,780	\$ 315,368	\$ 1,223,923	\$ 1,080,702
Fringe Benefits	42,436	58,869	25,862	53,087	24,129	72,036	276,419	219,680
Contractual Services	133,704	137,291	55,551	170,942	48,139	133,252	678,879	663,548
Supplies	23,247	68,773	16,919	60,010	146	69,226	238,321	190,861
Scholarship	180,083	316,484	156,065	450,195	-	6,763	1,109,590	990,663
Fixed Charges	59,324	6,503	8,625	7,142	790	41,276	123,660	129,587
Equipment	-	-	-	-	-	-	-	17,559
Travel	31,324	17,888	19,193	14,939	-	4,603	87,947	69,899
Total Expenditures	<u>\$ 701,609</u>	<u>\$ 852,589</u>	<u>\$ 387,278</u>	<u>\$ 974,755</u>	<u>\$ 179,984</u>	<u>\$ 642,524</u>	<u>\$ 3,738,739</u>	<u>\$ 3,362,499</u>
Excess(Deficiency) of Revenues over Expenditur	<u>\$ (609,947)</u>	<u>\$ (815,002)</u>	<u>\$ (385,443)</u>	<u>\$ (908,768)</u>	<u>\$ (179,984)</u>	<u>\$ 3,083,515</u>	<u>\$ 184,371</u>	<u>\$ 19,399</u>

The accompanying notes are an integral part of this financial statement.

**COLLEGE OF CHARLESTON
DEPARTMENT OF ATHLETICS**

**Notes to Financial Statement
June 30, 2001**

1. Summary of Significant Accounting Policies

The Department of Athletics is an auxiliary enterprise of the College and is responsible for the intercollegiate athletic programs of the College of Charleston. The Department's transactions are reported in the College's unrestricted current funds in the auxiliary enterprises subgroup. The College's NCAA Division I membership became effective September 1, 1991.

- A. Accrual Basis - The statement of revenues and expenditures has been prepared using the accrual basis of accounting, except that, in accordance with accounting practices customarily followed by governmental educational institutions in the United States of America, no provision is made for depreciation of physical plant assets. Generally, revenue is recognized when earned and expenditures when materials or services are received. Indirect costs, including general administrative costs, maintenance, and other related costs, are allocated to the Department of Athletics as a percentage of Athletics' salaries to total College salaries. These costs of \$68,217 were recorded as contractual services-non program specific. The accompanying statement presents the financial activities of the College of Charleston Department of Athletics. It does not purport to present the result of operations or the net income or loss for the period.

- B. Fund Accounting - In order to ensure observance of limitations and restrictions placed on the use of resources available to the College's Department of Athletics, the accounts are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. Separate accounts are maintained for each auxiliary enterprise. In the accompanying financial statement, all financial transactions related to the College's intercollegiate athletic program are reported.

2. NCAA Legislation

In June 1985, the National Collegiate Athletic Association ("NCAA") adopted legislation that required all expenditures for, or on behalf of, an institution's intercollegiate athletics program, including those by outside organizations, to be included in the audited statement of revenues and expenditures.

In January 1987, the NCAA constitution was amended to exempt from this audit requirement those institutions with operating budgets for intercollegiate athletics of less than \$300,000.

**COLLEGE OF CHARLESTON
DEPARTMENT OF ATHLETICS**

**Notes to Financial Statement
June 30, 2001**

2. NCAA Legislation (Continued)

In January 1988, effective January 14, 1988, the constitution was again amended. This amendment removed the audit requirement from the NCAA constitution and incorporated its provisions into three separate bylaws which contain revisions specific to each membership division.

As a Division 1 member of the NCAA, the College of Charleston is required to have an audit of the Department's annual statement of revenues and expenditures completed by the end of the subsequent fiscal year. Members that have an institution wide financial audit can comply with this legislation by having the auditor perform certain minimum agreed-upon procedures. NCAA bylaws require all expenditures for or on behalf of the College's intercollegiate athletics program including those by outside organizations, to be included on the Department's statement of revenues and expenditures.

3. Outside Organizations

The Cougar Club is a 501 C3 organization with its own charter and Board. The primary mission of the Cougar Club is to promote intercollegiate athletics at the College of Charleston. Season tickets to athletic games are available only through membership in the Cougar Club and entitle the purchaser to entrance to many athletic events. Net revenues from ticket sales after the deduction of certain expenses are remitted to the College annually. During the fiscal year 2001, \$159,231 was remitted to the College and reported as ticket sales revenue.

Contributions to the College from the Cougar Club are restricted for scholarships, but are non-program specific. During fiscal year 2001, \$225,000 was contributed to the Athletic Department.

The Cougar Club's financial activities are not included in the statement presented.

4. Contributions

For the year ended June 30, 2001, Athletic Department contributions in excess of 10% of total Athletic Department contributions restricted as use for funding scholarships were as follows:

<u>Donor</u>	<u>Amount</u>
College of Charleston Cougar Club	\$225,000

**COLLEGE OF CHARLESTON
DEPARTMENT OF ATHLETICS**

**Notes to Financial Statement
June 30, 2001**

5. Student Activity Fees

For fiscal year 2001, the Board of Trustees approved a student fee to support intercollegiate athletics of \$165 per full time student, prorated for part-time students. The College recognized \$3,229,883 in student athletic fees during fiscal year 2001.