

THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA

SINGLE AUDIT REPORTS

AND

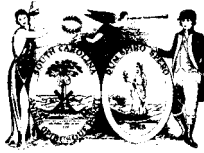
RELATED SCHEDULES

YEAR ENDED JUNE 30, 2002

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State of South Carolina



Office of the State Auditor

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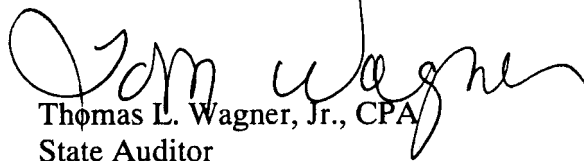
March 27, 2003

The Honorable Mark Sanford, Governor
and
Members of the Board of Trustees
College of Charleston
Charleston, South Carolina

The report on compliance and internal control over financial reporting, and the report on compliance and internal control over compliance applicable to each major program of the College of Charleston for the fiscal year ended June 30, 2002, were issued by Cherry, Bekaert, & Holland, LLP, Certified Public Accountants, under contract with the South Carolina Office of State Auditor. These reports are an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with the basic financial statements of the College of Charleston for the fiscal year ended June 30, 2002, issued by Cherry, Bekaert, & Holland, LLP, Certified Public Accountants, dated October 31, 2002.

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

Respectfully submitted,


Thomas L. Wagner, Jr., CPA
State Auditor

TLWjr/trb



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND ON THE
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The Office of the State Auditor
and
Members of the Board of Trustees
The College of Charleston
Charleston, South Carolina

Compliance

We have audited the compliance of The College of Charleston with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. The College of Charleston's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of The College of Charleston's management. Our responsibility is to express an opinion on The College of Charleston's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The College of Charleston's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on The College of Charleston's compliance with those requirements.

In our opinion, The College of Charleston complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

The management of The College of Charleston is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered The College of Charleston's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of The College of Charleston as of and for the year ended June 30, 2002. Our audit was performed for the purpose of forming an opinion on the basic financial statements of The College of Charleston, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended for the information and use of The Board of Trustees, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Chung, Belant, Holland, L.L.P.

Florence, South Carolina
October 31, 2002

THE COLLEGE OF CHARLESTON
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2002

Federal Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
Direct Programs:			
U.S Department of Agriculture			
Evaluation of Resistance to Root-Knot Nematodes in Pepper Pls and Rhizoctonia in Vigna Pls	10.001	58-6659-1-211	13,720
Disease Resistance Lowered By Disolved Oxygen and PH in Aquacultered Shrimp	10.206	99-352048555	57,236
The Influence of Seed Predation on the Population Dynamics of Problem Weeds in Arable Farming	10.206	2002-35311-11682	25,543
Hydrology of Depressional and Dendritic Drainage Patterns in Lower Coastal Plain Landscapes	10.652	SRS 01-CA-11330135513	17,202
Amphibian Inventory and Monitoring in the Francis Marion National Forest	10.999	01-PA-11081209-45	3,425
Total U.S. Department of Agriculture			<u>117,126</u>
U.S Department of Defense			
Twisted Monster Lie Algebras and Generalized Moonshine	12.901	MDA904-02-1-0073	6,812
U.S Department of Housing and Urban Development			
Student and Faculty Housing	14.506	SC97D30205260	13,462
National Aeronautics Space Administration			
SC Space Grant Consortium	43.001	NGT5-40050	88,073
Keys to Implementing NASA's OSS Education and Outreach Broker/Facilitator Program	43.001	NCC5-263	217,395
NASA EPSCoR Preparation Grant	43.001	NCC5-413-01	114,829
Exploring the Solar System	43.001	NAG5-7183	16,207
Exploring the Solar System	43.001	NAG5-10633	21,730
Beta Pic-Like Circumstellar Gas Disk Around 2 and Fuse 00	43.001	NAG5-10313	4,289
An Artificial Intelligence Classification Tool and Its Application to Gamma Ray Bursts	43.001	NAG5-10625	58,321
S.C Space Grant Consortium	43.001	NGT5-40099	209,062
South Carolina NASA EPSCoR Program	43.001	NCC5-575	74,775
Southeast Regional Clearing House	43.001	NCC5-607	104,140
Total National Aeronautics Space Administration			<u>908,821</u>
National Science Foundation			
Regioselective Syntheses of Heterocycles and their Applications	47.049	CHE-0212699	6,031
New Heterocycles: Preparation, Characterization, Photohysical Studies	47.049	CHE-9708014	295
Guiding Gamma-Ray Burst Classification with the KDD Process	47.049	AST-0098499	9,306
Molecular Dynamics Simulations to Study High Energy Bombardment	47.049	CHE-9800362	1,921
Nonstandard Analysis in Additive Number Theory	47.049	DMS-0070407	38,315
Four College Photoelectric Telescope for Astronomical Research	47.049	AST-007-1260	69,279
In-Situ Determination of Iron Limitation in The Peruvian Updwelling	47.050	OCE-9907931	94,916
Mechanisms of Induced Pathogen Resistance in Seagrasses	47.050	OCE-0117313	29,253
JGOFs-Synthesis-The Role of Phytoplankton Community Structure	47.050	OCE-9904687	35,876
Using Shipboard Chemostats	47.050	OCE-0094415	86,214
Maintenance of Species Diversity in Temporary Ponds	47.074	DEB-9727039	35,770
Effects of Project Mutations on Myofibrillogenesis in Drosophilla	47.074	MCB-9996318	94,550
Research Experience in Phsiology, Cell and Molecular Biology	47.074	DBI-9876926	43,528
Nonequilibrium Determinants of Microbial Community Structure	47.074	DEB-0108615	53,084
Molecular Biology Core Facility For Grice Marine Research	47.074	DBI-0122336	74,985
Cordinate Induction of Sink Stregnth and Metabolism in Trees	47.074	IBN-0114458	19,045
Media and Mobilization - Radio and Southern Textile Workers	47.075	SES0136837	12,958
Coordinating Undergraduate Field Laboratories	47.076	DUE-9851239	7,136
Workforce Scholarship Project in Computer Sciences and Math	47.076	DUE-0123032	865
The Biogeochemistry of DMS in a Chemically Stratified Lake	47.078	OPP-9818140	19,558
SGER: Biogenic Sulfur Compounds in the Bering Sea	47.078	OPP-0104190	23,274
SGER: Brassicasterol As a Biomarker in the Ross Sea	47.078	OPP-0112478	30,162
Total National Science Foundation			<u>786,321</u>

THE COLLEGE OF CHARLESTON
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2002

Small Business Administration			
Small Business Administration Case Studies	59.005	504640159	<u>65</u>
U.S Department of Education			
Supplemental Educational Opportunity Grant	84.007	P007A003774	276,445
Creating An Inter-American University	84.016A	P016A990046	6,105
Federal Work Study	84.033		359,517
Federal Perkins Loan Program	84.038	P038A013774	109,000
Upward Bound	84.047A	P047A990206	395,783
Federal Pell Grant Program	84.063		4,077,590
Upgrade of Scientific Equipment Infrastructure	84.116Z	P116Z020062	41,073
SC International Business Development Alliance	84.153A	P153A010094	66,371
Project Breakthrough: Transforming Education for Low Income Children	84.206A	R206A980044	83,986
William D. Ford Direct Loan Program	84.268		<u>27,920,650</u>
Total U. S. Department of Education			<u>33,336,520</u>
Department of Health and Human Services			
Age, Memory and Emotion	93.866	R55AG15996-2	<u>3,197</u>
U.S. Department of Agriculture			
Passed through Clemson University			
Killed Cover Crops as Mulches for Vegetable Production	10.200	99-341038171	<u>4,909</u>
National Oceanic Atmospheric ADM			
Passed through SC Sea Grant Consortium			
Middle Schools Coasteam	11.417	NA86RG0052-6	830
Geologic Framework of the Grand Strand Region	11.417	NA97RG0431	14,642
Coastal Erosion Study-Outreach and Education	11.417	NA97RG0431	33,773
Spatially Important Macrofauna of Hard Bottom			
Communities off South Carolina	11.417	NA86RG0052	1,052
Testing and Evaluating A Teaching Model in Marine			
Science for Middle School	11.417	NA86RG0052	28,744
Implementation of A SC Sea Grant Marine Education Program	11.417	00HQAG0208	2,832
COASTeam Aquatic Workshops - A School Wide Approach to			
Integrating Marine and Aquatic Concepts into the K-5			
Science Curriculum	11.417	NA16RG2250	8,771
Restoring Sweetgrass in the Coastal Maritime Grasslands			
and Savannahs	11.417	NA86RG0052	3,774
Passed through Pacific Shellfish Institute			
Mortality of Pacific Oysters	11.417	NA96RG0488	12,945
Passed through SC Dept of Health and Environmental Control			
Survey of SC Coastal Dock Owners	11.419	NA070Z0133	10,845
Management of National Marine Fisheries Charleston Laboratory	11.426	674-C91405	22,118
Management of National Marine Fisheries Charleston Laboratory	11.426	674-W00085	111,735
Management of National Marine Fisheries Charleston Laboratory	11.426	N613318232	15,400
Urbanization and Southeastern Estuarine Systems Public			
Outreach and Information Dissemination	11.426		148
Passed through University of Maine			
Genetic Identification of Deepwater Octocorals off the Northeast			
Coast of the United States	11.430	NA06RU0140	4,130
Passed through University of North Carolina at Wilmington			
Deep East 2001: An Education Plan	11.430	NA96RU-0260	74,017
The Globe Program	11.449	40AANA909091	3,057

THE COLLEGE OF CHARLESTON
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2002

Passed through SC Department of Natural Resources			
Southeastern Regional Taxonomic Center	11.472	NA16FL1490	33,591
South Atlantic Bight Regional Exploration	11.473	NA170C1482	171,918
Analysis of Sea Turtle Blood Samples for Testosterone Levels for Sex Determination	11.999	40RTNF000046	783
Analysis of Sea Turtle Blood Samples for Testosterone Levels for Sex Determination	11.999	40ETNF170062	445
Sea Turtle Testosterone Analysis - Florida Bay	11.999	40AANF1A4103	71
Characterization of Stressors on Grass Shrimp and Corals	11.999	40EUNC200113	1,731
Production of Carysfort Reef Posters and CD Roms	11.999		<u>1,735</u>
Total National Oceanic Atmospheric ADM			<u>559,087</u>
U. S. Department of the Interior			
Passed through SC Parks, Recreation and Tourism			
S.C. National Heritage Corridor	15.904	1443CA509098	1,350
Genetic Analysis of Seabeach Amaranth	15.999	14840181-99-G-087	<u>5,141</u>
Total U.S. Department of the Interior			<u>6,491</u>
U.S. Department of Justice			
Passed through SC Department of Public Safety			
Bullet Proof Vest Program	16.607		1,593
Passed through SC Dept of Alcohol and Other Drug Abuse Services			
Enforcing Underage Drinking Laws	16.727	99-AH-FX-0045	3,872
Coalition for Change/Social Norms	16.727	2000-AH-FX-0045	<u>20,000</u>
Total U.S. Department of Justice			<u>25,465</u>
U.S. Department of Transportation			
Passed through SC Dept of Transportation			
Impact Assessment of the New Cooper River Bridge	20.205		<u>14,262</u>
National Aeronautics Space Administration			
Passed through The University of Alabama in Huntsville			
BATSE 5B Catalog	43.001	NCC8-200	2,528
Early BATSE GRB Afterglows	43.999	NAG5-11017	26,268
Passed through The SC Research Authority			
NASA EPSCoR Management	43.999	NCC5-174	2,017
Wetland Research	43.999	NCC5-174	6,807
Passed Through The University of South Carolina			
NASA EPSCoR Management	43.999	NCC5-174	261
Wetland Research	43.999	NCC5-174	<u>6,498</u>
Total National Aeronautics Space Administration			<u>44,379</u>
National Foundation of the Arts and the Humanities			
Passed Through the S.C. Humanities Council			
Documenting the History of Black Baptist Women in S.C.	45.129	SO-21740-01	1,200
Teacher Leadership and Successful Schools	45.129	SO-21740-01	1,200
Regional Humanities Center Proposal	45.129	SO-21740-01	1
Honoring Fallen Soldiers	45.129	SO-21740-01	4,840
Planning Grant for Regional Humanities Center	45.130	CW-20007-00	173
Processing the Jewish Archives, 1750 to the Present	45.149	PA-23691-01	87,973
The Material World of Tidewater, the Lowcountry, and the Caribbean	45.161	RZ-20860-02	<u>17,940</u>
Total National Foundation of the Arts and the Humanities			<u>113,327</u>

THE COLLEGE OF CHARLESTON
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2002

National Science Foundation			
Passed Through California State University Fullerton Foundation			
Detailed Study of the Cicumstellar Enviroment Around A-Type Stars	47.049	AST-9819737	43,238
Passed Through the University of Georgia			
A Live Performance Simulation System: Virtual Vaudeville	47.070	RR171-027	375
Passed Through the University of Alabama - Tuscaloosa			
Phylogeny of Physid Snails and Evolution of Reproductive Isolation	47.074	DEB-0128964	6,073
Passed Through the University of South Carolina			
S.C. Alliance For Minority Participation	47.076	HRD-9702034	29,390
Passed Through the State Department of Education			
Charleston Mathematics and Science Hub	47.076	ESR-9810313	46,833
SC SSI Technical Education Research Center	47.076	ESR-9810313	48,785
Passed Through Claflin University			
SC Computer Science, English and Math Scholarships	47.076	DUE 0094797	2,000
Passed Through Berkley County School District			
Middle School Science Standards Institute Coordinator	47.076	ESI-9986869	3,389
Total National Science Foundation			<u>180,083</u>
Enviromental Protection Agency			
Passed Through Florida Dept of Enviromental Protection			
Florida Keys Coral Monitoring	66.454	X994649-94-2	1,955
Passed Through Old Dominion University Research Foundation			
The Role of Ecosystem Processes in Restoring Local and Regional Species Diversity in Coastal Plain Watersheds	66.500	R825795-01-0	9,670
Passed Through National Association of Schools of Public Affairs and Administration			
SCOPE - Lead based paint/Steel Structures	66.606	CX826356-01-3	5,770
Total Enviromental Protection Agency			<u>17,395</u>
U.S. Department of Education			
Passed Through Charleston County School District			
High Five Even Start Program	84.213C	S213C000041	2,707
High Five Even Start Program	84.213C	02EK017	4,150
Passed Through the SC Department of Education			
Upward Bound Academy For Academic Excellence	84.276A	01GB303	8,913
Passed Through the SC Commission on Higher Education			
Institute For Foreign Language Teachers	84.281A	S281B000040	941
Institute For Foreign Language Teachers	84.281B	S281B000040	45,149
Passed Through Charleston County School District			
Planning Grant For Charter School Progam	84.282	S282A97007-98	1,728
Passed Through the SC Commission on Higher Education			
Gear Up - Saturday Academic and Summer Institute	84.334A	P334A990172-00	25,472
Gear Up - Saturday Academic and Summer Institute	84.334A	P334A990172-01	102,199
Passed Through the SC Department of Education			
Title II Teacher Quality Enhancement Grant	84.336A	01F1303	3,018
Title II Statndards and Assessment Project	84.336A	02F1303-01	26,686
Title II Praxis Workshop	84.336A	02F1303-02	3,350
Total U.S. Department of Education			<u>224,313</u>

THE COLLEGE OF CHARLESTON
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2002

U.S. Department of Health and Human Services			
Passed Through the University of South Carolina			
South Carolina Biomedical Research Infrastructure Network	93.389	P20RR16461-01	49,487
Passed Through the Medical University of South Carolina			
Light Dosimetry Modeling for Esophageal Photodynamic Therapy	93.398	P20RR16461-01	11,723
Passed Through Project Duke University			
Age, Optimal Time of Day, and Cognition	93.866	5R01 AG12753-04	<u>46,787</u>
U.S. Department of Health and Human Services			<u>107,997</u>
 Total Federal Assistance Expended			 <u><u>36,470,032</u></u>

THE COLLEGE of CHARLESTON
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2002

Note 1 - Basis of Presentation

The accompanying schedule of federal awards includes the federal grant activity of The College of Charleston and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 - Loans Outstanding

The Student Financial Assistance Loan Programs Cluster (SFA) is defined as a cluster of closely related student financial assistance programs with different CFDA numbers that share common compliance requirements. The loan program amounts are as follows:

	CFDA Number	Loans Made During Fiscal Year 2002	Loan Balance at June 30, 2002
Federal Perkins Loan Program- Federal Capital Contributions	84.038	\$ 109,000	\$2,373,946
Federal Direct Student Loan	84.265	\$27,920,650	\$ -

The Federal Direct Student Loan program provides loan capital directly from the federal government (rather than through private lenders) to vocational, undergraduate, and graduate students and their parents. The loans are made directly from the federal government; therefore there is no loan balance recorded at the university level.

THE COLLEGE OF CHARLESTON
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2002

I. Summary of auditor's results

- A. An unqualified opinion dated October 31, 2002 was issued on the financial statements of The College of Charleston.
- B. Our audit of the financial statements disclosed no reportable conditions related to internal control over financial reporting.
- C. Our audit of the financial statements disclosed no instances of noncompliance with laws, regulations and the provisions of contracts and grant agreements that are material to the financial statements.
- D. An unqualified opinion dated October 31, 2002 was issued on The College of Charleston's compliance with the types of compliance requirements applicable to its major federal programs.
- E. There are no findings related to internal control over major programs required to be reported under Section .510 of OMB Circular A-133.
- F. Major federal programs for The College of Charleston for the fiscal year ended June 30, 2002 are:

<u>CFDA Number</u>	<u>Program Title</u>
84.007	Supplemental Educational Opportunity Grant
84.033	Federal Work Study
84.038	Federal Perkins Loan Program
84.063	Pell Grant Program
84.268	William D. Ford Direct Loan Program
84.047A	Trio - Upward Bound
43.001	Aerospace Education Services Program
47.074	Biological Sciences

- G. The threshold for determining major federal programs for The College of Charleston was \$300,000.
- H. The College of Charleston was assessed as a low risk auditee under Circular No. A-133.

II. Findings related to the audit of the financial statements of The College of Charleston

There were no findings related to the audit of the financial statements that are required to be reported.

III. Findings and questioned costs related to the audit of federal awards

No findings and questioned costs for federal awards were noted that are required to be reported under Section .510 (a) of OMB Circular A-133.

THE COLLEGE of CHARLESTON
Status of Prior Findings
June 30, 2002

During the current engagement, we reviewed the status of the corrective action taken on each of the findings reported in the Management Letter Comments section of the Independent Auditor's Report on Internal Control of the College of Charleston resulting from the audit of the College's financial statements as of and for the year ended June 30, 2001. That audit was performed by other auditors, whose report was dated November 9, 2001. We determined that the College has taken adequate corrective action on each of the findings.



**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Office of the State Auditor
and
Members of the Board of Trustees
The College of Charleston
Charleston, South Carolina

We have audited the financial statements of The College of Charleston, as of and for the year ended June 30, 2002, and have issued our report thereon dated October 31, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether The College of Charleston's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The College of Charleston's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be a material weakness. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting its operation that we considered to be material weaknesses.

This report is intended for the information and use of the Board of Trustees, management, and the federal awarding agencies and pass-through

This report is intended for the information and use of the Board of Trustees, management, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Chung, Behant, Holland, L.L.P.

Florence, South Carolina
October 31, 2002