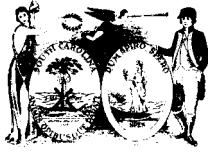


**COASTAL CAROLINA UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
**Year Ended June 30, 2001**

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

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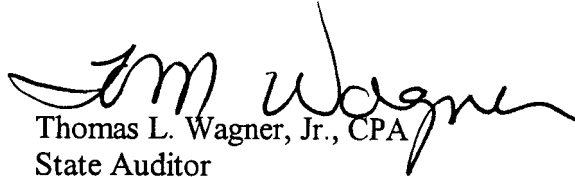
December 18, 2001

The Honorable Jim 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, 2001, was issued by Walda Wildman, LLC, Certified Public Accountant, 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/cwc

**WALDA WILDMAN LLC**  
CERTIFIED PUBLIC ACCOUNTANT

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**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES**

November 19, 2001

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

I 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, 2001. The Board of Trustees and management are responsible for Coastal Carolina University's compliance with the requirements of NCAA Bylaw 6.2.3.1 and supporting financial records and those internal controls related to compliance. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, I 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. I obtained from the University's accounting department, the statement of revenues, expenditures, and transfers and notes thereto of the intercollegiate athletics program for the year ended June 30, 2001, as prepared by management of Coastal Carolina University and shown as Attachment A in this report. I 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. I discussed the nature of the worksheet adjustments with management to satisfy myself that the adjustments were appropriate. I found no exceptions as a result of the procedures.
2. I 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. I 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. I found no exceptions as a result of the procedures.
3. From the University's accounting department, I 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 27, 2001, was unqualified. I found no exceptions as a result of this procedure.
4. I 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 accounting records and its statement of revenues, expenditures and transfers. I found no exceptions as a result of the procedures.
5. I 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, I 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. I found no exceptions as a result of the procedures.

6. From the Athletic Department cash receipts files for all sports, I selected 25 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 5.8% of the aggregate total of recorded receipts. I found no exceptions as a result of the procedures.

7. I asked management to describe specific elements of the University's internal control unique to the Athletic Department's accounting system and financial reporting.

a. I tested the items selected in 6 above to determine if they were complete and properly classified based on a review of the supporting documentation. I also tested these items to determine if internal control over the reporting of these revenues was operating as described. I found no exceptions as a result of the procedures.

b. I 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 2,450 Athletic Department vouchers. The items selected were 1.02% of the aggregate total of recorded expenditures. I found no exceptions as a result of the procedures.

c. I 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. I found no exceptions as a result of the procedures.

8. I examined guarantee contracts for all basketball games during fiscal year 2001. I compared the contract revenues to recorded revenues in the general ledger. I found no exceptions as a result of the procedures.

9. I obtained a schedule of Athletic Department salaries and agreed those amounts to the appropriate general ledger salary accounts. I 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. I found no exceptions as a result of the procedures.

I was not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the specified areas, accounts, or items. Furthermore, I was not engaged to express an opinion on the effectiveness of internal controls over compliance described in paragraph one and procedures 1 - 9 of this report. Accordingly, I do not express such opinions. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the information and use of the Governor, 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.

*Walda Wildman, LLC*

WALDA WILDMAN, LLC  
Certified Public Accountant

**COASTAL CAROLINA UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM  
STATEMENT OF REVENUES, EXPENDITURES, AND TRANSFERS  
Year Ended June 30, 2001**

	Baseball	Men's Basketball	Soccer	Women's Basketball	Other Sports	Non-Sport Specific	Total
<b>Operating Revenue and Transfers In:</b>							
Student Activity Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$1,932,918	\$1,932,918
Transfers from Current Fund of University	0	0	0	0	0	1,401,052	1,401,052
Guarantees	600	165,000	0	8,500	0	0	174,100
CINO Club Contributions	0	0	0	0	0	100,000	100,000
NCAA Program for Academic Enhancement	0	0	0	0	0	50,000	50,000
NCAA Distributions	13,550	0	0	0	8,860	47,916	70,326
Big South Distributions	0	0	0	0	0	47,960	47,960
Gifts - Unrestricted	0	1,433	0	1,350	7,500	18,250	28,533
Sponsorships	0	0	0	0	0	76,098	76,098
Athletic Camps	0	0	0	0	0	16,570	16,570
Ticket Sales	4,530	12,521	730	1,237	728	0	19,746
Other	10	350	0	0	170	5,046	5,576
<b>Total Revenues and Transfers In</b>	<b>18,690</b>	<b>179,304</b>	<b>730</b>	<b>11,087</b>	<b>17,258</b>	<b>3,695,810</b>	<b>3,922,879</b>
<b>Expenditures:</b>							
Scholarships	158,784	145,627	137,381	164,846	782,276	60,788	1,449,702
Salaries	79,188	144,616	49,115	99,607	331,246	490,458	1,194,230
Fringe Benefits	15,259	35,876	10,277	26,658	78,411	130,634	297,115
Team Travel	39,663	63,560	19,805	30,548	160,312	0	313,888
Recruiting	10,542	23,417	2,732	14,046	35,612	0	86,349
Guarantees	1,446	1,700	500	3,500	0	0	7,146
Equipment Rentals and Leases	0	2,450	0	0	334	9,503	12,287
Equipment Purchase and Repairs	75	281	0	0	0	697	1,053
Insurance	0	485	0	238	0	24,303	25,026
Broadcasting Services	0	0	0	0	0	52,159	52,159
Game Officials	10,240	15,693	3,574	11,097	10,803	0	51,407
Other Services	180	6,573	90	36	4,920	37,287	49,086
Athletic Supplies	33,006	30,848	9,601	18,324	83,472	0	175,251
Office Expenses	3,725	11,593	2,632	3,145	15,253	115,554	151,902
Staff Travel	482	1,733	0	36	1,369	11,039	14,659
Printing and Advertising	245	818	0	307	811	32,059	34,240
Visiting Team/Tournament Expenses	2,272	0	1,180	427	0	0	3,879
Other	0	0	100	0	0	277	377
<b>Total Expenditures</b>	<b>355,107</b>	<b>485,270</b>	<b>236,987</b>	<b>372,815</b>	<b>1,504,819</b>	<b>964,758</b>	<b>3,919,756</b>
<b>Excess (Deficiency) of Revenues and Transfers</b>							
In Over (Under) Expenditures	<u>\$ (336,417)</u>	<u>\$ (305,966)</u>	<u>\$ (236,257)</u>	<u>\$ (361,728)</u>	<u>\$ (1,487,561)</u>	<u>\$2,731,052</u>	<u>\$ 3,123</u>

**COASTAL CAROLINA UNIVERSITY**  
**NOTES TO INTERCOLLEGIATE ATHLETICS PROGRAM STATEMENT OF REVENUES,**  
**EXPENDITURES, AND TRANSFERS**  
**Year Ended June 30, 2001**

**1. INDIVIDUAL CONTRIBUTIONS EXCEEDING TEN PERCENT OF TOTAL CONTRIBUTIONS**

Contributions and gifts to Coastal Carolina University's intercollegiate athletics program totaled \$204,631. This amount is reported in Attachment A at the following captions:

CINO Club Contributions	\$ 100,000
Gifts - Unrestricted	28,533
Sponsorships	<u>76,098</u>
	<u>\$ 204,631</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	\$ 100,000
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**2. ADDITIONS TO ENDOWMENT AND PLANT FUNDS RELATED TO INTERCOLLEGIATE ATHLETICS**

During the two years ending June 30, 2001, the University's Foundation received a gift of \$50,000 in cash and two gifts of stock with fair market values at the date of each gift totaling \$400,000. The donor specified that the entire \$450,000 be spent on construction of a baseball clubhouse. The clubhouse was substantially completed during fiscal 2001 at a cost of \$459,493, which was recorded in the University's plant fund. The stock cannot be sold until March 2002, and, on June 30, 2001, its fair market value was \$206,500. The University plans to transfer the cash and proceeds from the sale of the stock to the plant fund when the stock is sold.

**COASTAL CAROLINA UNIVERSITY  
AUDITORS' COMMENTS  
Year Ended June 30, 2001**

**CURRENT YEAR FINDINGS**

There are no current year findings.

**FOLLOW UP ON PRIOR YEAR FINDINGS**

There were no prior year findings