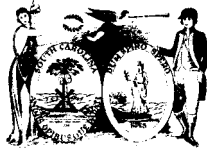


COASTAL CAROLINA UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
Year Ended June 30, 2002

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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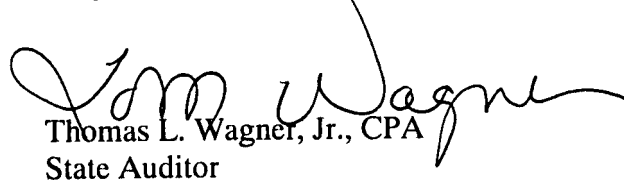
October 15, 2002

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, 2002, 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/trb

WALDA WILDMAN LLC
CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES

October 11, 2002

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

I have audited the financial statements of Coastal Carolina University as of and for the year ended June 30, 2002, and have issued my unqualified report thereon dated September 12, 2002. At your request, I have also 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, 2002. 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 operating revenues, expenditures, and institutional support, and notes thereto of the intercollegiate athletics program for the year ended June 30, 2002, 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 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 examined guarantee contracts for all men's and women's basketball games during fiscal year 2002. I compared the contract revenues to recorded revenues in the general ledger. I found no exceptions as a result of the procedures.
3. 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.
4. 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.
5. 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.

6. I obtained a copy of the CINO Club's financial statements for the University's fiscal year from the University's accounting department. I agreed contributions to the University's athletics program per these statements to CINO Club contributions per the University's general ledger, and I agreed in-kind contributions per the CINO Club statements to in-kind contributions per the University's general ledger. I found no exceptions as a result of this procedure.

7. 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.

8. 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 3.6% of the aggregate total of recorded receipts. I found no exceptions as a result of the procedures.

9. 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 2,392 Athletic Department vouchers. The items selected were 1.05% 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.

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, the Board of Trustees and management of Coastal Carolina University, and authorized representatives of the National Collegiate Athletic Association, 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 OPERATING REVENUES, EXPENDITURES, AND INSTITUTIONAL SUPPORT
Year Ended June 30, 2002**

	Baseball	Men's Basketball	Men's Soccer	Women's Basketball	Other Sports	Non- Program Specific	Total
Operating Revenues:							
Student Activity Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	2,306,820	\$ 2,306,820
Guarantees	0	140,000	0	10,449	500	0	150,949
CINO Club Contributions	10,000	3,000	0	2,000	9,550	352,012	376,562
NCAA Program for Academic Enhancement	0	0	0	0	0	50,000	50,000
NCAA Distributions	0	0	0	0	0	48,073	48,073
Big South Distributions	0	0	0	0	0	59,113	59,113
Gifts - Unrestricted	7,500	0	0	0	3,048	9,500	20,048
Sponsorships	0	0	0	0	0	54,135	54,135
Athletic Camps	0	0	0	0	0	16,567	16,567
Ticket Sales	4,938	11,890	863	1,039	619	0	19,349
Other	0	0	0	0	0	6,978	6,978
Total Operating Revenues	22,438	154,890	863	13,488	13,717	2,903,198	3,108,594
Expenditures:							
Scholarships	188,721	206,654	168,861	184,644	849,151	77,625	1,675,656
Salaries	93,696	146,602	48,883	103,136	461,895	620,395	1,474,607
Fringe Benefits	25,223	35,931	10,371	30,335	124,894	157,124	383,878
Team Travel	50,580	56,331	12,380	43,831	178,655	5,291	347,068
Recruiting	9,824	14,412	515	14,981	40,489	486	80,707
Guarantees	2,268	0	1,250	3,000	0	0	6,518
Equip. Rentals and Leases	0	0	0	0	5	12,620	12,625
Equipment Purchase and Repairs	77	48,980	0	48,911	55	545	98,568
Insurance	0	742	0	0	214	19,910	20,866
Broadcasting Services	0	0	0	0	0	55,174	55,174
Game Officials	8,301	17,034	5,610	12,447	11,937	0	55,329
Other Services	442	7,579	0	2,548	7,278	35,370	53,217
Athletic Supplies	37,592	30,797	10,872	7,974	104,999	0	192,234
Administrative Expenses	3,911	11,193	2,204	3,945	21,237	133,395	175,885
Staff Travel	16	816	0	22	6,771	9,378	17,003
Printing and Advertising	2,545	787	115	141	8,436	48,720	60,744
Visiting Team / Tournament Expenses	0	0	0	0	24,061	0	24,061
Total Expenditures	423,196	577,858	261,061	455,915	1,840,077	1,176,033	4,734,140
Excess (Deficiency) of Operating Revenues Over (Under) Expenditures	(400,758)	(422,968)	(260,198)	(442,427)	(1,826,360)	1,727,165	1,625,546
Institutional Support	4,390	49,988	0	49,988	12,028	1,706,919	1,823,313
Excess (Deficiency) of Operating Revenues Over (Under) Expenditures and Institutional Support	\$ (396,368)	\$ (372,980)	\$ (260,198)	\$ (392,439)	\$ (1,814,332)	\$ 3,434,084	\$ 197,767

COASTAL CAROLINA UNIVERSITY
NOTE TO INTERCOLLEGIATE ATHLETICS PROGRAM STATEMENT OF OPERATING REVENUES,
EXPENDITURES, AND INSTITUTIONAL SUPPORT
Year Ended June 30, 2002

1. INDIVIDUAL CONTRIBUTIONS EXCEEDING TEN PERCENT OF TOTAL CONTRIBUTIONS

Contributions and gifts to Coastal Carolina University's intercollegiate athletics program totaled \$450,745. This amount is reported in Attachment A at the following captions:

CINO Club Contributions	\$ 376,562
Gifts - Unrestricted	20,048
Sponsorships	<u>54,135</u>
	<u>\$ 450,745</u>

Of the \$376,562 contributed by the CINO Club, \$29,900 was in-kind services.

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

CINO Club	\$ 376,562
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**COASTAL CAROLINA UNIVERSITY
AUDITORS' COMMENTS
Year Ended June 30, 2002**

CURRENT YEAR FINDINGS

There are no current year findings.

FOLLOW UP ON PRIOR YEAR FINDINGS

There were no prior year findings