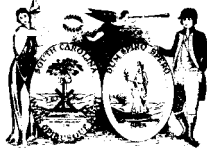


**COASTAL CAROLINA UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
**Year Ended June 30, 2003**

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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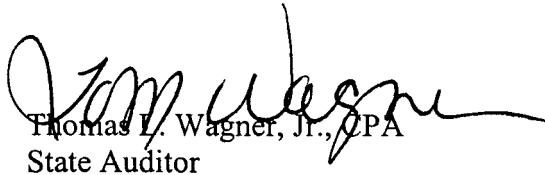
October 6, 2003

The Honorable Mark Sanford, 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, 2003, 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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Columbia, South Carolina • 29210  
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**INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED UPON PROCEDURES**

October 2, 2003

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, 2003, and have issued my unqualified report thereon dated September 5, 2003. 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, 2003. 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 other support, and notes thereto of the intercollegiate athletics program for the year ended June 30, 2003, 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 2003. 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 Chanticleer Club). The Chanticleer 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 Chanticleer 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 Chanticleer 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 Chanticleer Club contributions per the University's general ledger, and I agreed in-kind contributions per the Chanticleer 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 Chanticleer 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 3.3% 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 4,399 Athletic Department vouchers. The items selected were .0057% 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 OTHER SUPPORT**  
**Year Ended June 30, 2003**

	Football	Baseball	Men's Basketball	Men's Soccer	Women's Basketball	Other Sports	Non-Sport Specific	Total
<b>Operating Revenue:</b>								
Student Activity Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,269,692	\$3,269,692
Guarantees	-	4,000	130,000	3,500	10,000	300	-	147,800
Chanticleer Club Contributions	71,200	42,000	8,441	-	3,000	31,500	153,250	309,391
NCAA Academic Enhancement Program	-	-	-	-	-	-	51,790	51,790
NCAA Distributions	-	-	-	12,000	-	583	84,152	96,735
Big South Distributions	-	-	-	-	-	-	55,576	55,576
Gifts - Unrestricted	-	1,700	226	792	-	5,000	-	7,718
Sponsorships	-	-	-	-	-	-	79,267	79,267
Athletic Camps	-	-	-	-	-	-	16,535	16,535
Ticket Sales	-	4,036	14,094	-	1,463	-	-	19,593
Other	-	-	-	-	980	12,637	22,559	36,176
<b>Total Revenues</b>	<b>71,200</b>	<b>51,736</b>	<b>152,761</b>	<b>16,292</b>	<b>15,443</b>	<b>50,020</b>	<b>3,732,821</b>	<b>4,090,273</b>
<b>Expenditures:</b>								
Scholarships	177,594	192,018	225,226	184,559	214,211	1,061,018	105,099	2,159,725
Salaries	417,907	104,807	147,583	58,749	116,043	378,021	762,735	1,985,845
Fringe Benefits	100,008	26,493	40,781	12,230	31,403	89,995	197,640	498,550
Team Travel	4,444	114,401	54,069	30,892	43,845	221,404	2,670	471,725
Recruiting	22,236	12,880	14,036	3,782	11,498	51,694	-	116,126
Guarantees	-	10,308	3,200	-	4,000	135	-	17,643
Equipment Rentals and Leases	230	2,465	-	400	-	138	20,023	23,256
Equipment Purchase and Repairs	77	740	428	313	1,137	1,408	8,964	13,067
Insurance	795	192	447	-	304	-	33,694	35,432
Broadcasting Services	-	-	-	-	-	-	69,398	69,398
Game Officials	100	8,814	19,011	4,906	15,307	15,319	-	63,457
Other Services	64,167	5,723	6,885	-	3,142	29,210	38,207	147,334
Athletic Supplies	122,589	38,109	39,874	12,310	20,271	134,618	116,050	483,821
Administrative Expenses	21,007	4,313	11,883	6,085	4,358	17,018	71,834	136,498
Staff Travel	6,654	1,889	2,143	344	335	3,496	9,620	24,481
Printing and Advertising	2,464	928	788	382	785	2,973	47,713	56,033
Visiting Team / Tournament Expenses	-	-	-	-	-	10,000	-	10,000
<b>Total Expenditures</b>	<b>940,272</b>	<b>524,080</b>	<b>566,354</b>	<b>314,952</b>	<b>466,639</b>	<b>2,016,447</b>	<b>1,483,647</b>	<b>6,312,391</b>
Excess (Deficiency) of Operating Revenues Over (Under) Expenditures	(869,072)	(472,344)	(413,593)	(298,660)	(451,196)	(1,966,427)	2,249,174	(2,222,118)
<b>Other Support:</b>								
Transfers From the University	7,501	-	-	-	-	13,754	2,096,298	2,117,553
Athletics Fund Balance, beginning of year	-	-	-	-	-	-	204,852	204,852
Excess (Deficiency) of Operating Revenues Over (Under) Expenditures and Other Support	<b>\$(861,571)</b>	<b>\$(472,344)</b>	<b>\$(413,593)</b>	<b>\$(298,660)</b>	<b>\$(451,196)</b>	<b>\$(1,952,673)</b>	<b>\$4,550,324</b>	<b>\$ 100,287</b>

**COASTAL CAROLINA UNIVERSITY**  
**NOTE TO INTERCOLLEGIATE ATHLETICS PROGRAM STATEMENT OF OPERATING REVENUES,**  
**EXPENDITURES, AND OTHER SUPPORT**  
**Year Ended June 30, 2003**

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:

Chanticleer Club Contributions	\$ 309,391
Gifts - Unrestricted	7,718
Sponsorships	<u>79,267</u>
	<u>\$ 396,376</u>

Of the \$309,391 contributed by the Chanticleer Club, \$110,950 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:

Chanticleer Club	\$ 309,391
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**COASTAL CAROLINA UNIVERSITY  
AUDITORS' COMMENTS  
Year Ended June 30, 2003**

**CURRENT YEAR FINDINGS**

There are no current year findings.

**FOLLOW UP ON PRIOR YEAR FINDINGS**

There were no prior year findings