

**COASTAL CAROLINA UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM  
CONWAY, SOUTH CAROLINA**

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**Independent Accountants' Report On  
Applying Agreed-Upon Procedures  
June 30, 2016**



**COASTAL CAROLINA UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
For the Year Ended June 30, 2016

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Independent Accountants' Report On  
Applying Agreed-Upon Procedures

Dr. David A. DeCenzo, President  
Coastal Carolina University  
P.O. Box 261954  
Conway, South Carolina 29528-6059

We have audited the financial statements of Coastal Carolina University as of and for the year ended June 30, 2016, and have issued our unmodified opinion thereon under date of September 20, 2016. At your request, we have also performed the procedures described below which were agreed to by the Board of Trustees and management of Coastal Carolina University, solely to assist these users in evaluating whether the accompanying Statement of Revenues, Expenditures and Transfers of Coastal Carolina University is in compliance with the National Collegiate Athletic Association ("NCAA") Bylaw 3.2.4.15 for the fiscal year ended June 30, 2016. The Statement of Revenues, Expenditures and Transfers of Coastal Carolina University Intercollegiate Athletics Program and related note disclosures was not audited or reviewed by us. Management is responsible for Coastal Carolina University's compliance with the requirements of NCAA Bylaw 3.2.4.15, the Intercollegiate Athletics Program's financial records, internal controls and compliance with applicable laws, rules and regulations. This engagement to apply agreed-upon procedures was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we 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:

**Procedures Related to the Statement of Revenues, Expenditures and Transfers**

1. We obtained the Statement of Revenues, Expenditures and Transfers of Coastal Carolina University Intercollegiate Athletics Program and related note disclosures for the year ended June 30, 2016, as prepared by accounting management of the University and shown on page 13 in this report. We recalculated the mathematical accuracy of the amounts on the statement, traced the individual line item amounts from the statement to management's worksheets and compared the amounts on management's worksheets to the accounts in the University's general ledger.

We found no exceptions as a result of this procedure.

2. We compared each major revenue and expense accounts in the Statement of Revenues, Expenditures and Transfers to prior period amounts. We obtained and documented our understanding of any significant variations. If a specific reporting category total (specific line items of revenues and expenses) is less than 0.5% of the total revenues or total expenses, no procedures were performed for that specific category.
  - We compared each major revenue and expense account over 10% of the total revenues and total expenditures to prior period amounts. We obtained and documented our understanding of any variations over the lesser of \$1M or 10%. We obtained the following explanations from the University's athletic management regarding the reasons for the variances.

**Administrative salaries and fringe increase (19.8%)**

*There are a few factors for the increase in administrative salaries and fringe. First, Coastal Carolina University implemented the Affordable Care Act (ACA) on January 1, 2015 to all temporary full-time employees with a status of 30 or more work hours a week. Therefore, a full year of ACA was paid in fringe. Also, the University changed student manager pay and consideration. Student managers changed from scholarship stipends to student worker wages paid through payroll. This moved the expense from scholarships into the salary category within the financial statement. Additional factors include a university salary increase of .05% on January 1, 2016 and state salary increase of 3.25% on June 16, 2016. Bonuses were also paid on October 31, 2015 to eligible employees in FTE (slotted) positions in the amount of \$800. An increase of \$300 from FY2015. Various wages were too increased for reason of change in duties, performance reviews, etc. Lastly, our baseball team participated in the highest level of post-season competition and won the College World Series. Which resulted in bonus compensations to administrative employees.*

**Indirect Institutional Support expense increase (13.5%)**

*Indirect institutional Support is calculated by using a percentage of all athletic salary and fringe amounts including head and assistant coaches and administrative personnel. Along with the increase of administrative wage and fringe explained in #1, head and assistant coaches were included in the University and state increases (.05% on January 1, 2016 and 3.25% on June 16, 2016). Various coaches also received incentives throughout the fiscal year. Examples are team performance (regular and post season), coaches' performance, personnel contracts, etc.). All of these have occurred during the fiscal year to indicate an increase in Indirect institutional Support.*

3. We inquired of management the specific elements of the University's internal control unique to the Intercollegiate Athletics Program's accounting system and financial reporting.

### Receipts

- We obtained from accounting management the general ledger activity for all cash receipts related to intercollegiate athletics. We selected a sample of individual receipts and compared the recorded cash receipt amount to the amount on the cashiers' office deposit transmittal reports prepared by the athletic department and submitted along with the cash to the cashiers' office to determine whether the amounts are the same. The sample of the individual receipts selected for comparison is as follows:

<u>Receipt Number</u>	<u>Date</u>	<u>Amount</u>
C000684053	07/13/15	4,220.00
C000686774	07/31/15	1,381.00
C000693628	08/17/15	500.00
C000696670	09/03/15	5,378.00
C000699700	09/17/15	6,606.00
C000700879	09/28/15	25.00
C000702452	10/12/15	566.24
C000704562	10/22/15	3,324.00
C000706336	11/03/15	2,500.00
C000707551	11/10/15	6,060.00
C000709185	11/19/15	236.65
C000709978	12/01/15	2,085.00
C000712511	12/18/15	150.00
C000718051	01/07/16	1,975.00
C000720858	01/19/16	4,104.00
C000722927	01/29/16	100.00
C000725733	02/11/16	1,769.00
C000728288	02/23/16	15,000.00
C000730971	03/10/16	1,014.00
C000733757	03/19/16	1,007.00
C000736896	04/05/16	230.00
C000742006	04/28/16	344.00
C000745980	05/19/16	803.44
C000749731	06/10/16	300.00
C000753123	06/22/16	1,840.00

We found no exceptions as a result of this procedure.

## **REVENUES**

### **Ticket Sales**

1. We compared the tickets sold during the reporting period, complimentary tickets provided, and any unsold tickets during the reporting period to the related revenue reported by the University in the statement and the related attendance figures and we recalculated the totals.

We found no exceptions as a result of this procedure.

2. For the events that have ticket sales, we compared the number of tickets sold per the lease agreement with the amount of tickets sold per the future ticket report. We recalculated the mathematical accuracy of the amount of ticket sales revenue by multiplying the number of tickets sold, per the future ticket sales report, by the individual ticket price.

We found no exceptions as a result of this procedure.

### **Student Fees**

1. We compared and agreed the student fees reported by the University in the statement for the reporting period to student enrollments during the same reporting period and recalculated the totals.

We found no exceptions as a result of this procedure.

2. We obtained and documented our understanding of the University's methodology for allocating student fees to intercollegiate athletics programs.

We found no exceptions as a result of this procedure.

3. We obtained the University's calculation of the student fee allocation and compared the calculation to the supporting documentation.

We found no exceptions as a result of this procedure.

### **Direct Institutional Support**

1. We compared the direct institutional support recorded by the University during the reporting period with the institutional supporting budget transfers documentation and other corroborative supporting documentation and recalculated the totals.

We found no exceptions as a result of this procedure.

### **Indirect Institutional Support**

1. We compared the indirect institutional support recorded by the University during the reporting period with the institutional supporting budget transfers documentation and other corroborative supporting documentation and recalculated the totals.

We found no exceptions as a result of this procedure.

### **Guarantees**

1. We selected a sample of settlement reports for away games during the reporting period and compared each selection to the University's general ledger and the statement and recalculated the totals.

We found no exceptions as a result of this procedure.

2. We selected a sample of contractual agreements pertaining to revenues derived from guaranteed contests during the reporting period and compared and agreed each selection to the University's general ledger and the statement and recalculated the totals.

We found no exceptions as a result of this procedure.

### **Contributions**

1. We obtained the supporting documentation and recalculated the totals of any contributions of moneys, goods or services received directly by an intercollegiate athletics program from any affiliated or outside organization, agency or group of individuals not included above (e.g., contributions by corporate sponsors) that constitutes 10% or more in aggregate for the reporting year of all contributions received for intercollegiate athletics during the reporting period.

We found no exceptions as a result of this procedure.

### **NCAA Distribution**

1. We compared the amounts recorded in the revenue and expense reporting to the general ledger detail for NCAA distributions and other corroborative supporting documents and recalculated the totals.

We found no exceptions as a result of this procedure.

### **Royalties, Licensing, Advertisements and Sponsorships**

1. We compared and agreed the related revenues to the University's general ledger and the statement, and recalculated the totals.

We found no exceptions as a result of this procedure.

2. We obtained and inspected a sample of agreements related to the University's participation in revenues from royalties, licensing, advertisements and sponsorships during the reporting period to gain an understanding of the relevant terms and conditions.

We found no exceptions as a result of this procedure.

## **EXPENSES**

### **Athletic Student Aid**

1. We obtained a listing from the University detailing institutional student aid recipients for the year. We selected a sample of students (no less than 10% of the total student-athletes) from the listing.
2. We obtained the individual student account detail for each selection and compared the total aid allocated from the related aid award letter to the student's account.
3. We performed a check of each student selected to ensure their information was reported accurately in the NCAA's Compliance Assistant (CA) software using the following criteria:
  - a. The equivalency value for each student-athlete in all sports, including head-count sports, needs to be converted to a full-time equivalency value. The full-time equivalency value is calculated using the athletic grant amount reported on the squad list as the numerator and the full grant amount which is the total cost for tuition, fees, books, room and board for an academic year as the denominator.
  - b. A student-athlete can only be included in one sport.
  - c. All equivalency calculations should be rounded to two decimal places.
  - d. The full grant amount should always be the full cost of tuition for an academic year, not semester.
  - e. If a sport is discontinued and the athletic grant(s) are still being honored by the University, the grant(s) are included in student-athlete aid for revenue distribution purposes.
  - f. Student-athletes receiving athletic aid who have exhausted their athletic eligibility or are inactive due to medical reasons should be included in the student-athlete aid total and correctly noted on the Squad List.
  - g. Only athletic aid awarded in sports in which the NCAA conducts championship competitions, emerging sports for women and FBS football should be included in the calculations.

## Athletic Student Aid, continued

### Exceptions:

1. We found one student-athlete in our sample of 40 who had an athletic grant in excess of the full grant.

#### Management's Response:

*All student-athlete athletic aid is input into the NCAA Compliance Assistant Software (CA). The athletic grant amount awarded to this particular student-athlete was entered correctly into CA and included lab fees due to the student-athlete being a full scholarship recipient. It was understood that the full grant-in-aid amount did not have to be changed in CA to reflect lab fees. Therefore, when lab fees were covered and accounted for in CA the athletic grant amount awarded did in fact show a higher amount than the full grant-in-aid amount allotted. The full athletic grant-in-aid amount should have been increased at the same time when lab fees were placed in the athletic grant amount awarded.*

*In an attempt to prevent this error from happening in the future, procedures have been put in place to ensure that the full grant-in-aid amount will be changed when permissible to account for lab fees in the event that lab fees are covered for a student-athlete.*

2. We found four student-athletes out of our sample of 40 that did not have updated athletic grant information on the Squad List.

#### Management's Response

*These particular four student-athletes had changes made to their student accounts during the academic year. Specifically, two student-athletes changed their meal plans after the fall semester had concluded. The other two student-athletes athletic aid was adjusted in the Datatel system but not updated in the NCAA Compliance Assistant Software (CA) when the spring semester began.*

*During the fall semester, athletic aid is input into CA. It was understood unless major changes occur (i.e., new student-athletes awarded athletic aid, reduction/cancellation of athletic aid) to a student-athlete's record then not all changes had to be recorded in CA. This was the case for these four student-athletes. When their specific changes occurred CA was not updated to show the same changes that were placed in Datatel.*

*In an attempt to prevent this error from happening in the future, procedures have been put in place to ensure student-athlete records in CA are updated during each academic semester to ensure CA reflects the accurate amount at all times. Each time a change is made in Datatel then the same change will be made in CA to reflect the accurate amount.*

3. We found that the athletic grant amount and the full grant amount on the Squad List for Men's and Women's basketball include amounts for transportation, miscellaneous, and loan fees. Per September 15, 2016 NCAA memo, these amounts should be excluded.

#### Management's Response

*A new award code has been created in the Compliance Assistant software to account for the miscellaneous grant expenses (transportation, miscellaneous expenses and loan fees). This is to ensure the amount of room and board grant is separated from the miscellaneous grant amount.*

**Athletic Student Aid, continued**

4. We recalculated the totals for each sport and overall.

We found no exceptions as a result of this procedure.

**Guarantees**

1. We obtained and inspected a sample of visiting University's away-game settlement reports received by the University during the reporting period and we agreed the related expenses to the University's general ledger and to the statement and recalculated the totals.

We found no exceptions as a result of these procedures.

2. We obtained and inspected a sample of contractual agreements pertaining to expenses recorded by the University from guaranteed contests during the reporting period. We compared and agreed the related amounts expensed by the University during the period to the University's general ledger and to the statement and recalculated the totals.

We found no exceptions as a result of these procedures.

**Coaching Salaries, Benefits, and Bonuses Paid by the University and Related Entities**

1. We obtained and inspected a listing of coaches employed by the University and related entities during the reporting period. We selected a sample of coaches' contracts from the listing. We ensured that our sample includes coaches' from football, and men's and women's basketball.
2. We compared and agreed the financial terms and conditions of each selection to the related coaching salaries, benefits, and bonuses recorded by the University and related entities in the statement during the reporting period.
3. We obtained and inspected payroll summary registers for the reporting year for each selection. We compared and agreed payroll summary registers from the reporting period to the related coaching salaries, benefits and bonuses paid by the University and related entities expense recorded by the University in the statement during the reporting period.
4. We compared and agreed the totals recorded to any employment contracts executed for the sample selected and recalculated the totals.

We found no exceptions as a result of these procedures.

**Support Staff/Administrative Salaries, Benefits, and Bonuses Paid by the University and Related Entities**

- a. We obtained a listing of support staff/administrative salaries, benefits and bonuses paid by the University and related entities for the year ended. From the listing, we selected a sample of support staff/administrative personnel.
- b. We obtained and inspected reporting period payroll summary registers for each selection. We compared and agreed the related payroll summary registers to the related support staff administrative other compensation and benefits expense recorded by the University in the statement during the reporting period and recalculated the totals.

We found no exceptions as a result of these procedures.

**Disbursements**

1. We obtained the general ledger accounts for recruiting expense, team travel expense, equipment, uniform and supplies, game expense, spirit group expense, direct overhead and administrative expense, medical expense, medical insurance, and other operating expenses. We compared the total expenditures reported to the statement.
2. We selected a sample of transactions (see below) to validate the existence of the transactions and the accuracy of recording and recalculated the totals.
3. We obtained and documented our understanding of the University's recruiting and team travel policies. We compared the existing University and NCAA related policies to determine if they were in agreement
4. For the selected expenses, we obtained the related disbursement package to determine the items required by University's procurement policy were included and that the expense had been authorized in accordance with the University's policy.

Coastal Carolina University  
Intercollegiate Athletics Program

**Disbursements, continued**

Vendor	Voucher	Date	Amount
Andre C. Gonzalez	V0660819	7/20/2015	1,702.84
Jonathan M. Hunt	V0661251	7/29/2015	4,750.00
Cari Rosiek	V0662518	8/6/2015	25.19
William Clay	V0662639	7/3/2015	272.00
FedEx	V0664102	8/22/2015	74.36
Zachary Remillard	V0662448	9/1/2015	50.00
SweetTees Inc	V0672330	9/17/2015	70.00
Jalacy Green	V0662244	10/1/2015	378.70
Cumulus Myrtle Beach	V0675991	10/19/2015	4,550.00
Romane Delay	V0662296	11/1/2015	689.55
Matt Hogue	V0678279	11/4/2015	78.80
Lena Schaeffner	V0662211	12/1/2015	792.75
Aramark	V0680103	11/17/2015	3,644.09
Strand Orthopaedics	V0681424	12/10/2015	200.00
Russell Athletic	V0682428	1/12/2016	1,470.77
Olivia Carlton	V0680733	2/1/2016	909.60
Frames by Lauren Elizabeth	V0691907	2/2/2016	3,038.08
Edward Brown	V0661001	3/1/2016	921.80
Pet Dairy	V0695720	3/16/2016	62.93
Ja'Ree Tolbert	V0661984	4/1/2016	921.80
Wofford College	V0698538	2/28/2016	900.00
Marie Babayan	V0662277	5/1/2016	921.80
William Durkin	V0701048	5/13/2016	701.01
Dan Moore	V0703517	4/9/2016	50.00
Aramark	V0706934	6/27/2016	334.88
Chad Wilson	V0659412	7/13/2015	582.02
Walter Goffigan	V0662515	8/11/2015	26.90
Paypal- Yunhejieyic Yun	PC072715	8/21/2015	2,342.00
Wilcottess	TE082015	9/2/2015	24.00
Lynn Mentzer	V0671099	9/15/2015	251.98
Taylor Made/Adidas Golf	PC082715	9/21/2015	312.00
Coastal Ice Company Inc	V0674349	10/7/2015	187.50
Bryant University	V0675528	10/16/2015	139,000.00
Walmart	PC092515	10/21/2015	9.28
Mo Hookaylo	V0677641	11/6/2015	46.02
Keiser Corporation	V0678821	11/19/2015	5,756.01
Hotwire Sales Final	TE102015	11/24/2015	111.37
Digital Resources	PC102715	12/1/2015	107.00

Coastal Carolina University  
Intercollegiate Athletics Program

**Disbursements, continued**

Vendor	Voucher	Date	Amount
Amazon Mktplace	PC112715	12/16/2015	59.99
Subway	TE112015	12/21/2015	144.11
Chipotle	TE112015	12/21/2015	193.03
Aramark Inc	V0683120	1/20/2016	59.00
American Airlines	TE121815	1/21/2016	25.00
Seth Horton	V0690515	2/2/2016	19.96
Courtyard by Marriott	TE012016	2/17/2016	180.40
BSN Sports	V0693243	2/25/2016	1,605.00
SunTrust Merchant Services	V0694874	3/10/2016	623.43
Radisson Hotel	TE021916	3/22/2016	1,741.31
Fromuth Tennis	PC022616	3/25/2016	1,175.72
Chris Powers	V0696921	4/5/2016	97.66
Lu Lus Waikiki	TE031816	4/25/2016	401.27
Outback	TE031816	4/25/2016	603.39
Aramark Inc	V0699266	4/28/2016	295.83
Jeff Jacobs	V0701032	5/17/2016	330.00
Penera Bread	TE042016	6/1/2016	41.91
Which Wich	TE042016	6/1/2016	120.63
Global Industries	PC052716	6/22/2016	125.88
Homewood Suites	TE052016	6/28/2016	159.85
Courtyard by Marriott	TE052016	6/28/2016	21.58
Bryan Stiles	V0705787	6/30/2016	210.00

We found no exceptions as a result of these procedures.

**Athletic Facility Debt Service**

1. We obtained the debt service schedule for athletic facilities for the reporting period. Compared the amount on the schedule to the amount on the statement. We compared the debt service schedule to the University's audited financial statements.

We found no exceptions as a result of this procedure.

**Outside Organizations**

1. We obtained from management a list of all outside organizations not under the University's accounting control that have as its principal or one of its principal purposes is generating resources for or on behalf of the University's Intercollegiate Athletics Program or the promotion of the program. We obtained a copy of the outside organization's audited financial statements.
2. We compared the amount received from this outside organization to the amount recorded in the general ledger and on the statement.

We found no exceptions as a result of these procedures.

**ADDITIONAL MINIMUM AGREED-UPON PROCEDURES**

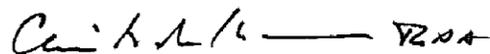
In order for NCAA to place reliance on the financial reporting for NCAA distribution purposes, we performed the following procedures:

1. We compared and agreed the sports sponsored as reported in the NCAA Membership Financial Reporting System to the Squad Lists of the University.
2. We obtained the University's Sports Sponsorship and Demographics Forms Report for the reporting year. We compared the number of contests and the number of participants reported by the University to the minimum contests and participants requirements for sports sponsorship set forth in Bylaw 20.9.6.3.

We found no exceptions as a result of these procedures.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on compliance with NCAA Bylaw 3.2.4.15 or the expression of an opinion on The Statement of Revenues, Expenditures and Transfers of the Intercollegiate Athletics Program of Coastal Carolina University for the year ended June 30, 2016, and, furthermore, we were not engaged to express an opinion on the effectiveness of the internal controls over compliance with the laws, rules and regulations. Therefore we express no opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

A handwritten signature in black ink, appearing to read "C. H. L. / 6" followed by a horizontal line and the initials "RJA".

January 10, 2017  
Gaffney, SC

**Coastal Carolina University**  
**InterCollegiate Athletics Program**  
Statement of Revenues, Expenditures, and Transfers  
For the Year Ended June 30, 2016  
(Unaudited)

	Football	Baseball	Men's Basketball	Women's Basketball	Men's Soccer	Women's Soccer	Other Sports	Non-Sport Specific	Total
<b>Operating Revenues:</b>									
Ticket Sales	\$ 381,129	127,388	115,515	5,047	-	-	-	-	\$ 629,079
Gifts	-	-	-	-	-	-	-	-	-
Student Activity Fees	1,581,694	259,655	319,253	342,026	209,978	215,958	1,648,657	-	4,577,221
Guarantees	112,500	-	125,000	16,066	3,000	-	38,000	-	294,566
Chanticleer Athletic Foundation Contributions	476,236	163,490	36,062	23,404	5,350	7,179	134,026	286,682	1,132,429
Inkind Gifts	-	-	-	-	-	-	82,506	-	82,506
Coastal Educational Foundation Contributions	3,463	3,247	20	-	-	-	35,846	2,912	45,488
Direct institutional support	3,235,372	1,841,744	1,197,297	965,236	481,813	528,810	3,750,648	1,056,071	13,056,991
Indirect Institutional Support	723,599	380,866	308,672	198,480	91,187	66,323	602,344	1,050,987	3,422,458
Indirect Institutional Support-Athletic Debt Service	231,456	50,574	133,381	133,381	7,160	7,160	385,410	304,836	1,253,358
Media Rights (not calculated in NCAA or Big...)	-	-	-	-	-	-	-	72	72
NCAA Program for Academic Enhancement	-	-	-	-	-	-	-	74,849	74,849
NCAA Distributions	-	-	-	-	6,247	-	-	1,091,464	1,097,711
Big South Distributions	-	-	60,000	-	-	-	-	4,600	64,600
Program and Novelty Sales/Concessions	-	-	-	-	-	-	-	-	-
Sponsorships/Royalties/Commissions	40,960	600	2,000	1,500	-	-	12,550	602,085	659,695
Sport Camp Field Rentals	-	-	-	-	-	-	-	21,998	21,998
Tournament Revenue and Entry fees, Services	101,648	-	27,834	-	973	254	8,688	31,835	171,232
<b>Total Revenues</b>	<b>\$ 6,888,057</b>	<b>2,827,564</b>	<b>2,325,034</b>	<b>1,685,140</b>	<b>805,708</b>	<b>825,684</b>	<b>6,698,675</b>	<b>4,528,391</b>	<b>\$ 26,584,253</b>
<b>Expenditures:</b>									
Scholarships including Out of State Abatements	\$ 2,384,393	434,045	478,575	535,044	347,918	464,364	2,904,217	60,080	\$ 7,608,636
Guarantees	361,064	54,963	37,500	9,687	3,500	-	-	-	466,714
Coaching Salaries and Fringe Benefits	1,395,817	774,295	644,352	402,443	222,093	163,518	1,407,308	-	5,009,826
Severance Payments	-	-	-	-	-	-	-	-	-
Administrative Salaries and Fringe Benefits	388,203	164,724	116,672	86,906	2,727	-	77,762	2,591,192	3,428,186
Recruiting	158,668	58,601	81,733	41,950	17,181	15,361	129,069	-	502,563
Team Travel	360,630	343,289	234,931	135,392	55,728	42,131	551,734	-	1,723,835
Equipment, Uniforms and Supplies	213,025	64,278	25,135	40,709	19,534	17,924	158,026	-	538,631
Game Expenses	197,137	196,439	90,872	56,099	20,193	19,751	130,177	-	710,668
Marketing and Promotions	-	-	-	-	-	-	-	131,833	131,833
Spirit Groups	-	-	-	-	-	-	-	156,842	156,842
Athletic Debt Service	231,456	50,574	133,381	133,381	7,160	7,160	385,410	304,836	1,253,358
Direct Overhead and Administrative Expenses	221,215	273,388	20,772	34,803	15,241	19,998	291,731	512,820	1,389,968
Student-Athlete Meals (non-travel)	133,018	17,824	19,470	7,565	2,005	7,179	35,584	-	222,645
Indirect Institutional Support	723,599	380,866	308,672	198,480	91,187	66,323	602,344	1,050,987	3,422,458
Medical Expenses and Insurance	-	-	-	-	-	-	-	154,513	154,513
Memberships and Dues	60	232	1,015	160	625	475	9,078	37,837	49,482
Other Operating Expenses	14,742	14,046	7,778	2,521	-	1,500	16,150	279,883	336,620
Visiting Team/Tournament Expenses	105,030	-	124,176	-	616	-	85	-	229,907
<b>Total Expenditures</b>	<b>\$ 6,888,057</b>	<b>2,827,564</b>	<b>2,325,034</b>	<b>1,685,140</b>	<b>805,708</b>	<b>825,684</b>	<b>6,698,675</b>	<b>5,280,823</b>	<b>\$ 27,336,685</b>
<b>Excess (Deficiency) of Operating Revenues Over (Under) Expenses</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(752,432)</b>	<b>\$ (752,432)</b>

**COASTAL CAROLINA UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM**

Notes to the Statement of Revenues, Expenditures and Transfers  
June 30, 2016  
(Unaudited)

**NOTE 1-CONTRIBUTIONS**

Contributions and gifts to Coastal Carolina University's Intercollegiate Athletics Program totaled \$1,260,424. This amount is reported in Attachment A at the following captions:

Chanticleer Athletic Foundation Contributions	\$ 1,132,430
Coastal Educational Foundation Contributions	45,488
Inkind Gifts	82,506
	\$ 1,260,424

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

Chanticleer Athletic Foundation	\$ 1,132,430
	\$ 1,132,430

**NOTE 2-INTERCOLLEGIATE ATHLETICS - RELATED ASSETS**

Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. The asset capitalization policy refers to guidelines set by the State of South Carolina to determine the useful life of an asset. All land is capitalized regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions and renovations and other improvements that add to the usable space, prepare existing buildings for new uses or extend the useful life of an existing building costing in excess of \$100,000 are capitalized. Permanent improvement projects and routine maintenance that do not fall within the defined parameters for capitalization will be expensed in the year they occur according to Generally Accepted Accounting Principles. (GAAP) As a rule, if the work is of a replacement nature and does not materially lengthen the useful life of a structure, it will not be capitalized.

Interest cost incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed net of interest earned on the invested proceeds over the same period. In fiscal year 2016 no capitalized interest was appropriated to athletic-related assets.

In FY 2016 the Athletic capital assets, net of depreciation is reported to be \$50 million. This is a \$679 thousand dollar increase from last year's net athletic capital assets of \$49.3 million. The major contributing factor to this increase is the completion of a soccer practice field in the Atlantic Center.

The FY 2016 Athletic capital assets, net of \$50 million is 11% of the total amount of capital assets net of depreciation, \$451.8 million, which is reported on the University Financial Statements in FY 2016.

Fiscal Year 2016 Additions by Sport:

Softball	\$ 499,898
Baseball	2,660,112
Women's Soccer	499,196
Men's Soccer	499,197
Football	905,470
Total Additions	\$ 5,063,873

**COASTAL CAROLINA UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
Notes to the Statement of Revenues, Expenditures and Transfers  
June 30, 2016  
(Unaudited)

**NOTE 2-INTERCOLLEGIATE ATHLETICS - RELATED ASSETS**, Continued

Estimated capital asset activity for athletics for the year ended June 30, 2016 is summarized as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<b>Capital Assets Not Being Depreciated</b>					
Construction in Progress	\$ 2,742,536	2,689,786	-	(5,055,875)	376,447
<b>Capital Assets Being Depreciated</b>					
Buildings and Improvements	52,091,202	-	-	-	52,091,202
Land Improvements	2,184,952	-	-	5,055,875	7,240,827
Equipment	2,811,490	7,998	-	-	2,819,488
	<u>57,087,644</u>	<u>7,998</u>	<u>-</u>	<u>5,055,875</u>	<u>62,151,517</u>
<b>Less Accumulated Depreciation</b>					
Buildings and Improvements	(8,452,005)	(1,396,056)	-	-	(9,848,061)
Land Improvements	(978,472)	(148,834)	-	-	(1,127,306)
Equipment	(1,078,868)	(473,549)	-	-	(1,552,417)
	<u>(10,509,346)</u>	<u>(2,018,439)</u>	<u>-</u>	<u>-</u>	<u>(12,527,784)</u>
Capital Assets Being Depreciated, Net	46,578,298	(2,010,441)	-	5,055,875	49,623,733
Athletic Capital Assets, Net	<u>\$ 49,320,833</u>	<u>679,345</u>	<u>-</u>	<u>-</u>	<u>50,000,180</u>

**NOTE 3- INTERCOLLEGIATE ATHLETICS - RELATED DEBT**

	Interest Rates	Maturity Dates	Balance 6/30/2016
State Institution Obligation Bonds Related to Athletics Facilities			
2006	4.25% to 6.00%	10/1/2026	93,939
2010	3.52%	4/1/2030	9,941,837
2016	4.00% to 4.63%	4/1/2027	2,414,704
			<u>\$ 12,450,480</u>

Maturities of debt related to intercollegiate athletics at June 30, 2016 were as follows:

Due in Fiscal Year	Principal	Interest	Payments
2017	717,787	513,012	1,230,800
2018	750,305	475,372	1,225,676
2019	778,004	443,517	1,221,521
2020	806,909	406,077	1,212,986
2021	841,835	371,777	1,213,612
2022-2026	4,801,708	1,281,826	6,083,534
2027-2030	3,753,932	273,422	4,027,354
	<u>\$ 12,450,480</u>	<u>\$ 3,765,002</u>	<u>\$ 16,215,482</u>

**COASTAL CAROLINA UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
Notes to the Statement of Revenues, Expenditures and Transfers  
June 30, 2016  
(Unaudited)

**NOTE 3- INTERCOLLEGIATE ATHLETICS - RELATED DEBT**, Continued

Athletically related debt service and total debt year ended June 30, 2016.

	<u>Athletically Related</u>	<u>University Total</u>
Total Annual Debt Service	<u>\$ 1,253,357</u>	<u>\$ 16,731,779</u>
Total Debt Outstanding:		
Institution Bonds	12,450,480	51,690,000
Revenue Bonds	-	187,808,000
Internal Debt	894,745	-
	<u>\$ 13,345,225</u>	<u>\$ 239,498,000</u>