

**THE COLLEGE OF CHARLESTON**

CHARLESTON, SOUTH CAROLINA

OMB CIRCULAR A-133 REPORTS

(With Independent Auditor's Report Thereon)

YEAR ENDED JUNE 30, 2003

State of South Carolina



Office of the State Auditor

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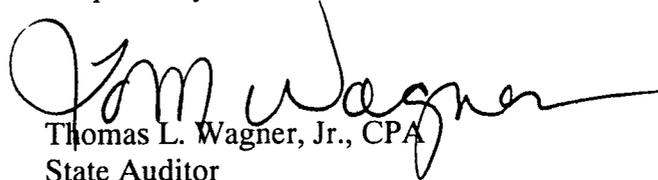
April 1, 2004

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, 2003, 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, 2003, issued by Cherry, Bekaert, & Holland, LLP, Certified Public Accountants, dated September 26, 2003.

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

Respectfully submitted,

  
Thomas L. Wagner, Jr., CPA  
State Auditor

TLWjr/trb

# THE COLLEGE OF CHARLESTON

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**THE COLLEGE OF CHARLESTON**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2003

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	\$ 12,403
Disease Resistance Lowered By Dissolved Oxygen and PH in Aquacultured Shrimp	10.206	99-352048555	4,482
The Influence of Seed Predation on the Population Dynamics of Problem Weeds in Arable Farming	10.206	2002-35311-11682	1,557
New Isoxazoles and Pyrazoles with Agricultural Biological Potential	10.206	2003-35504-12853	17,290
Hydrology of Depressional and Dendritic Drainage Patterns in Lower Coastal Plain Landscapes	10.652	SRS 01-CA-11330135513	26,218
Characterization of Soil Gas Emissions and Soil Properties in Managed Forested Wetland of the Southeastern United States	10.652	SRS 02-CA-11330135-286	6,706
Amphibian Inventory and Monitoring in the Francis Marion National Forest	10.999	01-PA-11081209-45	15,257
Monitor Flatwoods Salamander in the Francis Marion National Forest	10.999	01-PA-11081209-44	4,216
Total U.S. Department of Agriculture			<u>88,129</u>
U.S Department of Commerce			
Management of National Marine Fisheries Charleston Laboratory Library	11.426	674-C91405	5,948
Management of National Marine Fisheries Charleston Laboratory Library	11.426	674-W00085	118,679
Management of National Marine Fisheries Charleston Laboratory Library	11.464	N613318232	261
South Atlantic Bight Regional Exploration: Education Through Exploration	11.473	NA170C1482	233,925
Analysis of Sea Turtle Blood Samples for Testosterone Levels for Sex Determination	11.999	40ETNF170062	1,522
Sea Turtle Testosterone Assays - Florida Bays	11.999	40AANF1A4103	2,429
Evaluation of Contaminants in Sea Turtles	11.999	BC-02-00579	415
Characterization of Stressors on Grass Shrimp and Corals	11.999	40EUNC200113	3,271
Analysis of Blood Samples From Turtles Collected During the Eastern Tropical Pacific SPAM/STAR Cruises for Testosterone	11.999	40JGNF300163	2,974
Total U.S. Department of Commerce			<u>369,424</u>
U.S Department of Defense			
Twisted Monster Lie Algebras and Generalized Moonshine	12.901	MDA904-02-1-0073	7,413
U.S Department of Housing and Urban Development			
Student and Faculty Housing	14.506	SC97D30205260	13,462
U.S Department of the Interior			
Health of Amaranthus Pumilus Populations: Range-wide Surveys and webworm control	15.615	1448-40181-02-J-031	8,835
National Aeronautics Space Administration			
Keys to Implementing NASA's OSS Education and Outreach Broker/Facilitator Program	43.001	NCC5-263	21,598
NASA EPSCoR Preparation Grant	43.001	NCC5-413-01	37,495
Exploring the Solar System	43.001	NAG5-10633	24,064
Beta Pic-Like Circumstellar Gas Disk Around 2 and Fuse 00	43.001	NAG5-10313	11,044
An Artificial Intelligence Classification Tool and Its Application to Gamma Ray Bursts	43.001	NAG5-10625	9,164
S.C Space Grant Consortium	43.001	NGT5-40099	242,192
South Carolina NASA EPSCoR Program	43.001	NCC5-575	83,774
Southeast Regional Clearing House	43.001	NCC5-607	279,239
Early BATSE GRB Afterglows	43.999	NAG5-11017	3,732
Total National Aeronautics Space Administration			<u>712,302</u>

( Continued )

**THE COLLEGE OF CHARLESTON**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2003

Federal Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
<b>National Foundation on the Arts and the Humanities</b>			
Processing the Jewish Archives, 1750 to the Present	45.149	PA-23691-01	\$ 148,309
The Material World of Tidewater, the Lowcountry, and the Caribbean	45.161	RZ-20860-02	4,224
Manumission In the Atlantic World, An International Conference	45.161	RZ-20625-00	568
Rethinking "Asia" in the Undergraduate Humanities Curriculum at the College of Charleston	45.162	ED-22298-02	<u>24,137</u>
Total National Foundation on the Arts and Humanities			<u>177,238</u>
<b>National Science Foundation</b>			
Regioselective Syntheses of Heterocycles and their Applications	47.049	CHE-0212699	46,892
Guiding Gamma-Ray Burst Classification with the KDD Process	47.049	AST-0098499	37,505
Integrable Dynamics of Knotted Vortex Filaments	47.049	DMS-0204557	36,079
Four College Photoelectric Telescope for Astronomical Research	47.049	AST-007-1260	16,723
In-Situ Determination of Iron Limitation in The Peruvian Upwelling	47.050	OCE-9907931	11,632
Mechanisms of Induced Pathogen Resistance in Seagrasses	47.050	OCE-0117313	8,008
Continuous Nutrient Input Effects on Algal Community Structure Using Shipboard Chemostats	47.050	OCE-0094415	101,943
SGER: DMSP-Lyase Activity and CO2 Limitation in Marine Phytoplankton	47.050	OCE-0236500	41,022
Collaborative Research: Potential Climate Change Impacts on Algal Dynamics and Biogeochemistry in the Bering Sea	47.050	OCE-0327620	4,708
Maintenance of Species Diversity in Temporary Ponds	47.074	DEB-9727039	23,729
Effects of Projectin Mutations on Myofibrillogenesis in Drosophilla	47.074	MCB-9996318	54,429
Research Experience in Physiology, Cell and Molecular Biology	47.074	DBI-9876926	40,970
Nonequilibrium Determinants of Microbial Community Structure in Intertidal Sediments: Role of Deposit Feeding	47.074	DEB-0108615	92,862
Molecular Biology Core Facility For Grice Marine Laboratory	47.074	DBI-0122336	12,079
Coordinate Induction of Sink Strength and Polyphenol Metabolism in Trees	47.074	IBN-0114458	20,553
Hypercapnic Hypoxia Impacts Shrimp Immune Defenses Against Bacteria Pathogens	47.074	IBN-0212921	36,192
Research Experience in Physiology, Cell and Molecular Biology of Marine Organisms	47.074	DBI-0244007	31,130
Media and Mobilization - The Case of Radio and Southern Textile Worker Mobilization, 1929-1934	47.075	SES0136837	9,569
Incorporating HCI into the Undergraduate Curriculum	47.076	DUE-0226080	47,539
Workforce Scholarship Project in Computer Sciences and Math	47.076	DUE-0123032	41,113
Iron and Light Effects on Phaeocystis Anatica Isolates from the Ross Sea	47.078	OPP-0230513	743
SGER: Brassicasterol As a Biomarker in the Ross Sea	47.078	OPP-0112478	<u>19,616</u>
Total National Science Foundation			<u>735,036</u>
<b>U.S Department of Education</b>			
Supplemental Educational Opportunity Grant	84.007	P007A003774	297,012
Federal Work Study	84.033		399,330
Federal Perkins Loan Program	84.038	P038A013774	103,393
Federal Pell Grant Program	84.063		4,723,935
William D. Ford Direct Loan Program	84.268		<u>32,262,944</u>
Total Federal Student Aid Cluster			37,786,614
Upward Bound	84.047A	P047A990206	384,418
Upward Bound	84.047A	P047A030218	46,333
Upgrade of Scientific Equipment Infrastructure	84.116Z	P116Z020062	458,927
SC International Business Development Alliance	84.153A	P153A010094	37,201
English Language Acquisition: National Development Program	84.195N	T195N020087	54,020
Project Breakthrough: Transforming Education for Low Income Children	84.206A	R206A980044	12,895
Total U. S. Department of Education			<u>38,780,408</u>
<b>U.S. Department of Agriculture</b>			
Passed through Clemson University			
Killed Cover Crops as Mulches for Vegetable Production	10.200	99-341038171	<u>3,098</u>

( Continued )

**THE COLLEGE OF CHARLESTON**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2003

Federal Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
National Oceanic Atmospheric Administration			
Passed through SC Sea Grant Consortium			
Testing and Evaluating a Teaching Model for Middle Schools Coasteam	11.417	NA86RG0052 Am 9	\$ 9,477
Geologic Framework of the Grand Strand Region	11.417	00HQAG0208	29,270
Coastal Erosion Study-Outreach and Education	11.417	00HQAG0208	23,961
Implementation of A SC Sea Grant Marine Education Program	11.417	NA86RG0052 Am 9	7,408
COASTeam Aquatic Workshops - A School-Wide Approach to Integrating Marine and Aquatic Concepts into the K-5 Curriculum	11.417	NA16RG2250	22,469
The Reproductive Behavior and Habitat Requirements of the Diamondback Terrapin	11.417	NA86RG0052	6,270
Geologic Framework of the Grand Strand Region	11.417	00HQAG0208 Mod 2	10,014
COASTeam Aquatic Workshops - Participant Support Costs	11.417	NA16RG2250	1,523
Philometrid Nematode Parasites of the Southern Flounder in SC: Pathology, Abundance and Potential Impact on Mariculture	11.417	NA16RG2250	3,281
Restoring Sweetgrass in the Coastal Maritime Grasslands and Savannahs	11.417	NA86RG0052	5,298
COASTeam Aquatic Workshops - A School-Wide Approach to Integrating Marine and Aquatic Concepts into the K-5 Curriculum	11.417	NA16RG2250	4,917
Interactive Marine Mollusk Educational Display	11.417	NA16RG2250	1,556
Passed through Pacific Shellfish Institute			
Mortality of Pacific Oysters: Identification & Evaluation of Environments	11.417	NA96RG0488	2,841
Passed through the University of South Carolina			
Urbanization and Southeastern Estuarine Systems Public Outreach and Information Dissemination	11.417	NA160A2562	27,889
Passed through University of Maine			
Genetic Identification of Deepwater Octocorals off the Northeast Coast of the United States	11.430	NA06RU0140	1,805
Passed through SC Department of Natural Resources			
Atlantic Croaker, <i>Micropogonias undulatus</i> , Along the Middle Atlantic Coast and Southeast of the United States	11.433	NA17FF2885	5,070
Southeastern Regional Taxonomic Center			
Hormone Levels in Sea Turtles	11.472	NA16FL1490	47,188
Total National Oceanic Atmospheric Administration			<u>213,087</u>
Department of Housing and Urban Development			
Passed through North Charleston Housing Authority			
Case Management Services for North Park Village HOPE VI Redevelopment	14.866	SC16URD0571101	19,117
U.S. Department of Justice			
Passed through SC Department of Public Safety			
Bullet Proof Vest Program	16.607		425
Passed through SC Dept of Alcohol and Other Drug Abuse Services			
College of Charleston: Coalition for Change	16.727	2001-AH-FX-0045	20,582
Total U.S. Department of Justice			<u>21,007</u>

( Continued )

**THE COLLEGE OF CHARLESTON**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2003

Federal Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
National Aeronautics Space Administration Passed through The University of Alabama in Huntsville BATSE 5B Catalog	43.001	NCC8-200	\$ 1,460
Passed through Clemson University Space Durable Multifunctional Fluoropolymers and Nanocomposites	43.001	NCC5-575	1,342
Passed through the American Astronomical Society Development of and Automated and Remote 0.5m Telescope at Eteleman Observatory at University of the Virgin Island	43.001	NAG5-8474	722
Passed through the Space Telescope Science Institute Projected Rotational Velocities of O-Type Stars at Low Metallicity	43.001	HST-AR-0994501-A	1,151
Passed through The SC Research Authority NASA EPSCoR Management	43.999	NCC5-643	8,520
Wetland Research	43.999	NCC5-643	24,193
Total National Aeronautics Space Administration			<u>37,388</u>
National Foundation of the Arts and the Humanities Passed Through the S.C. Humanities Council A History of the Women's Baptist Education and Missionary Convention	45.129	SO-21740-01	939
The Jazz Age: Charleston and Beyond	45.129	SO-21740-01	10,000
Honoring Fallen Soldiers	45.129	SO-21740-01	160
Total National Foundation of the Arts and the Humanities			<u>11,099</u>
National Science Foundation Passed Through the University of South Carolina Molecular Dynamics Simulations of Thin-Film Growth by INBD	47.041	CMS-0103118	5,802
Passed Through California State University Fullerton Foundation Detailed Study of the Cicumstellar Environment Around A-Type Stars	47.049	AST-9819737	5,402
Passed Through the SC Sea Grant Consortium Southeast Center for Ocean Science Education Excellence Curriculum	47.050	OCE-0215402	10,440
Passed Through the University of Georgia A Live Performance Simulation System: Virtual Vaudeville	47.070	RR171-027 / 4184207	15,951
Passed Through the University of Alabama - Tuscaloosa Phylogeny of Physid Snails and Evolution of Reproductive Isolation	47.074	DEB-0128964	28,795
Passed Through the University of South Carolina S.C. Alliance For Minority Participation	47.076	HRD-9702034	34,200
Passed Through the State Department of Education Charleston Mathematics and Science Hub	47.076	ESR-9810313	54,116
Passed Through Claffin University SC Computer Science, English and Math Scholarships	47.076	DUE 0094797	3,125
Passed Through Berkley County School District Middle School Science Standards Institute Coordinator	47.076	ESI-9986869	25
Passed Through the Medical University of South Carolina GK-12 Lowcountry Science Partners for Inquiry Teaching and Learning	47.076	DGE-0139313	132,859
Passed Through South Carolina State University S.C. Alliance For Minority Participation	47.076	HRD-0217602	7,952
Passed Through the Bigelow Laboratory for Ocean Sciences Complex molecular to global interactions and feedbacks in the Marine DMS Cycle	47.078	OPP-0221748	4,814
Total National Science Foundation			<u>303,481</u>

( Continued )

**THE COLLEGE OF CHARLESTON**  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2003

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Total Expenditures</u>
Environmental Protection Agency			
Passed Through Florida Dept of Environmental Protection			
Florida Keys Coral Monitoring	66.454	X994649-94-2	\$ 1,305
U.S. Department of Education			
Passed Through the SC Department of Education			
Upward Bound Academy For Academic Excellence	84.276A	01GB303	24
Passed Through the SC Commission on Higher Education			
Institute For Foreign Language Teachers	84.281A	S281B010040	26,027
Passed Through the SC Commission on Higher Education			
Gear Up - Saturday Academic and Summer Institute	84.334A	P334A990172-01	4,686
Gear Up - Saturday Academic and Summer Institute	84.334A	P334A990172-01	75,009
Passed Through the SC Department of Education			
Title II Standards and Assessment Project	84.336A	02F1303-01	803
Total U.S. Department of Education			<u>106,549</u>
U.S. Department of Health and Human Services			
Passed Through the University of South Carolina			
South Carolina Biomedical Research Infrastructure Network	93.389	1 P20RR16461-01	101,641
South Carolina Biomedical Research Infrastructure Network	93.389	5 P20RR16461-03	129,591
Directed Ortho - Alkylation of Chiral 4.4 Disubstituted Aromatic Oxazolines	93.389	5 P20RR16461-03	4,458
Study of the Protein Interactions Involved in Sarcomeric Assembly in Drosophila Melanogaster	93.389	5 P20RR16461-03	789
Resolution of Structural Anomalies An Undergraduate Research Project	93.389	5 P20RR16461-03	4,248
Transmission of Non-Genetically Inherited Traits: The Role of Learning in Population Changes in Behavior	93.389	5 P20RR16461-03	3,743
Mechanistic Studies into the Role of the Biopterin Cofactor in Nitric Oxide Syntheses	93.389	5 P20RR16461-03	7,291
Passed Through the Medical University of South Carolina			
Light Dosimetry Modeling for Esophageal Photodynamic Therapy	93.389	1 P20RR16461-01	15,085
Protein-Protein Interactions Among the Vaccinia Virus Late Transcription Factors	93.389	5 P20RR16461-03	4,043
Molecular Mechanism of Heavy Metal Accumulation by Acanthocephala	93.389	5 P20RR16461-03	4,522
Passed Through Project R.E.S.T.O.R.E.			
Evaluation of Project RESTORE	93.593	90E00083	8,233
Total U.S. Department of Health and Human Services			<u>283,644</u>
Total Federal Assistance Expended			<u>\$ 41,892,022</u>

(Concluded)

See accompanying notes to the schedule of expenditures of federal awards

**THE COLLEGE of CHARLESTON**

Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2003

**Note 1 - Basis of Presentation**

The accompanying schedule of expenditures 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 - Summary of Significant Accounting Policies for Federal Award Expenditures**

Expenditures for student financial aid programs include the federal share of student's Federal Supplemental Educational Opportunity Grant program grants and Federal Work Study program earnings, certain other federal financial aid for students and administrative costs allowances, where applicable.

**Note 3 - Federal Perkins Loan Program (CFDA Number 84.038)**

The Federal Perkins Loan Program is administered directly by the College of Charleston and balances and transactions are included in the loan fund of the College of Charleston's financial statements. The balance of loans outstanding under the Federal Perkins Loan program was \$2,230,327 as of June 30, 2003

**Note 4 - Matching**

Under the Federal Work Study program, the College of Charleston matched \$51,268 for the year ended June 30, 2003 in addition to the federal share of expenditures in the accompanying schedule of expenditures of federal awards.

Under the Federal Supplemental Education Opportunity Grant program, the College of Charleston matched \$124,280 in funds awarded to students for the year ended June 30, 2003 in addition to the federal share of expenditures in the accompanying schedule of expenditures of federal awards.

**THE COLLEGE of CHARLESTON**

Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2003

**Note 5 - Subrecipients**

Of the federal expenditures presented in the schedule of expenditures of federal awards, the College of Charleston provided federal awards to sub recipients as follows:

<u>Federal granting agency</u>	<u>Federal CFDA number</u>	<u>Amount provided to subrecipients</u>
National Aeronautics and Space Administr	43.001	\$ 233,230
National Science Foundation	47.049	7,789
National Science Foundation	47.074	3,397
		<u>\$ 244,416</u>



**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 basic financial statements of The College of Charleston, as of and for the year ended June 30, 2003, and have issued our report thereon dated September 26, 2003. 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 basic 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 State Auditor, 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.

*Cherry, Bekaert + Holland, L.L.P.*

Beaufort, South Carolina  
September 26, 2003



**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 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, 2003. 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, 2003.

## 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, 2003 and have issued our report thereon dated September 26, 2003. 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 State Auditor, 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.

*Cherry, Bekaert & Holland, L.L.P.*

Beaufort, South Carolina

September 26, 2003 with respect to the Schedule of Expenditures of  
Federal Awards

February 6, 2004 with respect to Compliance and Internal Control Over  
Compliance

**THE COLLEGE OF CHARLESTON**  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2003

**I. Summary of auditor's results**

- A. An unqualified opinion was issued on the basic financial statements of The College of Charleston.
- B. No reportable conditions relating to the audit of the financial statements are reported on 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. No reportable conditions relating to the audit of major federal award programs are reported in the report on compliance with requirements applicable to each major program and on internal control over compliance.
- E. The auditor's report on compliance for the major federal award programs for The College of Charleston expresses an unqualified opinion on all major federal programs.
- F. There are no findings related to internal control over major programs required to be reported under Section .510(a) of OMB Circular A-133.
- G. Major federal programs for The College of Charleston for the fiscal year ended June 30, 2003 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
84.116Z	Improvement of Postsecondary Education
47.076	Education and Human Resources

- H. The threshold for determining major federal programs for The College of Charleston was \$300,000.
- I. 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.