

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

**Independent Accountants' Report On
Applying Agreed-Upon Procedures
June 30, 2010**

COASTAL CAROLINA UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
For the Year Ended June 30, 2010

Table of Contents

Independent Accountants' Report On Applying Agreed-Upon Procedures	1-7
Statement of Revenues and Expenditures	8
Notes to the Statement	9-11

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, 2010, and have issued our unqualified report thereon under date of January 6, 2011. 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 the performance of the University's Intercollegiate Athletics Program and to assist the University in complying with NCAA Bylaw 6.2.3.1 for the fiscal year ended June 30, 2010. Management is responsible for Coastal Carolina University's compliance with the requirements of NCAA Bylaw 6.2.3.1, 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 performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we made 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. We evaluated the level of institutional control, and compared actual revenues and expenditures related to the intercollegiate athletics program (from both internal and external sources) to amounts budgeted. We inquired to determine the nature of institutional internal controls that affected operations of the intercollegiate athletics program, and inquired and investigated to determine the relationship of expenditures for or in behalf of intercollegiate athletics by outside organizations (e.g., booster groups, alumni organizations, independent or affiliated foundations) to institutional expenditures for similar purposes, and the nature of internal controls in place to monitor the financial activities of such outside organizations.

We found no exceptions as a result of this procedure.

2. We obtained the Statement of Revenues and Expenditures of Coastal Carolina University Intercollegiate Athletics Program for the year ended June 30, 2010, as prepared by accounting management of the University. We recalculated the addition of the amounts on the statement, traced the individual line item amounts from the Statement of Revenues and Expenditures to management's worksheets and compared the amounts on management's worksheets to the University's general ledger.

We found no exceptions as a result of this procedure.

3. We obtained from accounting management a list of all outside organizations that have as its principal purpose 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. We then confirmed the amounts received from these outside organizations directly with the responsible official of these organizations. We compared the amount per the confirmation with the amount recorded in the Athletic Department's general ledger and on the Statement of Revenues and Expenditures.

We read the audited financial statements for the Coastal Carolina Chanticleer Club and compared the contribution total to the balance shown on management's Intercollegiate Athletics Program Statement of Revenues and Expenditures report.

We found no exceptions as a result of this procedure.

4. We scanned the Intercollegiate Athletics Program contributions revenue account detail to identify each individual contribution received directly that constitutes more than ten percent of all contributions received for intercollegiate athletics. For these recorded receipts, we obtained and read correspondence from the donor to determine the receipts were classified in accordance with NCAA guidelines, to identify those received from independent outside sources and to determine that the source and value of each such contribution is disclosed in a footnote to the statement.

We found no exceptions as a result of this procedure. We found the two contributions described in Note 1 of Attachment A to be the only individual contributions that are in excess of ten percent of all contributions.

5. We asked accounting management to describe the basis for allocating student athletic fees to athletics and obtained from management the reconciliation of total student fees revenue. We obtained the University's general ledger detail from management and compared the total with the amount of Student Activity Fee revenue recorded in the general ledger and on the Statement of Revenues and Expenditures.

We found no exceptions as a result of this procedure.

6. We obtained all daily cash receipts reports for the Intercollegiate Athletics Program prepared by various program representatives. We then selected a sample and recalculated the reports, compared the amount on the department deposit receipt with the amount on the cashiers' office deposit transmittal, and compared the amount recorded on the cashiers' office deposit transmittal to the amount recorded in the University's general ledger accounts for the Intercollegiate Athletics Program. 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.

Receipt	Date	Amount
000327477	7/21/2009	\$ 55.66
000332766	8/13/2009	600.00
000336124	9/4/2009	1,090.00
000337024	9/14/2009	1,235.00
000337690	9/22/2009	2,752.00
000338937	10/1/2009	15.00
000339638	10/9/2009	948.00
000340718	10/20/2009	561.83
000341344	10/27/2009	305.00
000342333	11/4/2009	1,897.00
000342962	11/10/2009	12.00
000343572	11/19/2009	96.00
000343964	11/30/2009	36.00
000344459	12/3/2009	110.00
000345785	12/15/2009	43.50
000349526	1/5/2010	540.00
000353175	1/15/2010	250.00
000358444	2/8/2010	235,000.00
000361811	3/3/2010	900.00
000363007	3/11/2010	3,390.50
000364023	3/22/2010	150.00
000366865	4/9/2010	425.00
000369472	4/30/2010	25.00
000372740	5/26/2010	663.75
000375310	6/17/2010	3.33

We found no exceptions as a result of this procedure.

7. We obtained and read copies of the game guarantee contracts. We recalculated the total amount of the contracts, and compared this amount with the amount recorded as Guarantee revenue on the Statement of Revenues and Expenditures. We also compared expenditures per the contracts to expenditures recorded in the program's accounts in the general ledger.

We found no exceptions as a result of this procedure.

8. We obtained a schedule of athletics department salaries from athletic management. We compared the amounts listed on the schedule to amounts recorded in the general ledger and on the Statement of Revenues and Expenditures. We calculated the related fringe expenditures using Coastal's fringe benefit rate and compared the amounts calculated with the reported expenditures in the appropriate general ledger accounts.

We found no exceptions as a result of this procedure.

9. We asked athletic management to describe specific elements of the University's internal control unique to the Intercollegiate Athletics Program's accounting system and financial reporting.

We found no exceptions as a result of this procedure.

10. We obtained from athletic management a listing of Athletics events for the year and from this list we selected a sample of events. For the events that have ticket sales, we compared the number of tickets sold per the general ledger with the amount of tickets sold per the ticket report. We recalculated the mathematical accuracy of the amount of ticket sales revenue by multiplying the number of tickets sold, per the ticket sales report, by the individual ticket price. We obtained and read the correspondence accompanying any concession revenue commission checks received. We compared the amount on the accompanying correspondence with the amount recorded in the general ledger.

Event	Date
All Home Football Games	9/12/2009-11/14/2009
All Home Men's Basketball Games	11/13/2009-2/27/2010
All Home Women's Basketball Games	11/13/2009-3/8/2010
Baseball vs. Presbyterian	4/2/2010
Baseball vs. Presbyterian	4/3/2010
Baseball vs. Presbyterian	4/3/2010
Men's Big South Basketball Tournament	3/2/2010-3/6/2010
Horry County Schools (Socaste HS) -Swimming Facilities	8/3/2009-10/9/2009
Horry County Schools (SJHS) -Swimming Facilities	8/3/2009-10/7/2009
David Bennett Football Camp	7/8/2009
UCA Cheer Camp	6/23/2009-6/26/2009
Alan LeForce Women's Basketball Camp	6/17/2009-6/20/2009
Cliff Ellis Men's Basketball Team Camp	6/13/2009-6/15/2009
Alan LeForce Women's Basketball Camp	6/10/2009-6/13/2009
SC Baseball Coaches Association	6/10/2009-6/13/2009

We noted no procedure for sale of complimentary tickets when students/others did not show up for the games. Because the complimentary tickets are not charged for admission, the public purchasing the tickets cannot be recorded in the system. The cashiers take the money and place it in the cash register. The excess money at the end of the game is assumed to be how many complimentary ticket sales there were. There is no procedure in place to verify how much money is actually being taken in based on tickets sold.

The basketball game sales recorded by the ticketing software were \$8,542.14 less respectively than sales recorded on the University's general ledger.

University Response: The additional funds deposited in excess of the ticket software reports are considered to be reasonable amounts of revenue generated by sale of team complementary tickets and student section tickets not redeemed at basketball games. Due to the nature of these ticket sales and staffing limitations, they are not currently captured by the ticketing software.

11. We selected a sample of recorded expenditures for contractual services, travel, uniforms, financial aid and equipment and supplies from the general ledger. We compared the classification of the selected expenditures in the statement to the classifications permitted by NCAA Guidelines as stated by the NCAA Audit Legislation. For the selected expenditures we obtained the related disbursement package to determine the items required by Coastal's procurement policy were included and that the expenditure had been authorized in accordance with the University's policy.

Coastal Carolina University
Intercollegiate Athletics Program
Page Five

<u>Name</u>	<u>Voucher</u>	<u>Date</u>	<u>Amount</u>
Golf Around the World	V0411542	7/21/2009	39.90
Medco Supply Co.	V0412991	8/19/2009	611.54
Joe Cashion	V0413648	8/26/2009	300.00
Ccu Telephone	V0418390	9/8/2009	1,722.94
Elizabeth Appenzeller	V0420355	9/18/2009	75.00
Kevin Brown	V0422000	10/1/2009	150.00
MBF Tours	V0422799	10/13/2009	1,400.00
Div 1-AA ADA	V0423992	10/22/2009	975.00
Bid South Conference	V0424743	11/2/2009	15,695.00
Jeffrey R. Jacobs	V0425437	11/11/2009	2,000.00
Colleen E. Farley	V0426544	11/23/2009	203.29
Gill Athletics	V0427361	12/9/2009	1,877.50
Piedmont Coca Cola	V0428292	12/18/2009	920.56
Aramark	V0429655	1/13/2010	40.00
Pat Hansen	V0434381	1/27/2010	351.44
Rotellia Pizza	V0435640	2/17/2010	306.00
Aramark	V0437315	2/24/2010	105.25
CCU Motor Pool	V0438612	3/11/2010	2,817.50
Richard N. Stoneman	V0439643	3/23/2010	837.38
Rotellia Pizza	V0440757	4/6/2010	300.00
Raeford W. Johnson	V0441599	4/16/2010	75.00
Allen T. Jolly	V0442604	4/28/2010	100.00
Brendon P. Dougherty	V0443982	5/13/2010	36.37
Ccu Telephone	V0445388	6/2/2010	1,801.81
Enterprise	V0447195	6/28/2010	229.88

Sport	Student Name	G/L Awarded Amount Traced to Student Account Detail	G/L Awarded Amount Traced to Approved Award Letter
Cheerleading Scholarship	Snyder, Timothy John	Y	Y
Cheerleading Scholarship	Bascone, Stephanie L	Y	Y
Men's Basketball Grant	Lee, James Edward Mc	Y	Y
Men's Baseball Grant	Motter, Taylor D	Y	Y
Men's Cross Coun/Track Grant	St. Bernard, Jerome	Y	Y
Men's Football Grant	Smalls, Abraham Seth	Y	Y
Men's Football Grant	Hawkins, Corey James	Y	Y
Men's Football Grant	Lott, Marcus M	Y	Y
Men's Football Grant	Cheatwood, James Dou	Y	Y
Men's Soccer Grant	Kelly, Ross Daniel	Y	Y
9th/10th Semester Athletic Gra	Jennings, Warren	Y	Y
Athletic Summer School Award	Ashley, Matthew Adam	Y	Y
Athletic Summer School Award	Tornatore, Alyssa Ni	Y	Y
Athletic Summer School Award	Watson, Jacques Lajj	Y	Y
Athletic Summer School Award	Collins, Benjamin Ha	Y	Y
Athletic Summer School Award	Jacobs, Andrae Jaque	Y	Y
Athletic Summer School Award	Craig, Cody James	Y	Y
Athletic Summer School Award	Williams, Pernel Da	Y	Y
Women's Basketball Grant	Whitaker, Lori Beth	Y	Y
Women's Cross Coun/Track Grant	Burpoe, Kristen A	Y	Y
Women's Cross Coun/Track Grant	Simile, Samantha Den	Y	Y
Women's Softball Grant	Williams, Olivia Rae	Y	Y
Women's Soccer Grant	Day, Ashley Autumn	Y	Y
Women's Soccer Grant	Weigel, Katherine El	Y	Y
Women's Volleyball Grant	Nyhof, Jillian Freda	Y	Y

We found no exceptions as a result of this procedure.

- We obtained from accounting management a listing of all expenditures made directly by the respective outside organizations on behalf of the University's Intercollegiate Athletics Program or employees to determine if they were included as revenues and expenditures on the University's Intercollegiate Athletics Program's accounting records and the Program's statement of Revenues and Expenditures. We compared the amounts on this list with the amounts recorded on management's worksheets.

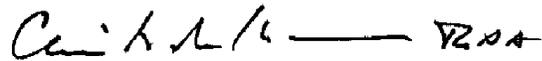
We found no exceptions as a result of this procedure.

- We requested a listing of all marketing contracts made by Athletics for commercials, scoreboard ads, etc. We judgmentally selected a sample to trace contracted amounts to the general ledger.

We found no exceptions as a result of this procedure.

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 6.2.3.1 or the expression of an opinion on The Statement of Revenues and Expenditures of the Intercollegiate Athletics Program of Coastal Carolina University for the year ended June 30, 2010 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 described in paragraph one and procedures one through twelve of this report. 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 "Cynthia A. [unclear] CPA". The signature is written in a cursive style with a horizontal line extending to the right.

January 6, 2011

Coastal Carolina University
Intercollegiate Athletics Program
Statement of Revenues and Expenses
For the Year Ended June 30, 2010

	Football	Baseball	Men's Basketball	Women's Basketball	Men's Soccer	Women's Soccer	Other Sports	Non-Sport Specific	Total
Operating Revenues:									
Ticket Sales	\$ 243,614	\$ 38,635	\$ 26,414	\$ 12,869	\$ -	\$ -	\$ -	\$ -	\$ 321,532
Student Activity Fees	1,204,340	192,497	243,877	232,609	148,070	187,303	1,130,100	-	3,338,796
Guarantees	626,965	1,500	-	22,991	-	-	5,000	196,553	853,009
Chanticleer Athletic Foundation Contributions	93,701	52,562	34,086	8,608	553	5,950	33,905	100	229,465
Gifts	-	-	-	-	-	-	-	7,400	7,400
Inkind Gifts	-	-	-	-	-	-	294,098	2,032,818	2,326,916
Direct Institutional Support	1,788,501	842,551	835,813	509,900	326,936	379,566	2,468,280	1,018,807	8,170,354
Indirect Facilities and Administrative Support	670,911	232,371	268,446	118,518	58,245	54,863	421,001	62,438	1,886,793
NCAA Program for Academic Enhancement	-	-	-	-	-	-	-	719,149	719,149
NCAA Distributions	-	12,600	64,797	-	-	-	25,324	65,774	168,495
Big South Distributions	-	-	-	-	-	-	-	100	100
Program and Novelty Sales/Concessions	-	-	-	-	338	-	959	144,907	146,204
Sponsorships/Royalties/Commissions	10,275	12,559	-	-	-	-	6,544	25,188	54,566
Sport Camp Field Rentals	-	-	-	-	-	-	-	5,113	5,113
Tournament Revenue, Entry Fees	-	80,522	25,907	-	-	-	47,880	-	154,309
Total Revenues	\$ 4,638,307	\$ 1,465,797	\$ 1,499,340	\$ 905,495	\$ 534,142	\$ 627,682	\$ 4,433,091	\$ 4,278,347	\$ 18,382,201
Expenditures:									
Scholarships Including Out of State Abatements	\$ 1,726,537	\$ 310,337	\$ 370,109	\$ 342,158	\$ 266,315	\$ 368,209	\$ 1,872,550	\$ 127,690	\$ 5,383,905
Guarantees	-	42,729	20,202	7,035	10,624	-	-	-	80,590
Coaching Salaries and Fringe Benefits	1,001,917	454,084	488,600	217,460	124,190	82,655	880,563	-	3,249,469
Severance Payment including Fringe Benefits	154,826	-	-	-	-	33,103	-	-	187,929
Administrative Salaries and Fringe Benefits	273,771	41,376	83,779	35,243	-	1,221	17,094	2,172,297	2,624,781
Recruiting	76,931	49,824	58,281	21,556	10,403	28,221	107,750	-	352,966
Team Travel	275,713	114,346	100,103	86,693	35,119	36,953	383,812	-	1,032,739
Equipment, Uniforms and Supplies	218,010	90,110	19,140	30,208	16,073	9,481	178,380	-	561,402
Game Expenses	119,711	30,028	43,093	30,020	8,269	4,955	59,543	-	295,619
Marketing and Promotions	-	-	-	-	-	-	-	153,002	153,002
Direct Facilities Maintenance and Rentals	82,265	27,576	2,907	273	23	18	446,346	29,230	588,638
Cheerleaders and Band	-	-	-	-	-	-	-	154,955	154,955
Indirect Facilities and Administrative Cost	670,911	232,371	268,446	118,518	58,245	54,863	421,001	1,018,807	2,843,162
Medical Expenses and Insurance	-	-	-	-	-	-	-	211,567	211,567
Memberships and Dues	1,305	-	250	-	470	470	3,078	24,579	30,152
Visiting Team / Tournament Expenses	-	57,579	16,768	-	-	-	2,591	-	76,938
Other Operating Expenses	36,410	15,437	27,662	16,331	4,411	7,533	60,383	496,638	664,805
Total Expenditures	\$ 4,638,307	\$ 1,465,797	\$ 1,499,340	\$ 905,495	\$ 534,142	\$ 627,682	\$ 4,433,091	\$ 4,388,765	\$ 18,492,619
Excess (Deficiency) of Operating Revenues Over (Under) Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (110,418)	\$ (110,418)

COASTAL CAROLINA UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
Notes to the Statement of Revenues and Expenditures
June 30, 2010
(Unaudited)

NOTE 1-CONTRIBUTIONS

Contributions and gifts to Coastal Carolina University's Intercollegiate Athletics Program totaled \$727,516. This amount is reported in Attachment A at the following captions:

Chanticleer Club Contributions	\$	425,918
In-kind Gifts		301,498
Gifts		100
	\$	727,516

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

Chanticleer Athletic Fouandation	\$	425,918
TPC of Myrtle Beach in Murrells Inlet		205,288

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. Coastal Carolina University follows capitalization guidelines established by the State of South Carolina. 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 are capitalized. The University capitalizes movable personal property with a unit value in excess of \$5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements and intangible assets costing in excess of \$100,000. Routine repairs and maintenance and library materials, except individual items costing in excess of \$5,000, are charged to operating expenses in the year in which the expense was incurred. The total estimated book value of plant and equipment, net of depreciation, for Athletics is \$24,163,183 compared to the institution total of \$107,839,401.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The University has selected a useful life of 25 to 50 years for buildings, renovations and land improvements. The useful life for machinery, equipment and vehicles varies between 2 and 25 years depending on the asset. A full year of depreciation is taken the year the asset is placed in service and no depreciation is taken in the year of disposition.

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. During the year ended June 30, 2010, there were no material capitalized interest costs incurred.

	Athletic Facilities	Football	Total
Additions	\$ 11,313,328		\$ 11,313,328
Deletions		-	-

COASTAL CAROLINA UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
Notes to the Statement of Revenues and Expenditures
June 30, 2010
(Unaudited)

NOTE 2-INTERCOLLEGIATE ATHLETICS - RELATED ASSETS, Continued**ATHLETIC CAPITAL PROJECTIONS**

CCU Total CIP	<u>Beg Bal</u>	<u>Additions</u>	<u>End Bal</u>
Total Construction in Progress	7,764,204	3,813,252	5,900,550
<u>Athletic Construction in Progress</u>			
Athletic Training Facility	4,915,416		0
* Student Rec/Convoc Center	0	75,887	75,887
Baseball Batting Facility	21,141	200,941	222,082
	<u>4,936,557</u>	<u>276,828</u>	<u>297,969</u>
<u>Addition to Buildings:</u>			
Adkins Field House	0	5,628,313	11,305,219
	<u>0</u>	<u>5,628,313</u>	<u>11,305,219</u>

NOTE 3- INTERCOLLEGIATE ATHLETICS - RELATED DEBT

	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>Balance June 30, 2010</u>
State Institution Obligation Bonds Related to Athletics Facilities			
2003	3.25% to 4.625%	9/1/2022	
2006	4.25% to 6.00%	10/1/2026	
			<u>\$ 8,221,716</u>

Maturities of debt related to intercollegiate athletics at June 30, 2010 were as follows:

<u>Due in Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Payments</u>
2011	\$ 338,940	344,521	\$ 683,461
2012	353,466	327,852	681,318
2013	367,992	310,905	678,897
2014	382,518	294,176	676,694
2015	397,044	277,713	674,757
2016-2020	2,253,949	1,126,794	3,380,743
2021-2025	2,810,779	589,984	3,400,763
2026-2027	1,317,023	56,591	1,373,614
	<u>\$ 8,221,711</u>	<u>3,328,536</u>	<u>\$ 11,550,247</u>

COASTAL CAROLINA UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
 Notes to the Statement of Revenues and Expenditures
 June 30, 2010
 (Unaudited)

NOTE 3- INTERCOLLEGIATE ATHLETICS - RELATED DEBT, Continued

Athletically related debt service and total debt year ended June 30, 2010.

	<u>Athletically Related</u>	<u>University Total</u>
Total Annual Debt Service	<u>\$ 686,971</u>	<u>\$ 3,463,649</u>
Total Debt Outstanding:		
Institution Bonds	8,221,710	70,980,000
Revenue Bonds	<u>-</u>	<u>21,305,000</u>
	<u>8,221,710</u>	<u>92,285,000</u>