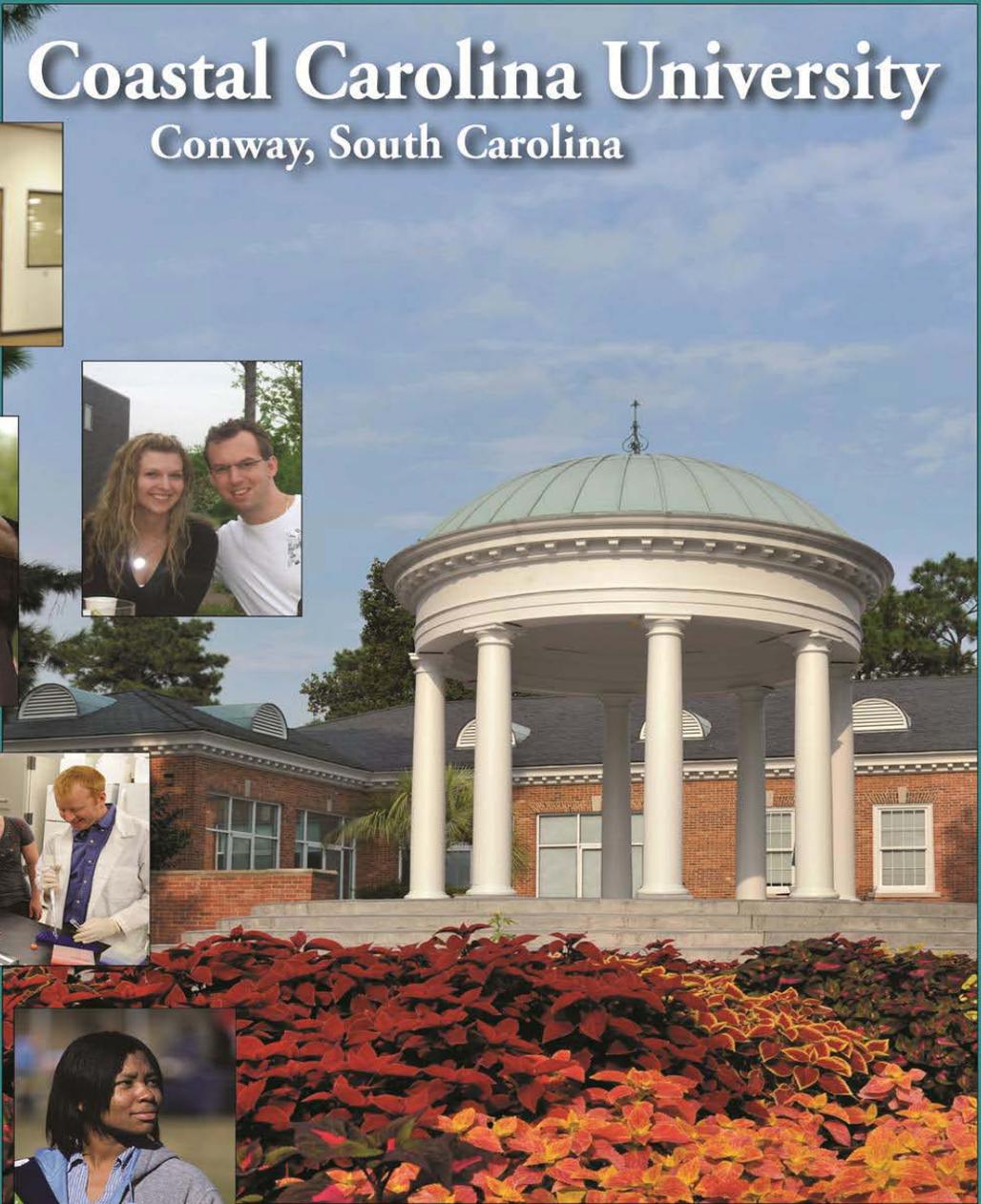


Coastal Carolina University

Conway, South Carolina



Comprehensive Annual Financial Report

Included in the Higher Education Funds of the State of South Carolina
For the Fiscal Year Ended June 30, 2012



Comprehensive Annual Financial Report

Included in the Higher Education Fund, an Enterprise Fund of the State of South Carolina

For the Fiscal Year Ended June 30, 2012

Prepared by the

Office of the Vice President for Finance and Administration

COASTAL CAROLINA UNIVERSITY
FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

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COASTAL CAROLINA UNIVERSITY COMPREHENSIVE ANNUAL FINANCIAL REPORT

INTRODUCTORY SECTION



Atheneum Porch

November 15, 2012

Dear Coastal Carolina University Community:

As Coastal Carolina University enters its twentieth year as an independent institution, I am proud of the University and enthusiastic about the plans we have for the future. The University continues to implement its 2008-2013 *Strategic Plan*, entitled "Tradition, Integrity, Excellence: Building a Comprehensive University," which provides a guide that links the University's strategic direction to budgeting and continual outcome-based assessment. The strategic plan will be updated during the 2012-2013 academic year.

Coastal Carolina University has experienced more than three decades of sustained growth. Increases in admissions continue as the Fall 2011 semester reported a total enrollment of 9,084 with a corresponding full-time equivalent enrollment of 8,720. Growth is also expressed by the Fall 2011 headcount enrollment increase of 83% over the last ten years. This expansion has been accompanied by increased high school grade point averages on the part of accepted students.

I am most pleased with our decision not to increase in-state undergraduate tuition or any associated fees for 2012. In fact, we went one small step further by awarding all in-state students a \$50 per semester credit against their tuition costs.

The following are some of the other milestones that were achieved in the 2011-2012 Academic Year:

- Over the past year Coastal received the following distinctions:
 - *Forbes*: America's Top Colleges
 - *U. S. News & World Report*: Best Colleges
 - S.C. College of Distinction
 - *G.I. Jobs* Magazine: Military-Friendly School
- Coastal Carolina University completed the Southern Association of Colleges and Schools (SACS) accreditation process with no reported negative findings. The University's Quality Enhancement Plan, *Experienced@Coastal*, was developed. This initiative is an effort to bring experiential learning to the center of Coastal's educational culture through undergraduate research, internships, international experiences, and community engagement.
- Coastal offers baccalaureate degrees in 56 major fields of study, including degrees and specialized degree concentrations. During 2011-2012, a new major, Intelligence & National

Security Studies, was approved, and authorization was received for four concentrations in Communications and five in Management. The University plans to move forward with the establishment of its first-ever doctoral program since new legislation was approved allowing formation of same for Marine Science.

- Coastal Carolina University marked the graduation of the first student to complete its Sino-American 1+2+1 Double Degree Program, an academic partnership that the University has participated in since 2007. The program is jointly sponsored by the American Association of State Colleges and Universities (AASCU) and the China Center for International Educational Exchange (CCIEE).
- The Investments Laboratory in the E. Craig Wall Sr. College of Business Administration opened. The state-of-the-art lab is equipped with a 15-foot ticker display, two large screen televisions, 22 student terminals, and world-class investment management software.
- Graduation rates remain steady with Coastal's 2005 cohort rate of 46%, the fourth highest rate for comprehensive teaching colleges and universities in the State of South Carolina. The six-year graduation rate for African-American students has increased by 10.2% for the cohort groups 2001 – 2005.
- During the 2011-2012 academic year, more than 1,100 students were offered internships at over 500 employers. The CCU Internship Program was developed and a Director of Internships and Service Learning appointed.
- Coastal Carolina University was named to the 2012 President's Higher Education Community Service Honor Roll, an annual recognition program that celebrates exemplary commitment to service and volunteering from institutions of higher education. In 2011-2012, 350 students were engaged in academic service learning, 2,811 were engaged in some type of community service, and 23,309 total hours were volunteered by Coastal students.
- The University's Dalton and Linda Floyd Family Mentoring Program provides mentoring support to 4th- through 10th-grade students deemed at-risk for continuing through high school in the Horry and Georgetown county school districts. In 2011-2012, 427 students from 31 elementary, middle and high schools in Horry and Georgetown counties participated in the program.
- The University has been a voluntary partner with the Veterans Administration through the Yellow Ribbon Program since 2009. From 2009 – 2012 the University assisted 30 veteran students with matching funds totaling \$22,500.
- The Scholars Academy is a unique high school operated by the Horry County School District on the Coastal Carolina University campus. Top academic ninth and tenth grade students from the district are brought to the Coastal campus to take courses in special sections made available for them at their grade level. As early as their sophomore year students may take select college-level courses in the same sections as Coastal students. An agreement has been reached with the school district for a dedicated building to be erected on the University grounds to house the Scholars Academy.

• Campus growth continued at an unprecedented rate with the addition of the following buildings:

- HTC Student Recreation and Convocation Center
- Bryan Information Commons
- Swain Hall Science Annex
- Academic Classroom/Office Building

The importance of Coastal Carolina University to Horry County and the state cannot be overemphasized. The University will continue to strive to reach both local residents and those across the state, and to provide an exceptional education at a reasonable cost. We will also continue to work with local and regional partners to advance economic development in the area.

It is my sincere belief that Coastal Carolina University, with the enduring support of the campus community, Horry County and the State of South Carolina, will prosper and thrive. In that spirit, I am proud to submit this Comprehensive Annual Report for the year ending June 30, 2012.

Sincerely,

David A. DeCenzo
President

LETTER OF TRANSMITTAL

October 31, 2012

To the President and
Members of the Board of Trustees:

We are pleased to present to you the Comprehensive Annual Financial Report of Coastal Carolina University for the fiscal year ended June 30, 2012.

This report consists of management's representations concerning the finances of Coastal Carolina University. Consequently, management accepts full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the University has established a comprehensive internal control framework that is designed both to protect the University's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the University's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the University's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that this financial report is complete and reliable in all material respects to the best of our knowledge and belief.

The University's financial statements have been audited by Cline Brandt Kochenower & Co., P.A., certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the University for the fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unqualified opinion that the University's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to

complement the MD&A and should be read in conjunction with it. The University's MD&A can be found immediately following the report of the independent auditor.

Profile of the University

Coastal Carolina University was founded in 1954 by a group of Horry County citizens who lent their vision and support to bringing higher education to the local area. Initially a two-year college, the new school was supported by private funds and was operated under the auspices of the College of Charleston. A referendum in 1958 resulted in a county property tax millage being made available for the support of the college, and Coastal Carolina University entered into an agreement in 1959 with the University of South Carolina to become a campus of the University System. In 1963, with the support of the Coastal Educational Foundation, Inc., and the Horry County Higher Education Commission, the college moved to its current location upon completion of the Edward M. Singleton Administration Building.

Coastal Carolina College became a four-year institution in 1974, awarding baccalaureate degrees in several areas. During the 1980's, Coastal Carolina College experienced dramatic growth with the enrollment doubling in size from approximately 2,000 to 4,000 students.

In 1991, the Coastal Educational Foundation, Inc., and the Horry County Higher Education Commission voted to seek legislative approval to establish an independent Coastal Carolina University. The University of South Carolina President and Board of Trustees agreed to the proposed independence for Coastal Carolina University. In the 1993 session, the South Carolina legislature established Coastal Carolina University as an independent state-supported institution effective July 1, 1993. The University, for the first time, had acquired its own Board of Trustees which met July 1, 1993, and named Ronald R. Ingle as the University's first president. Dr. David A. DeCenzo became the second president of Coastal Carolina University on May 7, 2007.

The University comprises 94 main buildings on 630 acres including the Coastal Science Center and the Burroughs & Chapin Center for Marine and Wetland Studies located in the Atlantic Center on U.S. 501, and the General James Hackler Golf Course at Coastal Carolina University, a public 18-hole golf facility located adjacent to the campus. The University also offers courses at the Waccamaw Center for Higher Education in Litchfield and the Myrtle Beach Education Center located on the Highway 17 Bypass. Waties Island, 1,110 acres of pristine barrier island on the Atlantic coast, provides a natural laboratory for extensive study in marine science and wetlands biology.

Also, the University maintains residence halls to accommodate 3,289 students in three general locations: main campus (1,210 beds), and University Place I and II (987 beds). In January 2010, the Coastal Carolina University Student Housing Foundation purchased Campus Edge, now called University Place III (1,092 beds), which is contiguous to University Place I and II.

The University is committed to continuous improvement of the institution, as well as accountability to stakeholders. With these goals in mind, we constantly review and evaluate processes with a focus on efficiency, purpose and accuracy, and make changes where appropriate. Some of the improvements made in the last fiscal year include:

- Financial Services implemented an integrated electronic banking system designed to reduce the risk of check fraud and to discover account discrepancies. When a check is presented for payment, the Payee Positive Pay service compares the dollar amount, check number, and payee name with electronic information previously sent.
- The “Image Now” document imaging solution was effected, providing for electronic storage of accounting information such as journal entries and check disbursement back up. This software gives the campus community improved access to stored documents, as well as eliminates the need for expanded space to store paper, and the possibility of lost records.
- Savings in postal services expense were realized with the initializing of emailed invoices to vendors and the direct deposit for payment option.
- A vigorous marketing campaign was launched to authorize the CINO card to be used at off-campus locations. The CINO card, whose initial purpose was student identification, can now be used to access dormitory buildings and student rooms, for library checkout, gym access, meal plans, and attendance, and more recently, for shopping in designated area businesses. More than twenty eight off-campus merchants in the Conway and Myrtle Beach areas now accept the CINO card as a method of payment.
- Tour and Campus Services, a new mobile application for smartphones, has been developed for use by students, faculty and staff. The new app is a convenient method for users to get information from any location and will be launched in the upcoming year.
- Central Receiving initiated a new bar coding system for tagged assets. This system will generate greater efficiencies in the annual inventory process and strengthen the control of physical assets.
- In cooperation with the Department of Environmental Health and Safety, the Department of Public Safety investigated, purchased and installed software to enhance video surveillance for the campus community. This improved safety feature encourages students to use campus facilities outside of regular class times.
- Patrol cars have been equipped with digital in-car camera recording and a download storage system in an effort to streamline reporting requirements and increase transparency on the campus.
- Conference Services has initiated a *Report on Daily Events* which is distributed to outside departments enabling others to be proactive with preventative and corrective maintenance action as needed concerning meetings and other events held on campus.
- Efforts toward maintaining a green campus were enhanced through installation of interior recycling and trash containers throughout campus. This addition encourages recycling in a visible, neat and manageable way in the campus community.

Economic Environment

Coastal Carolina University's financial profile fits more closely with that of a private institution than with that of a typical public institution. Although the percent of resources from state funding has fallen dramatically over the years, University administration and the Board of Trustees are mindful of the financial impact of college costs on families and closely monitor inflation. As a result, Coastal Carolina University kept tuition for in-state students at last year's rates for the 2012-2013 academic year, while also adding a \$50 per semester in-state student tuition credit. The \$9,760 per year tuition rate remains lower than the average rate of \$10,142 charged by South Carolina Public Universities in the current fiscal year. Out-of-state students, on the other hand, continue to be charged an amount that exceeds their educational costs to ensure that out-of-state students do not constitute a drain on state resources. For all students, room and board rates, along with meal plan fees, did not increase for 2012-2013.

Should Coastal Carolina University find it necessary to increase tuition at a future date, every effort will be made to ensure that the increase is at or less than the current Higher Education Price Index (HEPI) plus growth.

The University continues to grow as the Fall 2012 semester reports a student population of 9,334. The chart below provides a snapshot of the University's enrollment increases over the last five years.

	Fall 2007	Fall 2012	Change
Undergraduate Headcount	7,070	8,745	+ 23.7%
New Freshmen	1,652	2,205	+ 33.5%
New Transfers	658	817	+ 24.2%
Graduate Headcount	802	589	- 26.6%
Total FTE	7,177	8,858	+ 23.4%
Total Headcount	7,872	9,334	+ 18.6%

This growth translates into increasing revenue and corresponding increases in expenses. The University is committed to financial viability and managed growth, as is evident in the accompanying financial statements.

The University operates four auxiliary enterprises which have helped to build and sustain cash reserves in these tight economic times. They consist of the bookstore (outsourced to Follett), residence life (operated by the University), vending (outsourced to Coca-Cola and Total Vending), and food service (outsourced to Aramark). Auxiliary Services are operated with oversight from the Office of Contractual and Business Services.

As determined by Moody's, the rating for the University's Revenue Bonds was upgraded to A2 from A3 in 2009. This can be attributed to ongoing improvements in the financial condition and continued growth of Coastal Carolina University.

The University is fortunate to receive appropriations from both Horry County and Georgetown County. This gives the University the ability to take on specific projects in the interest of the citizens of each of those counties which also benefit the entire University community.

Long-Term Financial Planning

The strategic planning, assessment, and budgeting process allows the University to respond to present and future initiatives with flexibility and with the innovative approaches that are required due to limited resources. Planning for the future and accomplishment of strategic objectives are paired with annual fundraising events and long-term campaigns.

The strategic planning process focuses on the development of strategic priorities which guide resource allocation and performance tracking throughout Coastal Carolina University.

The Strategic Management Committee is charged with evaluating the goals and objectives contained in the strategic plan on an annual basis. The President serves as the Committee Chair, and the Chief Operating Officer of the University currently serves as the Committee Coordinator of Strategic Planning. There are 31 University stakeholders from the campus community who serve as its members.

Select members of the Strategic Management Committee meet four times a year to:

- Review progress of the strategic plan and identify and evaluate appropriateness of key strategies, goals and objectives with the mission of the University.
- Review the vision and mission of the institution to identify if, and how, it should be changed and to recommend to the Coastal Carolina University President challenges to the University vision, mission, strategic priorities or goals, and/or changes in the process of timing of the implementation of a plan.
- Develop a “Progress on the Plan” report that will incorporate all institutional assessment reports.
- Coordinate action on strategic initiatives across and between layers within the institution.
- Coordinate with other agencies, as appropriate, to provide required information on strategic planning.

The basics of the Strategic Plan are:

Key Strategies

1. Meeting the Educational Needs of Students and the Community – Expand degree and non-degree program offerings and formats while maintaining quality in all programs.
2. Ensuring Student Success – Increase retention and graduation rates by supporting programs and services that enrich the student learning and living environment and broaden the diversity of students seeking Coastal Carolina University as their choice for educational advancement.
3. Highly Qualified Faculty and Staff Success – Develop programs and services that support a successful, satisfying, safe, healthy, and productive work life for Coastal Carolina University faculty and staff.

4. Ensuring Financial Viability and Managed Growth – Ensure responsible financial management practices which are based on a clear commitment to enrollment growth and are consistent with the mission of the University.

Supporting Strategies

1. Improved Communication – Enhance communication within the University.
2. Stronger Assessment and Accountability – Implement and maintain an environment of institutional effectiveness that is based on a culture of assessment, results in continuous improvement, and supports the University in effectively accomplishing its mission.
3. Increased Technological Support – Manage technology tools, systems, skills, and applications to deliver effectively on the key strategies.

The University updated their Master Plan in FY2011. This plan provides a strong base and clear direction for institutional development. Details of the Campus Master Plan are available at the [University Campus Master Plan](#) website.

Relevant Financial Policies

In addition to being guided by its own Strategic Plan, the University is a part of the state of South Carolina government and, as such, follows state law and policies regarding procurement, construction, human resource practices, contract and grant funding, and other operating guidelines. A budget is submitted annually to the Governor's Office, which is built using a robust internal budget process. University budget policies are based on the Strategic Plan, the Campus Master Plan and current enrollment data. When necessary, the University borrows funds for capital projects by working with staff in the State Treasurer's Office.

Major Initiatives

More than \$247 million of major capital projects in various phases of planning or construction are currently underway or completed, making this the University's most ambitious building schedule in its fifty-nine year history and changing the face of the campus for generations to come. The recently finished Bryan Information Commons added 15,000 square feet to the Kimbel Library and provides a technology-rich setting for students to study individually and in groups. The 130,000 square foot HTC Student Recreation and Convocation Center offers students, faculty and staff a multi-function venue providing courts for men's and women's basketball, women's volleyball, food service concessions, locker rooms and coaches' offices, along with fitness/cardio and weight training facilities, a rock climbing wall and an indoor track.

Presently under construction is an annex adding labs and offices to the rapidly expanding College of Science; an academic classroom building containing much needed classroom and office space for faculty; a central energy facility serving multiple buildings as a cost-saving strategy; a new building for Public Safety; and parking lot additions in strategic locations throughout campus. In the design phase are long overdue renovations for the Smith Science Building, the Singleton Building, Atheneum Hall, baseball and softball stadium improvements, and new residence halls. An addition to the Lib Jackson Student Center is planned to begin

construction this fiscal year, as well as a new and expanded tennis complex on the east campus. New student housing construction to accommodate 1270 beds for first-year students is slated to begin in 2013. This multi-phase project will ease current housing shortages, allow for future growth, and offer upperclassmen the option of living on campus.

The acquisition and modification of space to accommodate programs and services for our growing community is one of Coastal Carolina University's highest budget priorities. In spite of all of the stopgap measures, the addition to academic and support space barely begins to address the 65.1 percent growth in the number of students over the past ten years.

One innovative method of funding construction on campus is a local-option penny sales tax which is split between Horry County Schools, Horry Georgetown Technical College, and Coastal Carolina University. Effective March 1, 2009, this funding is restricted to capital projects and land acquisitions. As of June 30, 2012, Coastal Carolina University has received \$23.6 million of allocations from the local-options sales tax and estimates a total of \$138.4 million to be allocated during the course of the sales tax collection.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Coastal Carolina University for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011. This was the ninth year that the University received this prestigious award. In order to be awarded a Certificate of Achievement, the University published an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report is the result of dedicated teamwork by the staff in the departments of Finance and Administration, Institutional Research and Assessment, Information Technology Services, and Printing Services. A good report depends as much on data integrity at the level of each transaction as it does on statistical analysis and spreadsheet preparation. We appreciate the hard work and good humor of staff members and their adherence to quality professional standards. Significant credit is also due to the President, the Chief Operating Officer and the Board of Trustees for their leadership, dedication and vision, and for their encouragement of each member of the University community to strive for excellence. The staff especially appreciates the breadth of experience and thorough review completed by the University's external auditors, Cline Brandt Kochenower & Co., P.A.

Respectfully submitted,

/s/ Stacie A. Bowie

Stacie A. Bowie
Vice President for
Finance and Administration

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Coastal Carolina University
South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Danson

President

Jeffrey R. Enos

Executive Director

**COASTAL CAROLINA UNIVERSITY
BOARD OF TRUSTEES
2011-2012**

Nikki Haley, Governor	Ex Officio Chairman
Natasha M. Hanna	First Congressional District – Seat One
Larry L. Biddle	First Congressional District – Seat Two
Oran P. Smith	Second Congressional District – Seat Three
Robert G. Templeton	Second Congressional District – Seat Four
William S. Biggs	Third Congressional District – Seat Five
William L. Lyles, Jr.	Third Congressional District – Seat Six
William E. Turner III	Fourth Congressional District – Seat Seven
D. Wyatt Henderson	Fourth Congressional District – Seat Eight
Samuel J. Swad	Fifth Congressional District – Seat Nine
Robert D. Brown	Fifth Congressional District – Seat Ten
Gary W. Brown	Sixth Congressional District – Seat Eleven
J. Wayne George	Sixth Congressional District – Seat Twelve
Eugene C. Spivey	At-Large – Seat Thirteen
Daniel W. R. Moore, Sr.	At-Large – Seat Fifteen
Carlos C. Johnson	Gubernatorial Designee
Samuel H. Frink	Gubernatorial Appointee
Gene Anderson	Trustee Emeritus
Payne H. Barnette, Jr.	Trustee Emeritus
Fred F. DuBard, Jr.	Trustee Emeritus
Cathy B. Harvin	Trustee Emerita
Dean P. Hudson	Trustee Emeritus
James J. Johnson	Trustee Emeritus
Clark R. Parker	Trustee Emeritus
Juli S. Powers	Trustee Emerita
Keith S. Smith	Trustee Emeritus

**COASTAL CAROLINA UNIVERSITY
ADMINISTRATIVE OFFICERS
2011-2012**

David A. DeCenzo, Ph.D.	President
Edgar L. Dyer, J.D.	Executive Vice President, Chief Operating Officer
Robert J. Sheehan, Ph.D.	Provost, Senior Vice President, Academic & Student Affairs
Stacie A. Bowie, M.B.A.	Vice President, Finance and Administration, Chief Financial Officer
Judy W. Vogt, Ed.D.	Vice President, Enrollment Services
Gregory Thornburg, M.S.	Interim Vice President, Enrollment Services
Deborah K. Conner, Ph.D.	Vice President, Student Affairs
Travis Overton, M.B.A.	Dean of Students
B. Lawson Holland, B.A.	Vice President, Office for Philanthropy
Mark Roach, M.S.	Executive Director, Chanticleer Athletic Foundation
Hunter R. Yurachek, M.S.A.	Director, Athletics
Vacant	Associate Vice President, University Communication
Timothy E. Meacham, J.D.	University Counsel
Lori G. Church, C.P.A., C.I.A.	University Controller
John Beard, Ph.D.	Associate Provost, Assessment & Accreditation
Sallie D. Clarkson, M.L.S.	Associate Provost, Administrative & Academic Student Services
Bruxanne Hein, Ed.S.	Director, Grants and Sponsored Research
James O. Luken, Ph.D.	Director, Graduate Studies
Edward Jadallah, Ph.D.	Dean, Spadoni College of Education
James R. Byington, Ph.D.	Dean, Wall College of Business
Daniel Ennis, Ph.D.	Interim Dean, Edwards College of Humanities & Fine Arts
Michael H. Roberts, Ph.D.	Dean, College of Sciences and Vice President, Research and Emerging Initiatives
Barbara A. Burd, Ph.D.	Dean, Library Services
Nelljean M. Rice, Ph.D.	Dean, University College
Abdallah S. Haddad, M.Ed.	Executive Director, Information Technology Services
Christine L. Mee, M.Ed.	Executive Director, Institutional Research, Assessment and Analysis
Daniel M. Lawless, M.S.	University Registrar
Pat West, M.Ed.	Executive Director, Administrative Services

**COASTAL CAROLINA UNIVERSITY
FINANCE AND ADMINISTRATION
EMPLOYEES CONTRIBUTING TO FINANCIAL REPORT
2011-2012**

Stacie A. Bowie	Vice President for Finance & Administration, Chief Financial Officer
JoAnna Dalton	Administrative Coordinator
Sharon Sluys	Executive Budget Analyst
Lori Church	University Controller
Mirinda Chestnut	Administrative Specialist
Gregory Thompson	Assistant Controller
Lila Taylor	Staff Accountant
Courtney Trich	Staff Accountant
Lynn Silver	Supervisor, Accounts Payable
Virginia Altman	Accounts Payable Technician/Travel
Brenda Rabon	Accounts Payable Technician/Athletics
William Fore	Accounts Payable Clerk
Heather Brady	Senior Accountant
Lisa Sak	Staff Accountant
Sheila Singleton	Accountant, University Receivables, V.A. Coordinator
Vacant	Director, Student Accounts
Danny Martin	Manager, Student Accounts
Patty Lee	Collections, Student Accounts
Tukonya Vereen	Collections Specialist, Student Accounts
Annette Johnson	Cash Receipt Supervisor, Student Accounts
Olga Shabeka	Cash Receipt Auditor, Student Accounts
Tammy McAllister	Student Accounts Specialist, Student Accounts
Sherrell Richardson	Cashier, Student Accounts
Tammy McAllister	Perkins Loan Coordinator, Student Accounts
Kayla Johnson	Student Accounts Specialist, Student Accounts
Alisha Singleton	Student Accounts Specialist, Student Accounts
Amanda Hanford	Student Accounts Specialist, Student Accounts
Scott Gallimore	CINO Card Specialist
Larry Peak	Director, Grants/Tax Accounting
Tammy Holt	Grants Accountant
Dean Hudson	Director, Office of Procurement
June Barfield	Procurement Specialist
Suzanne Beverly	Supply Manager, Campus Supply/Inventory
John McKee	Supply Specialist Temporary, Campus Supply/Delivery
John Stokes	Supply Specialist Temporary, Campus Supply/Delivery
Caren Riedinger	Procurement Specialist
Annette Roberts	Procurement Specialist
Robin Strickland	Procurement Specialist
Vickie Williams	Procurement Specialist
Angela Barwick	Administrative Specialist
Julianne Cooke	Director of Finance, Coastal Educational Foundation
Robyn Diven	Donor Relations and Gift Specialist
Michele Strang	Staff Accountant
Jennifer Bullard	Staff Accountant, Coastal Housing Foundation
Lauren Barker	Accountant/Fiscal Analyst, Athletics

**COASTAL CAROLINA UNIVERSITY
FINANCE AND ADMINISTRATION
EMPLOYEES CONTRIBUTING TO FINANCIAL REPORT
2011-2012**

Sandy Baldrige

Pat West

David Moyer

Jill Conway

Vicky Rabon

Dana Booth

Director, Business Services

Executive Director, Administrative Services

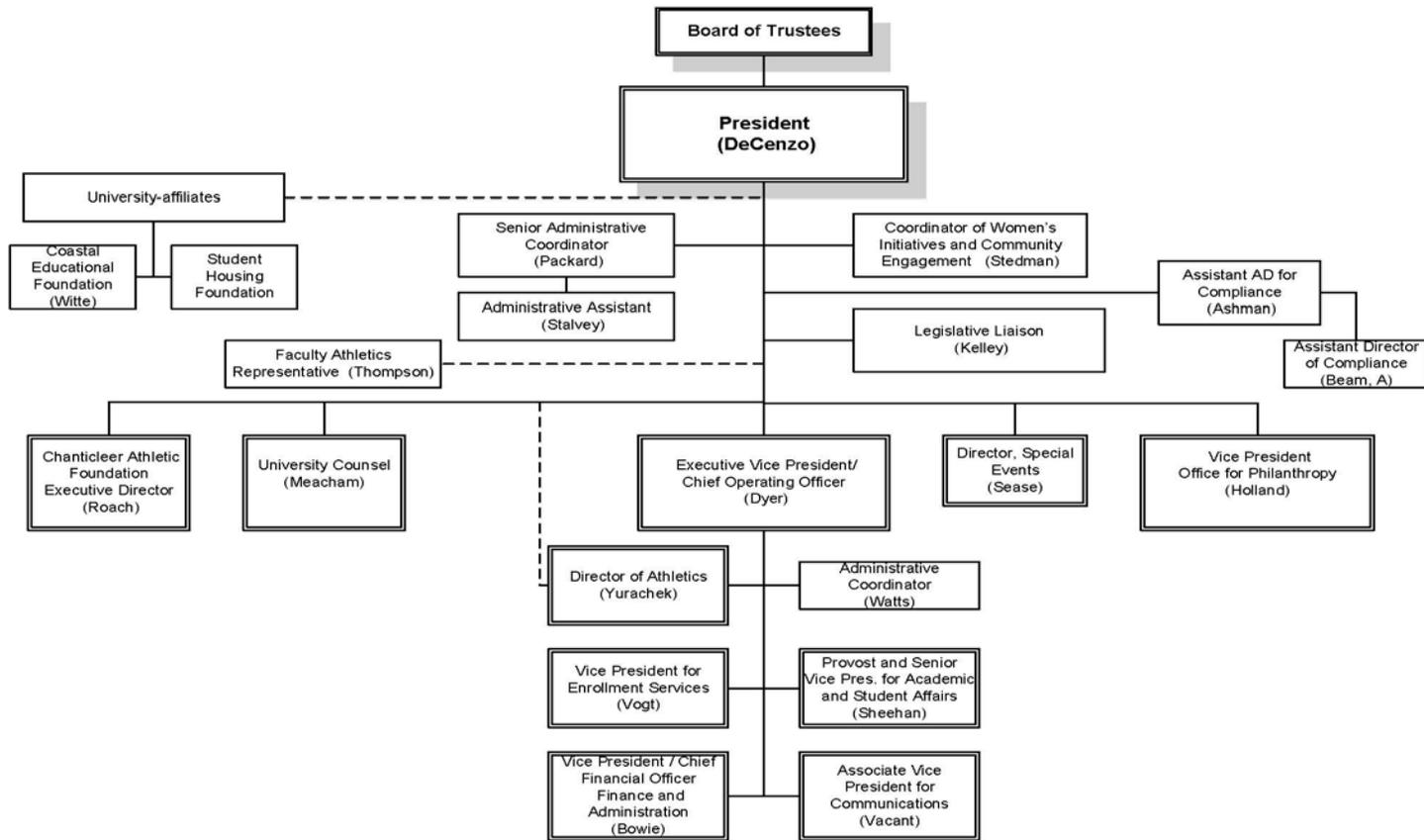
Director, Payroll

Senior Payroll Accountant

Senior Payroll Accountant

Accounting Clerk, Payroll

COASTAL CAROLINA UNIVERSITY ORGANIZATIONAL CHART 2011-2012



September 2012

COASTAL CAROLINA UNIVERSITY

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FINANCIAL SECTION



HTC Student Recreation and Convocation Center

COASTAL CAROLINA UNIVERSITY

Independent Auditors' Report
Financial Statements and Schedules
For the Year Ended June 30, 2012

FINANCIAL INFORMATION

MEMBERS
AMERICAN INSTITUTE OF CPAS
PRIVATE COMPANIES PRACTICE SECTION
SOUTH CAROLINA ASSOCIATION OF CPAS

CLINE BRANDT KOCHENOWER
& Co., P.A.
Certified Public Accountants
Established 1960

ALBERT B. CLINE, CPA
RAYMOND H. BRANDT, CPA
BEN D. KOCHENOWER, CPA, CFE, CVA
STEVEN L. BLAKE, CPA, CFE
TIMOTHY S. BLAKE, CPA
JENNIFER J. AUSTIN, CPA

Independent Auditors' Report

To the Honorable Nikki R. Haley,
Governor of the State of South Carolina
And the Board of Trustees of
Coastal Carolina University
Conway, South Carolina

We have audited the accompanying financial statements of the business-type activities of Coastal Carolina University, a department of the State of South Carolina, as of and for the years ended June 30, 2012, which collectively comprise the University's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of The Coastal Educational Foundation, Coastal Carolina University Student Housing Foundation, and Chanticleer Athletic Foundation. The Coastal Educational Foundation, Coastal Carolina University Student Housing Foundation, and Chanticleer Athletic Foundation reflect 100% of total assets, 100% of net assets, and 100% of total revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for The Coastal Educational Foundation, Coastal Carolina University Student Housing Foundation, and Chanticleer Athletic Foundation is based on the report of the other auditors.

We conducted our audits 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Coastal Educational Foundation, Coastal Carolina University Student Housing Foundation, and Chanticleer Athletic Foundation were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements of the University are intended to present the financial position, changes in net assets and cash flows, where applicable, of only that part of the business-type activities that are attributable to the transactions of the University. They do not purport to, and do not, present fairly the financial position of the State of South Carolina, as of June 30, 2012, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, based on our audit and the report of other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of Coastal Carolina University and its discretely presented component units, as of June 30, 2012, and the changes in financial position, and cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

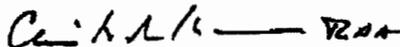
Post Office Box 848, 1225 West Floyd Beiber Boulevard, Geffney, SC 29342-0848, (864) 488-7121 Fax (864) 488-7122
Post Office Box 181300, 148 Rogers Commerce Boulevard, Belling Springs, SC 29319-1300, (864) 841-0218 Fax (864) 841-0221
Internet Address: www.cbkpa.com

As described in Note 6 to the financial statements, the University adopted, effective for the fiscal year ended June 30, 2012, a monthly depreciation convention for the straight-line method consistent with the policy of the State of South Carolina.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2012 on our consideration of Coastal Carolina University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant and agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Coastal Carolina University's financial statements as a whole. The accompanying schedule of expenditures of federal awards listed in the Single Audit section of the table of contents 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 also not a required part of the financial statements of Coastal Carolina University. The other financial information and schedule of expenditures of federal awards as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



September 21, 2012



Coastal Carolina University Management's Discussion and Analysis

Coastal Carolina University is pleased to present its financial report for the year ended June 30, 2012. This section, Management's Discussion and Analysis, will describe each of the statements, present a condensed, comparative version of each one, and offer financial highlights for the year.

Using the Annual Financial Report

The University's financial statements have been prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 35, Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities. During fiscal year 2004, the University implemented GASB Statement No. 39; Determining Whether Certain Organizations are Component Units – An Amendment of GASB Statement No. 14, and incorporated one non-governmental component unit, the Coastal Educational Foundation. In fiscal year 2005, the CCU Student Housing Foundation was determined to be a second component unit, primarily due to its close relationship to the growth plans of the institution. A third component unit, Chanticleer Athletic Foundation, was added in FY2012 also due to its close relationship to the growth plans of the institution.

The Chanticleer Athletic Foundation, (CAF), is also a legally separate tax exempt, not-for-profit organization incorporated under the laws of South Carolina as the University's athletic fund-raising organization. Contributions to CAF are used for athletic scholarships, facilities and program development. CAF's support comes primarily through individual donor contributions, annual fund-raising campaigns and special events.

The basic financial statements prescribed by GASB No. 35 (the Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets, and the Statement of Cash Flows) are prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

The Statement of Net Assets includes all assets and liabilities of the University. Over time, increases or decreases in net assets (the difference between assets and liabilities) are one indicator of the improvement or erosion of the University's financial health when considered with non-financial facts such as enrollment levels and the condition of facilities.

The Statement of Revenues, Expenses and Changes in Net Assets presents the revenues earned and the expenses incurred during the year. Activities are reported as either operating or non-operating. A public university's dependency on state aid and gifts usually produces an operating deficit because the financial reporting model classifies state appropriations and gifts as non-

operating revenues. The utilization of capital assets is reflected in the financial statements as depreciation, which amortizes the cost of an asset over its expected useful life.

The Statement of Cash Flows presents information related to cash inflows and outflows which are classified into operating, non-capital financing, capital financing and related investing activities, and helps measure the ability to meet financial obligations as they mature.

Financial Highlights

In FY2012 as in previous years, financial focus and activity continued to revolve around the state appropriation and operating budget. An additional 9.5%, or approximately \$935 thousand, was cut from state appropriations. Since fiscal year 2008, the reductions have totaled 50% or \$8.8 million. A 4% growth in student enrollment for Fall 2011, minor increases in tuition charges, and the continued successful efforts to manage spending, increase efficiencies, and generate additional revenues has enabled the University to absorb the appropriation reductions, the discontinuance of the stimulus funding, and to combat the continued declining economy.

In FY2008, the University worked with legislators to amend a law allowing higher education to participate in the revenue from sales tax. As a result of this amendment, Coastal Carolina University and Horry Georgetown Technical College were eligible to participate in a 1% sales tax referendum in conjunction with Horry County Public Schools. The 1% sales tax referendum was on the ballot in the November 2008 election and passed. The University receives 13.3% of the tax collected for a period of fifteen years which began March 1, 2009. Through June 2012 collections, the penny tax has provided more than \$23 million which is restricted to fund campus construction, capital improvements, renovations, and land acquisitions. Over the fifteen year period, the collections should exceed \$137 million.

In June of 2012, new Refunding Revenue Bonds were issued by the University in the amount of \$6,147,000. The proceeds were used to refund the remaining balance of the 1999 Revenue Bonds resulting in a debt service savings of \$1,589,867 and an economic gain of \$1,371,577. The proceeds received at closing totaled \$6,150,944.

Managing undergraduate enrollment growth continued to be one of the principal planning issues at the University in fiscal year 2012. The total Fall 2011 undergraduate enrollment was 8,517, representing a 4.0% (314 students) increase over the previous fall, and a 111% increase since the fall of 2000 (4,027). Total full-time equivalency (FTE) enrollment for fall of 2011 was 8,720, representing a 5.0% growth over the previous fall and a 112.5% growth since fall of 2000 (4,102). This growth was achieved while maintaining quality with the average SAT score for fall 2011 for new freshman at 1013, which is above the South Carolina average (972) for high school students. The average ACT composite score for Coastal Carolina University freshmen (21) equaled the national average and was one point greater than the South Carolina statewide average (20) for Fall 2011. The average high school GPA of 3.34 for the Fall 2011 freshmen cohort is an increase from the GPA of 3.32 of the Fall 2007 cohort. The Fall 2011 freshmen cohort high school GPA remained unchanged from the Fall 2010 freshmen cohort. In the fall of 2011, the University implemented an in-state tuition increase of 4.58% and an out-of-state increase of 6.37%. Tuition for an in-state undergraduate increased \$215 per semester and out-of-state undergraduate tuition increased \$645 per semester. Coastal Carolina University's in-state rate remains slightly below the average rate of higher education offered by South Carolina public institutions with a similar mission. As a result of a tuition increase combined with enrollment growth, net revenue generated by tuition and fees increased by 12%.

Overall, Coastal Carolina University had the good fortune to have increased student enrollment and the ability to retain these students through both semesters in the midst of national economic uncertainty while seeing a trend throughout higher education of many students returning home to their parents and to their home state. Because of this good fortune, the University was able to handle the large budget cuts imposed by the state and was able to continue moving forward with its overall goals and strategy.

Statement of Net Assets

Total Assets – increase of \$30.0 million

Total assets increased by \$30.0 million. This is the result of increases in capital assets combined with decreases in current and other assets. The increase in capital projects (\$44 million) occurred from placing in service the new HTC Student Recreation and Convocation Center and from a variety of building purchases (Procurement Building, Coastal Science Center Building, etc.) building renovations (Hicks Dining Hall, Brooks training room renovation, etc.), and land improvements. Even though total assets increased by 11%, current assets decreased almost \$14 million, or 10%, due to the expiration of the stabilization program, a decrease in cash on hand from spending bond proceeds on the abundance of capital projects, and a reduction in federal and state contract and grant receivables. Other assets decreased slightly (2%) based on the reduced amount of unamortized bond discount and a reduction in student loans receivable from the Perkins Loans.

Total Liabilities – increase of \$227 thousand

Total liabilities increased by \$227 thousand. This is the result of increases in current liabilities of \$4.1 million and decreases in non-current liabilities of \$3.9 million. The current liabilities increase of 17% is from increases in the payroll liability of \$1.4 million and increases in accounts payable of \$2.8 million, mostly in plant funds due to the expanse of construction. The non-current liabilities decrease was entirely due to the reduction in bonds payable of \$2.8 million for institutional bonds and \$1.1 million for revenue bonds.

Net Assets – increase of \$29.8 million

Net assets increased by \$29.8 million or about 18%. This increase was comprised of an increase in capital assets net of related debt of \$22 million, an increase of \$951 thousand in restricted expendable assets, and an increase of \$6.9 million in unrestricted net assets. The increase in restricted expendable assets was mostly due to an increase of \$775 thousand in the 1% sales tax referendum funds. Unrestricted net assets increased by 16% in a large part because of an increase in tuition revenue of \$10.2 million.

Condensed Summary of Net Assets				
Assets	2012	2011	Increase/ (Decrease)	Per Cent Change
Current assets	\$ 131,129,164	\$ 145,106,448	\$ (13,977,284)	-10%
Capital assets, net	178,157,353	134,096,991	44,060,362	33%
Other assets	2,905,833	2,965,071	(59,238)	-2%
Total Assets	<u>312,192,350</u>	<u>282,168,510</u>	<u>30,023,840</u>	11%
Liabilities				
Current liabilities	28,563,053	24,405,635	4,157,418	17%
Non-current liabilities	85,537,342	89,468,107	(3,930,765)	-4%
Total Liabilities	<u>114,100,395</u>	<u>113,873,742</u>	<u>226,653</u>	0.2%
Net Assets				
Invested in capital assets, net of debt	113,986,078	92,076,002	21,910,076	24%
Restricted - non-expendable	100,000	100,000	-	0%
Restricted - expendable	33,396,565	32,445,453	951,112	3%
Unrestricted	50,609,312	43,673,313	6,935,999	16%
Total Net Assets	<u>\$ 198,091,955</u>	<u>\$ 168,294,768</u>	<u>\$ 29,797,187</u>	18%

Statement of Revenues, Expenses and Changes in Net Assets

Total Revenues – increase of \$10.5 million

The \$10.5 million increase in total revenue was comprised entirely of growth in operating revenue of \$11.8 million and a decrease of \$1.3 million in non-operating revenue. The majority of operating revenues (student tuition and fees, sales and services, and other operating revenues) has experienced increases from the prior year.

The largest increase due to operations was a \$10.2 million increase in student tuition and fees, representing a 12% increase from the previous year. The total student population increased approximately 4% from the Fall 2010 enrollment, and the in-state and out-of-state annual tuition charges grew by 4.58% and 6.37%, respectively. Sales and services, which include residence halls and food service auxiliaries, increased by \$2.2 million due to the population increase and the increase of approximately 4% in residence hall fees. Grants and contracts decreased by 7% due to a \$1 million decrease in federal grant funds.

The decreases in non-operating revenue are due to decreases in state appropriations of \$935 thousand and a decrease in investment income of \$2.8 million due to the stagnant economy and declining market returns. Local capital appropriations continue to increase, this year by 11%, due primarily to the one penny sales tax referendum. Horry County levies an additional one percent sales tax which is split between the local school district, Horry Georgetown Technical College and Coastal Carolina University at a rate of 80%, 6.7% and 13.3%. This sales tax is restricted to funding capital improvements, renovations, and land acquisitions. Non-operating revenue decreased in total, however, gifts and grants increased by \$1.5 million, almost entirely in the form of gifts of land from the CEF to the University.

Total Expenses – increase of \$ 10.1 million

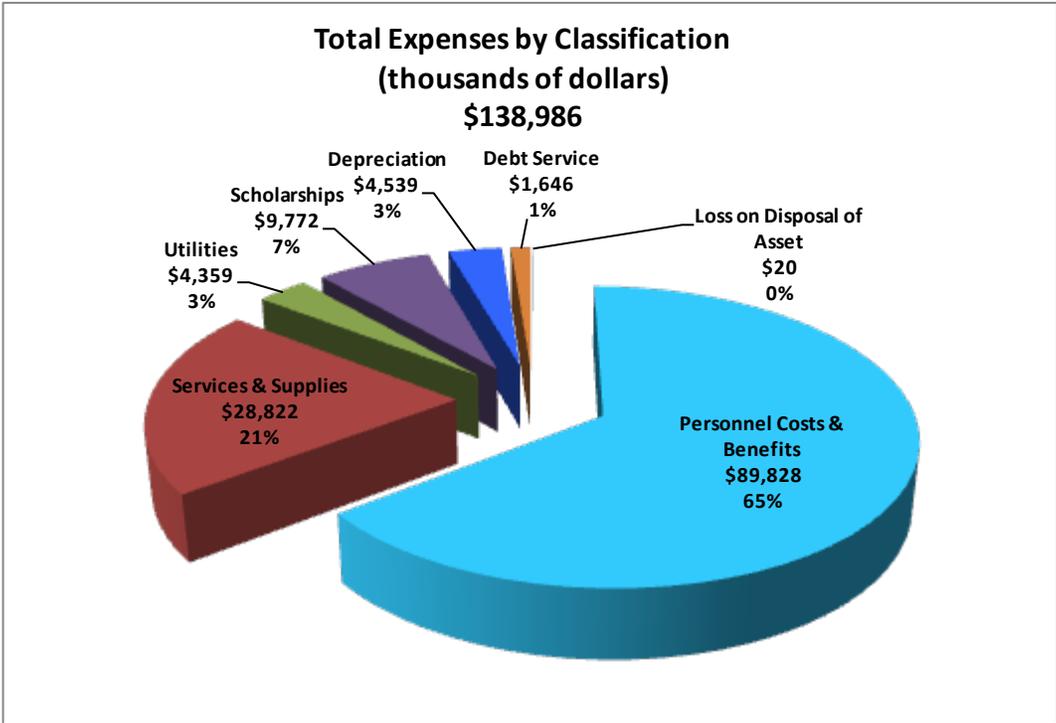
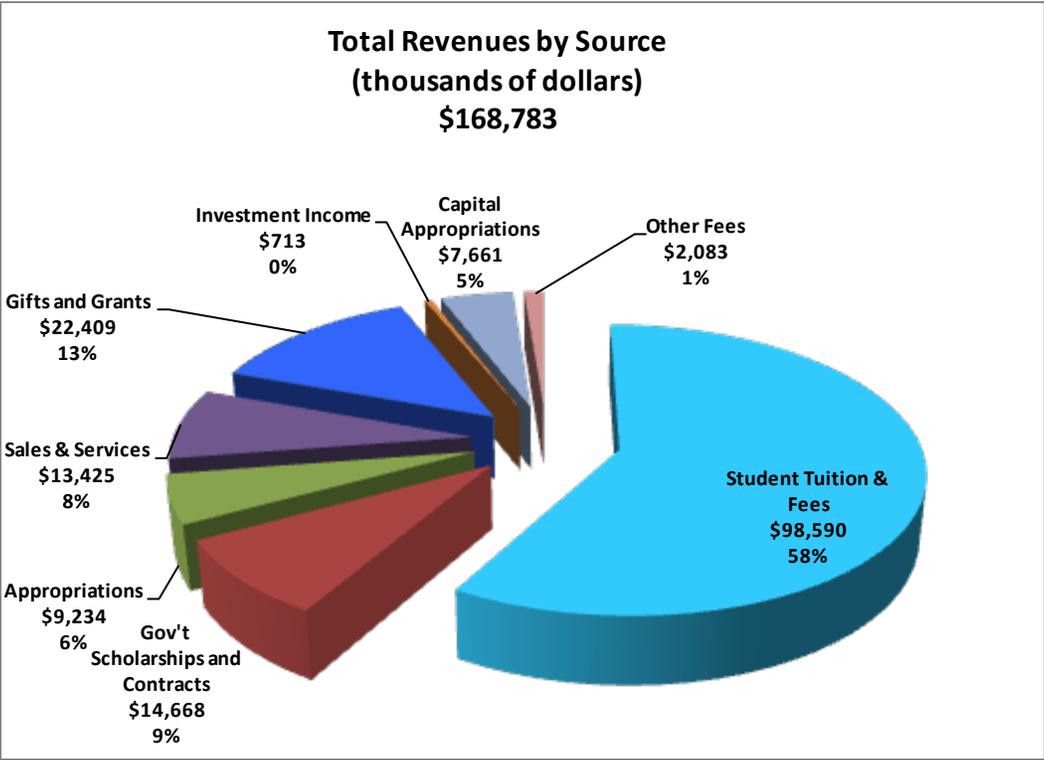
Total expenses increased by \$10.1 million, and the increase was almost entirely due to operations. Salaries and fringe benefits increased \$8.4, million mostly in the form of added permanent faculty and other unclassified positions. The University will continue to convert temporary faculty to permanent faculty positions as the enrollment continues to increase and the University works toward providing the best possible instruction in the form of permanent full-time faculty.

Services and supplies expenses increased approximately \$2.6 million due to increases in supplies, insurance, non-capital repairs, and bad debt expense. Utilities increased slightly by \$340 thousand due to rate increases as well as increased capital assets requiring utility services. Depreciation expense decreased by \$696 thousand, despite an increase to the capital accounts, due to a State-mandated change in depreciation policy. Scholarship expenses also decreased approximately \$352 thousand.

Interest expense decreased by \$124 thousand, and this decrease was due to the refinance of University bonds at lower market rates.

**Condensed Summary of Revenues, Expenses
and Changes in Net Assets**

	2012	2011	Increase/ (Decrease)	Percent Change
Revenues:				
Student tuition and fees	\$ 98,590,156	\$ 88,379,677	\$ 10,210,479	12%
Gov't Scholarships and contracts	14,668,335	15,772,215	(1,103,880)	-7%
Sales and services	13,425,028	11,138,957	2,286,071	21%
Other operating revenues	<u>2,082,887</u>	<u>1,677,210</u>	<u>405,677</u>	24%
Total operating revenues	<u>128,766,406</u>	<u>116,968,059</u>	<u>11,798,347</u>	10%
State appropriations	8,920,787	9,856,086	(935,299)	-9%
Local appropriations	313,125	238,313	74,812	31%
Gifts and grants	22,408,941	20,917,116	1,491,825	7%
Capital appropriations	7,660,595	6,884,907	775,688	11%
Investment income	<u>713,372</u>	<u>3,464,715</u>	<u>(2,751,343)</u>	-79%
Total nonoperating revenues	<u>40,016,820</u>	<u>41,361,137</u>	<u>(1,344,317)</u>	-3%
Total Revenues	<u>168,783,226</u>	<u>158,329,196</u>	<u>10,454,030</u>	7%
Expenses:				
Personnel costs and benefits	89,827,887	81,420,498	8,407,389	10%
Services and supplies	28,821,931	26,221,253	2,600,678	10%
Utilities	4,359,122	4,019,195	339,927	8%
Scholarships	9,772,025	10,124,210	(352,185)	-3%
Depreciation	<u>4,538,853</u>	<u>5,235,188</u>	<u>(696,335)</u>	-13%
Total operating expenses	<u>137,319,818</u>	<u>127,020,344</u>	<u>10,299,474</u>	8%
Interest expense	1,646,247	1,770,271	(124,024)	-7%
Loss on disposal of asset	<u>19,974</u>	<u>67,094</u>	<u>(47,120)</u>	-70%
Total Expenses	<u>138,986,039</u>	<u>128,857,709</u>	<u>10,128,330</u>	8%
Change in Net Assets	<u>29,797,187</u>	<u>29,471,487</u>	<u>325,700</u>	1%
Net Assets, beginning of year	<u>168,294,768</u>	<u>138,823,281</u>	<u>29,471,487</u>	21%
Net Assets, end of year	<u>\$ 198,091,955</u>	<u>\$ 168,294,768</u>	<u>\$ 29,797,187</u>	18%



Capital Assets and Debt

Capital assets at June 30, 2012, consisted of \$14.8 million in land, \$27.5 million in construction in progress, and \$135.8 million in land improvements, buildings, equipment, vehicles, and intangible assets, net of accumulated depreciation. In FY2012, a parcel of land consisting of 14.75 acres was deeded to the University from the Coastal Educational Foundation for the purpose of building the new Public Safety Building currently under construction. The land also includes adjacent parking lot space.

The University purchased the Coastal Science Center from Can Am North, LLC. (located in the former Atlantic Center for Business). This building provides classroom and office space, as well as 10.62 acres of land including a 455-space parking lot.

The University completed the purchase of Atlantic Hall, which serves as the Procurement Building for the entire campus. Two acres of land were included with the purchase of this building from the Horry County Higher Education Commission. The Student Health Center located on University Boulevard was purchased from Conway Hospital and provides sixteen offices, two conference rooms, ten exam rooms and a nurse's station. Additional details regarding capital assets are found in Note 6.

Debt on capital assets is approximately \$84.5 million, comprised of \$4.1 million of current liabilities and \$80.4 million in long-term liabilities. Details of bonds payable and long-term liabilities of the University are found in Notes 10 and 11.

Economic Outlook

Fall 2012 full-time undergraduate in-state and out-of-state enrollment increased by approximately .6%. Enrollment figures are preliminary. To strengthen bonding capacity while balancing the growth needed for operations, the University decided to increase tuition for FY2008. Increases continued for the next four fiscal years. The University was able to hold tuition steady for in-state students in FY2013 due to its continued efforts to properly manage expenses, identify cost-savings in its processes, and produce added revenues. Out-of-state undergraduate students experienced an increase of 2.3%, or \$245.00 per semester. Currently \$525 per student per semester is set aside for future debt service. An additional 47 FTE positions were added for FY2013 for both faculty and staff support positions.

In August 2012, the University dedicated the new HTC Student Recreation and Convocation Center and the new Bryan Information Commons addition to the Kimbel Library. These projects were funded by a \$54 million bond issuance in 2010. Also as part of this bond issuance, an annex (Annex I) to the Smith Science building is currently under construction and expected completion is the winter of 2013. The Academic Classroom/Office Building, scheduled for opening in January 2013, will create an Academic Office complex for faculty and staff and also provide additional classroom space. This additional space will support the expanding growth of the student and faculty population.

To keep up with enrollment growth and the requirement for all freshmen and sophomores to live on-campus, the University plans to spend up to \$85 million from an upcoming bond issue to finance the construction of new dormitories which will add 1270 total beds when completed. This project is a multi-phase project, and Phase I construction is scheduled to begin in 2013 with completion of 635 new beds anticipated for occupancy no later than 2015. The University endeavors to manage its growth from both a faculty and student services perspective.

COASTAL CAROLINA UNIVERSITY

Statement of Net Assets

June 30, 2012

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 67,941,559
Accounts and pledges receivable, net of provision for doubtful accounts	4,728,782
Due from component units	2,436,835
Inventories	565,398
Prepaid expenses	983,974
RESTRICTED CURRENT ASSETS	
Cash and cash equivalents	54,472,616
Total current assets	131,129,164
NONCURRENT ASSETS	
Capital assets, net of accumulated depreciation	
Land	14,877,582
Construction in progress	27,475,311
Building and improvements	131,833,739
Equipment, vehicles and intangible assets	3,970,721
Other assets	1,362,400
RESTRICTED NONCURRENT ASSETS	
Cash and cash equivalents	292,658
Loans to students, net	1,250,775
Total non-current assets	181,063,186
TOTAL ASSETS	\$ 312,192,350
LIABILITIES	
CURRENT LIABILITIES	
Accounts and retainage payable	7,555,551
Due to component unit	31,437
Accrued payroll and related liabilities	9,252,431
Deferred revenue	6,332,156
Funds held for others	245,209
Accrued compensated absences, current	234,520
Bonds cost of issuance payable	41,258
Bonds payable, current	4,131,000
Notes payable, current	54,166
CURRENT LIABILITIES PAYABLE FROM RESTRICTED CURRENT ASSETS	
Interest payable	685,325
Total current liabilities	28,563,053
NONCURRENT LIABILITIES	
Accrued compensated absences	3,382,471
Bonds payable	80,431,000
Other liabilities	281,987
NONCURRENT LIABILITIES PAYABLE FROM RESTRICTED NONCURRENT ASSETS:	
Federal Perkins Loan Funds	1,441,884
Total noncurrent liabilities	85,537,342
TOTAL LIABILITIES	\$ 114,100,395
NET ASSETS	
Capital assets, net of accumulated depreciation	\$ 178,157,353
Unspent bond proceeds	20,390,725
Bonds payable	(84,562,000)
Invested in capital assets, net of debt	113,986,078
Restricted for:	
Endowment	100,000
Capital Projects	30,846,237
Debt Service	2,550,328
Unrestricted	50,609,312
TOTAL NET ASSETS	\$ 198,091,955

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

COASTAL CAROLINA UNIVERSITY
Statement of Revenue, Expenses and Changes in Net Assets
June 30, 2012

Operating Revenues

Student tuition and fees, net of scholarship allowance of \$25,543,770 \$7,674,531 is pledged for debt service on general obligation bonds	\$ 98,590,156
Government scholarships and contracts	14,668,335
Sales and services of educational departments	4,647,195
Sales and commissions of auxiliary enterprises, net of scholarship allowance of \$2,183,799	8,777,833
Other fees	2,082,887
Total Operating Revenues	<u>128,766,406</u>

Operating Expenses

Personnel costs and benefits	89,827,887
Services and supplies	28,821,931
Utilities	4,359,122
Scholarships	9,772,025
Depreciation	4,538,853
Total Operating Expenses	<u>137,319,818</u>

Operating Income (Loss) (8,553,412)

Non-Operating Revenue (Expenses)

State appropriations	8,920,787
Pell Grant revenues	14,332,160
Local appropriations	313,125
Grants and contracts	5,613
Gifts, including \$1,371,741 from Coastal Educational Foundation and \$731,391 from Chanticleer Athletic Foundation	2,768,071
Other miscellaneous revenue	96,329
Investment and endowment income	713,372
Interest on capital asset related debt	(1,646,247)
Gain (Loss) on disposal of assets	(19,974)
Net Non-Operating Revenues (Expenses)	<u>25,483,236</u>

Operating Income before other revenues, expenses, gains and losses 16,929,824

Capital appropriations (Local)	7,660,595
Capital grants and gifts, including \$4,236,026 from Coastal Educational Foundation	5,206,768
Increase in Net Assets	<u>29,797,187</u>

Net Assets

Net Assets, beginning of year	168,294,768
Net Assets, end of year	<u>\$ 198,091,955</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

COASTAL CAROLINA UNIVERSITY

Statement of Cash Flows

For the Year Ended June 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 100,607,169
Grants and contracts	15,139,838
Other operating cash receipts	3,905,472
Payments to employees	(87,132,480)
Payments to suppliers	(30,922,608)
Perkins loan collected	29,571
Funds held for others	222,220
Net cash provided by operating activities	1,849,182
CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES	
State, county, and local appropriations	9,239,525
Gifts and grants	2,426,075
Cash received from Pell Grants	14,332,160
Net cash flow provided by noncapital financing activities	25,997,760
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State capital appropriations	7,660,595
Gifts and grants for capital purposes	4,217,482
Purchase of capital assets	(48,619,188)
Principal and interest paid on capital debt and leases	(5,703,756)
Net cash provided by capital activities	(42,444,867)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends on investments	834,514
Net cash flows provided by investing activities	834,514
Net change in cash	(13,763,411)
Cash beginning of year	136,470,244
Cash end of year	\$ 122,706,833
Reconciliation of net operating loss to net cash provided by operating activities	
Operating loss	\$ (8,553,412)
Adjustments for non-cash items provided by operating activities:	
Depreciation expense	4,538,853
Bad debt expense	705,001
Change in asset and liabilities	
Receivables net	667,773
Grants and contracts receivable	351,378
Payroll lag receivable	153,590
Student loans receivable	30,240
Prepaid expenses	(481,342)
Inventories	(38,527)
Accounts and retainages payable	4,385,747
Accrued vacation payable	228,712
Notes payable	(54,166)
Deferred revenue	(306,885)
Deposits held for others	225,683
Perkins loan federal share	(3,463)
Net cash provided by operating activities	\$ 1,849,182
Non-cash transactions	
Increase in fair value of investments	1,580,145
Capital assets acquired through gifts	5,248,968
Donated goods and services	427,857

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

COASTAL CAROLINA UNIVERSITY

Non-governmental Component Unit

Coastal Educational Foundation

Statement of Financial Position

June 30, 2012

ASSETS

Cash and cash equivalents	\$	2,064,849
Accounts and pledges receivable, net of allowance of \$1,305,315 and \$1,229,549 for 2012 and 2011, respectively		1,113,009
Investments		21,976,669
Real estate held for investment		803,266
Cash value of life insurance		25,218
Prepaid expense		3,290
Property and equipment, net		<u>5,378,698</u>
Total assets	\$	<u><u>31,364,999</u></u>

LIABILITIES AND NET ASSETS

Accounts payable	\$	1,184,882
Accrued expenses		5,182
Notes payable		<u>76,923</u>
Total liabilities		<u>1,266,987</u>
Net assets		
Unrestricted		6,325,736
Temporarily restricted		9,001,803
Permanently restricted		
Permanent endowments		14,270,473
Land required to be permanently used in programs		<u>500,000</u>
Total net assets		<u>30,098,012</u>
Total liabilities and net assets	\$	<u><u>31,364,999</u></u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

COASTAL CAROLINA UNIVERSITY
Non-governmental Component Unit
Coastal Educational Foundation
Statement of Activity and Change in Net Assets
For the Year Ended June 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue, gains (losses) and other support				
contributions	\$ 480,749	\$ 887,853	\$ 516,576	\$ 1,885,178
Endowed and other investment income				
Interest income	2,640	-	-	2,640
Realized investment income (losses)	623,913	10,794	-	634,707
Net appreciation (depreciation) in fair value of investments	(468,921)	131,439	23,634	(313,848)
Net depreciation in fair value of property	-	19,832	-	19,832
Change in cash value of life insurance	492	(3,588)	-	(3,096)
Lease income	388,083	8,775	-	396,858
Royalty income	-	17,214	-	17,214
Miscellaneous income	6	17,943	-	17,949
Fundraising income	-	211,083	-	211,083
Gain on transfer of land to the University	3,225,499	-	-	3,225,499
Net assets released from restrictions	2,629,762	(2,629,762)	-	-
	<u>6,882,223</u>	<u>(1,328,417)</u>	<u>540,210</u>	<u>6,094,016</u>
Total revenues, gains and other support				
Expenses				
Program services				
Scholarships	369,920	-	-	369,920
University support	3,668,623	-	-	3,668,623
Facilities development and physical plant	1,795,582	-	-	1,795,582
College of Education	27,586	-	-	27,586
College of Humanities	109,556	-	-	109,556
College of Science	65,149	-	-	65,149
College of Business	409,780	-	-	409,780
General and administrative	500,841	-	-	500,841
Bad debt expense	161,107	-	-	161,107
Bad debt losses	-	-	4,837	4,837
Fundraising expenses	105,851	-	-	105,851
	<u>7,213,995</u>	<u>-</u>	<u>4,837</u>	<u>7,218,832</u>
Total expenses				
Change in net assets	(331,772)	(1,328,417)	535,373	(1,124,816)
NET ASSETS, BEGINNING OF YEAR	6,658,143	10,417,449	14,147,236	31,222,828
Transfers	(635)	(87,229)	87,864	-
NET ASSETS, END OF YEAR	<u>\$ 6,325,736</u>	<u>\$ 9,001,803</u>	<u>\$ 14,770,473</u>	<u>\$30,098,012</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

COASTAL CAROLINA UNIVERSITY

Non-governmental Component Unit

CCU Student Housing Foundation

Statement of Financial Position

June 30, 2012

Assets

Current assets:

Cash and cash equivalents	\$	847,209
Cash and cash equivalents, restricted		1,410,607
Rents receivable		20,150
Investments, unrestricted		3,584,308
Investments, restricted		7,741,467
Bond issuance costs, net		61,296
Prepaid insurance		62,728
Other current assets		13,680
Total current assets		<u>13,741,445</u>
Property & equipment, net		66,454,878
Non-current assets:		
Long-term portion of bond issuance costs, net		1,505,774
Other assets		9,800
		<u>1,515,574</u>
Total Assets	\$	<u><u>81,711,897</u></u>

Liabilities and Net Assets (Deficit)

Current liabilities:

Accounts payable	\$	408,537
Due to Coastal Carolina University		409,157
Accrued interest payable		1,218,090
Other accrued liabilities		119,415
Mortgage payable		62,765
Revenue bonds payable		1,275,000
Total current liabilities		<u>3,492,964</u>

Non-current liabilities:

Long-term portion of mortgage payable		1,720,281
Long-term portion of revenue bonds payable		83,770,110
Total Liabilities		<u>88,983,355</u>

Net assets (deficit)

Unrestricted deficit		<u>(7,271,458)</u>
Total net assets (deficit)		<u>(7,271,458)</u>
Total liabilities and net assets (deficit)	\$	<u><u>81,711,897</u></u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

COASTAL CAROLINA UNIVERSITY
 Non-governmental Component Unit
 CCU Student Housing Foundation
 Consolidated Statement of Activity and Change in Net Assets
 For the Year Ended June 30, 2012

Revenues Gains And Other Support	
Housing fees	\$ 12,721,497
Interest income	105,277
Other revenue	57,797
Lease income	32,400
Investment income	(41,780)
Vending commissions	1,806
Total revenues and other support	<u><u>\$ 12,876,997</u></u>
 Expenses	
Student housing expenses	3,960,658
Amortization	61,295
Depreciation	1,993,346
Interest and financing fees	4,986,718
Support of CCU	356,000
Management and general	235,630
Total Expenses	11,593,647
Loss from fire, net of insurance proceeds	16,559
Total Expenses and losses	<u><u>\$ 11,610,206</u></u>
Change in net deficit	1,266,791
Net Deficit, Beginning of Year	<u>(8,538,249)</u>
Net Deficit, End of Year	<u><u>\$ (7,271,458)</u></u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

COASTAL CAROLINA UNIVERSITY
 Non-governmental Component Unit
 Chanticleer Athletic Foundation
 Statement of Financial Position
 June 30, 2012

ASSETS

Cash and cash equivalents	\$	1,694,829
Accounts receivable from related party		15,060
Accounts receivable		1,088
Unconditional promises to give receivable in less than one year, net		665,551
Unconditional promises to give receivable in more than one year, net		4,290,043
Prepaid Expenses		3,405
Inventory		-
Total assets	\$	6,669,976

LIABILITIES AND NET ASSETS

Accounts payable – Coastal Carolina University		553,458
Accounts payable		5,546
Deferred revenue		-
Total liabilities		559,004
Net Assets		
Unrestricted		2,400,482
Temporarily restricted		3,710,490
	\$	6,110,972
Total liabilities and net assets	\$	6,669,976

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

COASTAL CAROLINA UNIVERSITY
Non-governmental Component Unit
Chanticleer Athletic Foundation
Statement of Activity and Change in Net Assets
For the Year Ended June 30, 2012

	Unrestricted	Temporarily Restricted	Total
Revenues, gains, and other support:			
Contributions	\$ 1,970,441	\$ 376,756	\$ 2,347,197
Investment income	6,767	-	6,767
Program Services	-	3,886	3,886
Fundraising proceeds	5,835	10,587	16,422
Fundraising events, net of expense of \$40,196	37,099	1,905	39,004
Concession labor commissions	-	2,685	2,685
Net assets released from restrictions	523,858	(523,858)	-
Total revenues, gains, and other support	<u>2,544,000</u>	<u>(128,039)</u>	<u>2,415,961</u>
Expenses and losses:			
Program services			
Support of Coastal Carolina University Athletics Program	1,022,391	-	1,022,391
Management and general	569,157	-	569,157
Fundraising	28,435	-	28,435
Total expenses and losses	<u>1,619,983</u>	<u>-</u>	<u>1,619,983</u>
Increase (decrease) in net assets	924,017	(128,039)	795,978
Net assets, beginning of year	1,476,965	3,838,029	5,314,994
Transfers	(500)	500	-
Net assets, end of year	<u>\$ 2,400,482</u>	<u>\$ 3,710,490</u>	<u>\$ 6,110,972</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

COASTAL CAROLINA UNIVERSITY

Notes to Financial Statements

For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Coastal Carolina University is a public, mid-sized (9,000 students), comprehensive liberal arts institution offering baccalaureate degrees in the traditional liberal arts and sciences, interdisciplinary studies, and professional schools, along with master's degrees in several specialized areas. The campus primarily serves its immediate five-county area and the state, while honoring its commitment to the citizens of Horry County who founded the University and who continue to provide funding. Recognizing its responsibility to ensure a student population that is diverse both culturally and geographically, the institution also aggressively recruits statewide, out-of-state, and internationally.

The University is a part of the primary government of the State of South Carolina, and its funds are reported in the state's higher education enterprise funds in the Comprehensive Annual Financial Report of the State of South Carolina. Generally, all state departments, agencies, colleges and universities are included in the state's reporting entity. These entities are financially accountable to and fiscally dependent on the state. Although the state-supported universities operate somewhat autonomously, they lack full corporate powers. In addition, the Governor and/or the General Assembly appoint their board members and budget a portion of their funds.

The University is governed by a board of 16 members, including 15 elected by the State Legislature and one member appointed from the state at large by the Governor. The Governor of the State, or his/her designee, is an ex officio member of the Board. Accordingly, as such, it administers, has jurisdiction over, and is responsible for the management of the University.

Financial Statements Presentation: The financial statement presentation for the University conforms to the requirements of Governmental Accounting Standards Board ("GASB") Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, Statement No. 35, Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities, Statement No. 37, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus. The University has also adopted GASB Statement No. 38, Certain Financial Statement Note Disclosures and Statement No. 39, Determining Whether Certain Organizations are Component Units – An Amendment of GASB Statement No. 14. The financial statement presentation provides a comprehensive, entity-wide perspective of the University's net assets, revenues, expenses and changes in net assets and cash flows, as well as the net assets, revenues, expenses and changes in net assets of its separately audited component units.

Reporting Entity: The financial reporting entity, as defined by GASB Statement No. 14, *The Financial Reporting Entity*, consists of the primary government and all of its component units. Component units are legally separate organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Reporting Entity: Continued

the primary government are such that exclusion would cause the financial statements to be misleading or incomplete. Accordingly, the financial statements present the University as the primary government and three discretely presented component units, the Coastal Educational Foundation, the CCU Student Housing Foundation, and the Chanticleer Athletic Foundation.

The Coastal Educational Foundation (the CEF) is a legally separate, tax-exempt entity that was chartered by the State of South Carolina in October 1954 for the purpose of soliciting, receiving, managing and distributing gifts for educational purposes in support of Coastal Carolina University. The CEF's activities are governed by its board of directors. The CEF's support comes primarily from contributions from alumni, local individuals and businesses. Although the University does not control the timing or amount of receipts from the CEF, the majority of resources and income thereon that it holds and invests is restricted to the activities of the University by donors. Because these restricted resources can only be used by, or for the benefit of, the University, the CEF is considered a component unit of the University.

The CCU Student Housing Foundation (the SHF) is also a legally separate, tax-exempt entity that was chartered in 2002 to provide housing for Coastal students and to provide support for various other University programs. The Foundation is supported by housing fees paid by students. The Foundation's activities are governed by its board of directors. The Foundation is considered a component unit because its economic resources are held entirely for the benefit of the University.

The Chanticleer Athletic Foundation (CAF) is another legally separate tax exempt, not-for-profit organization incorporated under the laws of South Carolina as the University's athletic fund-raising organization. Contributions to CAF are used for athletic scholarships, facilities and program development. CAF's support comes primarily through individual donor contributions, annual fund-raising campaigns and special events. Due to the close relationship between the CAF and the University, the CAF is considered a component unit as of July 1, 2011.

The CEF, the CAF, and the SHF are not deemed to be governmental entities because a controlling majority of the membership is not appointed by the University; there is no potential for unilateral dissolution by the University, with the net assets reverting to the University; and neither has the power to enact and enforce a tax levy or the ability to directly issue debt that pays interest exempt from federal taxation. Also, the Foundations report their financial results under Financial Accounting Standards Board (FASB) statements, the most significant of which are FASB Statement No. 116, *Accounting for Contributions Received and Contributions Made*, and FASB Statement No. 117, *Financial Statements of Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. Because the Foundations are deemed not to be governmental entities and because they use a different reporting model, their balances and transactions are reported on separate financial statements.

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Reporting Entity: Continued

Copies of the separately issued financial statements for the CEF, the CAF, and the SHF can be obtained by sending a request to the Executive Director of each foundation at the following address: Foundation Center, P.O. Box 261954, Conway, South Carolina, 29528-6054.

Basis of Accounting: For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Student tuition and auxiliary enterprise fees are presented net of scholarships and fellowships applied to student accounts, while stipends and other payments made directly are presented as scholarship and fellowship expenses. All significant intra-agency transactions have been eliminated.

The University applies all applicable GASB pronouncements and in accordance with GASB statement 20, the State of South Carolina has elected to apply only those Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, which are not in conflict with GASB standards.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the University and its component units consider all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the State of South Carolina State Treasurer's Office are considered cash equivalents.

Accounts Receivable: Accounts receivable consists of tuition and fee charges to students, gift pledges and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also includes amounts due from the federal government, state and local governments, component units, or private sources in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories and Prepaid Items: Inventories are carried at the lower of cost or market. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. Items accounted for as University inventories include: maintenance supplies, housing supplies, office supplies, mail supplies, athletic supplies, and golf course supplies. Items accounted for as prepaid items include: prepaid insurance, prepaid postage, prepaid magazine and periodical subscriptions, and advance payments for maintenance and service agreements.

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Capital Assets: Capital assets are recorded at cost on the date of acquisition or fair market value on the date of donation in the case of gifts. The 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 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, maintenance and library materials are charged to operating expenses in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful life for buildings and improvements is 10-40 years; for land improvements is 10-15 years; and for vehicles, equipment and machines is 3-10 years. Historically, a full year of depreciation was taken the year the asset was placed in service, and no depreciation was taken in the year of disposition. Beginning with the fiscal year ending June 30, 2012, depreciation is based on the actual date of acquisition and the actual date of disposition. See Note 6 for details of this change in depreciation philosophies.

Deferred Revenues: Deferred revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year, but related to the subsequent accounting period. Student deposits are recognized as revenue during the semester for which the fee is applicable and earned when the deposit is nonrefundable to the student under the forfeit terms of the agreement. Also included in deferred revenue are grant funds received but not yet expended for their restricted purpose and amounts paid in advance for football tickets.

Funds Held for Others: Funds held for others result from the University acting as an agent, or fiduciary, for entities which have a relationship with the University's activities or from the University acting as an agent for certain student loans.

Compensated Absences: Employee vacation pay expense is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as accrued vacation payable in the statement of net assets, and as a component of compensation and benefit expense in the statement of revenues, expenses, and changes in net assets.

Federal Perkins Loans Receivable and Related Liability: The loans receivable on the balance sheet are due to the University under the Federal Perkins Loan program. This program is funded primarily by the federal government with the University providing a required match. The amount

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Federal Perkins Loans Receivable and Related Liability: Continued

reported as federal loan liability is the amount of cumulative federal contributions and a pro-rata share of net earnings on the loans under this program which would have to be repaid to the federal government if the University ceased to participate in the program.

Net Assets: The University's net assets are classified as follows:

Invested in capital assets, net of related debt: Assets invested in capital assets, net of related debt, represent the University's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are included as a component of invested in capital assets, net of related debt.

Restricted net assets - expendable: Restricted expendable net assets include resources which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Restricted net assets - nonexpendable: Nonexpendable restricted net assets consist of endowment and similar type funds for which donors or other outside sources have stipulated as a condition of the gift instrument that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income which may either be expended or added to principal.

Unrestricted net assets: Unrestricted net assets represent resources derived from student tuition and fees, appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University, as well as for repair and renovations to the physical plant, and may be used at the discretion of the governing board to meet current expenses for any purpose.

The University policy for applying expenses that can use both restricted and unrestricted resources is delegated to the departmental administrative level. General practice is to first apply the expense to restricted resources, then to unrestricted resources

Classification of Revenue and Expense: The University classifies its revenues and expenses as either operating or non-operating. Operating revenues generally result from exchange transactions arising from the University's principal on-going activity, which is the provision of higher education.

Operating revenues include: (1) student tuition and fees received in exchange for providing educational services, housing, and other related services to students; (2) receipts for scholarships where the provider has identified the student recipients or eligibility criteria; (3) fees received from organizations and individuals in exchange for miscellaneous goods and services provided by the University; and (4) grants and contracts that are essentially the same as contracts for services that

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Classification of Revenue and Expense: Continued

finance programs the University would not otherwise undertake. In past years, higher education institutions have treated Pell Grants as federal operating grants. However, in accordance with Question 7.72.10 of GASB's Comprehensive Implementation Guide, the South Carolina Comptroller General's Office has revised its policy and is now requiring Pell Grant activity to be reported as non-operating revenues. Operating expenses result from providing the goods and services exchanged for the respective revenues.

All revenues and expenses not meeting the definition of operating revenues are reported as non-operating revenues and expenses. Such transactions generally arise from activities that have characteristics of non-exchange transactions. Examples include gifts and contributions, government appropriations, investment income, and any grants and contracts that are not classified as operating revenue or that are restricted by the grantor to be used exclusively for capital purposes.

Scholarship Discounts and Allowances: Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenue, expenses, and changes in net assets. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell Grants, and other Federal, State, or non-governmental programs, are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance. Scholarships for certain individuals that are required by state law or by out-of-state fee differential abatements facilitated by intra-state agreements are recorded neither as tuition and fee revenue nor as scholarship allowance.

Sales and Services of Educational and Other Activities: Revenues from sales and services of educational and other activities generally consist of amounts received from instructional, laboratory, research, and public service activities that incidentally create goods and services which may be sold to students, faculty, staff and the general public. The University receives such revenues primarily from grant-related activities, rental of University space, travel-study courses, research and public service centers, and the physical education center.

Auxiliary Enterprises and Internal Service Activities: Auxiliary enterprise revenues primarily represent revenues generated by housing, bookstore, vending/canteen, and food service. Transactions between the University and its auxiliary enterprises activities have been eliminated.

Rebatable Arbitrage:

Arbitrage involves the investment of proceeds from the sale of tax-exempt securities in a taxable investment that yields a higher rate of return, resulting in income in excess of interest costs. Federal law requires entities to rebate to the government such income on tax-exempt debt if the yield from

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Rebatable Arbitrage: Continued

these earnings exceeds the effective yield on the related tax-exempt debt issued. Sound fiscal management dictates that proceeds held for anticipated construction costs, for future debt service or as bondholder-required reserves be invested in interest-earning securities, such as those issued by the U.S. government. Tax provisions dealing with these investments are complex because they must allow for legitimate temporary investment of funds, yet at the same time prevent arbitrage abuse. To achieve this objective the federal government has produced a set of complex regulations. In essence, the regulations consist of two types: arbitrage restriction and arbitrage rebates. For arbitrage restrictions, issuers are permitted to invest both construction funds and reserve funds for limited periods of time, e.g., 85% of the proceeds must be spent within three years. For arbitrage rebates, all arbitrage earnings, with some exceptions (i.e., the proceeds are spent within six months or 75% of the proceeds are spent on construction within two years), must be remitted to the federal government. Governments are exempt from the rebate requirement if they meet these investment tests; if their bond proceeds are “available construction proceeds” or if they issue no more than \$5 million in total of all such debt in a calendar year. For this purpose, tax-exempt indebtedness includes bonds, certain capital leases and installment purchases. Potential rebate liability must be calculated annually, and the actual liability must be paid every five years or at maturity of the debt, whichever is earlier. An outside bond consulting company, BLX (Bond Logistics) calculated a total arbitrage obligation of \$288,216 for a group of South Carolina state agencies, of which the University’s portion was \$33,573. The University made a payment of \$15,502 on December 29, 2011, as a result of reaching the five year payment deadline.

Income Taxes: The University, as a political subdivision of the State of South Carolina, is excluded from federal income taxes under Section 115(1) of the Internal Revenue Code, as amended. The Foundations are exempt from income tax under the provisions of Internal Revenue Code Section 501(c)(3). No provision for income taxes has been made.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenditures and affect disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 2 – CASH AND CASH EQUIVALENTS, OTHER DEPOSITS AND INVESTMENTS

All deposits of the University are under the control of the State Treasurer, who by State law has sole authority for investing State funds.

The following schedule reconciles Deposits to the Statement of Net Assets amounts:

STATEMENT OF NET ASSETS:	
Cash and Cash Equivalents - Current	\$ 67,941,559
Cash and Cash Equivalents - Restricted	
Debt Service	3,235,654
Capital Project	51,236,962
Other	192,658
Cash and Cash Equivalents - Endowment	100,000
Total	<u>\$ 122,706,833</u>
DEPOSITS:	
Cash on Hand	25,951,027
Deposits Held by State Treasurer	96,755,806
Total	<u>\$ 122,706,833</u>

Cash on Hand: At June 30, 2012, Coastal Carolina University had approximately \$192,658 with the State Treasurer for exclusive use by the Perkins Loan Program.

Deposits Held by State Treasurer: State law requires full collateralization of all State Treasurer bank balances. The State Treasurer must correct any deficiencies in collateral within seven days. At June 30, 2012, Coastal Carolina University had \$96,755,806 in Deposits Held by State Treasurer. Information pertaining to the reported amounts, fair values and credit risk of the State Treasurer’s deposits is disclosed in the Comprehensive Annual Financial Report of the State of South Carolina.

With respect to investments in the State’s internal cash management pool, all of the State Treasurer’s investments are insured or registered, or are investments for which the securities are held by the State or its agents in the State’s name. Information pertaining to the reported amounts, fair values and credit risk of the State Treasurer’s deposits is disclosed in the Comprehensive Annual Financial Report of the State of South Carolina.

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 3 – RESTRICTED ASSETS

The purposes and amounts of University restricted assets at June 30, 2012, are as follows:

CURRENT	
Cash and Cash Equivalents	
Satisfaction of Debt Covenants	\$ 3,235,654
Capital Projects	51,236,962
Total Restricted Current Assets	<u>54,472,616</u>
 NON-CURRENT	
Cash and Cash Equivalents	
Federal Perkins Loan Program	192,658
Endowments	100,000
Loans to Students, net of allowance	1,250,775
Total Restricted Non-Current Assets	<u>1,543,433</u>
Total Restricted Assets	<u>\$ 56,016,049</u>

NOTE 4 – ACCOUNTS RECEIVABLE

University current and non-current receivables for June 30, 2012, are as follows:

CURRENT ACCOUNTS RECEIVABLE		
Student Accounts Receivable	\$ 2,389,699	
Returned Checks	1,435	
Less Allowance for Uncollectible	<u>(1,337,945)</u>	
Student Accounts Receivable, Net	\$ 1,053,189	\$ 1,053,189
Third Party Receivables		172,030
Federal Grants and Contracts Receivable		507,027
State Grants and Contracts Receivable		61,330
Other Grants & Contracts Receivable		125,252
Local Appropriation Receivable		215,000
Accrued Interest and Endowment Income Receivable		278,724
Gifts Receivable		733,125
Payroll Lag Receivable		<u>1,583,105</u>
Net Total Current Receivables		<u>\$ 4,728,782</u>
 NON-CURRENT ACCOUNTS RECEIVABLE		
Loans to Students		\$ 1,299,467
Less Allowance for Uncollectibles		<u>(48,692)</u>
Net Loans to Students		<u>\$ 1,250,775</u>
 DUE FROM COMPONENT UNITS		
Chanticleer Athletic Foundation Receivable		\$ 553,458
Coastal Educational Foundation Receivable		1,174,219
Student/Coastal Housing Foundation Receivable		<u>709,158</u>
		<u>\$ 2,436,835</u>

Allowances for uncollectible accounts receivable are established based upon actual losses experienced in prior year and evaluations of the current account portfolio.

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 5 - LOANS RECEIVABLE AND FEDERAL LIABILITY

Student loans made through the Federal Perkins Loan Program of the University comprise all of the loans receivable as of June 30, 2012. The Perkins Loan program provides various repayment options and interest rates; students have the right to repay the loan over periods up to and including 10 years depending on the amount of the loan and the loan cancellation privileges the student decides to exercise. These federal promissory notes generally do not expire. As the University determines that loans are uncollectible, the loans are written off the books of the University. Depending on compliance with specific loan regulations, these loans can be assigned to the United States Department of Education. At June 30, 2012, the allowance for uncollectible student loans is valued at \$48,692. The funds contributed by the Federal Government are refundable in the event the University decides to no longer participate in the program. Although the University plans to participate in the Perkins Loan Program for the foreseeable future, the University has recorded a long-term liability in the amount of \$1,441,884, representing the federal portion of the loan program at June 30, 2012. If at any time the University opted out of the federal Perkins Loan Program, the total liability to the University would be based on the original federal capital contribution and federal share of cash available at the close of the program, as well as other compliance issues. This amount calculated for just the federal capital contribution and federal share of cash available at June 30, 2012, totals \$1,576,235. The difference between the long term liability recorded and the liability for just the federal capital contribution and federal share of cash available at June 30, 2012, relates to the allowance and other expenses the federal government considers unallowable. These amounts are estimates. The actual liability would be determined in accordance with federal regulations at the time of liquidation if liquidation were ever to occur.

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the University for the year ended June 30, 2012 is summarized as follows:

	Beginning Balance July 1, 2011	Additions	Retirements	Adjustments	Transfers	Ending Balance June 30, 2012
Capital Assets Not Being Depreciated:						
Land	\$ 10,305,132	\$ 4,570,250	\$ -	\$ -	\$ 2,200	\$ 14,877,582
Construction in Progress	26,646,272	24,254,680	-	-	(23,425,641)	27,475,311
Total Capital Assets Not Being Depreciated	36,951,404	28,824,930	-	-	(23,423,441)	42,352,893
Capital Assets Being Depreciated:						
Land Improvements	6,429,855	1,289,627	-	-	1,085,121	8,804,603
Buildings and Improvements	127,099,913	16,425,500	-	-	22,338,320	165,863,733
Equipment	8,623,306	794,269	(276,038)	(183,059)	-	8,958,478
Intangible Assets	273,777	-	-	-	-	273,777
Vehicles	1,531,005	1,284,863	(82,120)	(25,233)	-	2,708,515
Total Capital Assets Being Depreciated	143,957,856	19,794,259	(358,158)	(208,292)	23,423,441	186,609,106
Less Accumulated Depreciation For:						
Land Improvements	(3,069,166)	(575,934)	-	-	-	(3,645,100)
Buildings and Improvements	(35,823,705)	(3,365,792)	-	-	-	(39,189,497)
Equipment	(6,539,367)	(455,726)	267,472	183,059	-	(6,544,562)
Intangible Assets	(273,777)	-	-	-	-	(273,777)
Vehicles	(1,106,254)	(141,401)	70,712	25,233	-	(1,151,710)
Total Accumulated Depreciation	(46,812,269)	(4,538,853)	338,184	208,292	-	(50,804,646)
Capital Assets Being Depreciated, Net	97,145,587	15,255,406	(19,974)	-	23,423,441	135,804,460
Capital assets, net	<u>\$ 134,096,991</u>	<u>\$ 44,080,336</u>	<u>\$ (19,974)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,157,353</u>

Major outlays for capital assets and improvements are capitalized as they are constructed. Interest incurred during the construction process may be capitalized or expensed depending on, among other things, whether the source of funding specifies that it may be used only for the acquisition of specified qualifying assets. In certain cases, the amount of interest earned on unexpended debt proceeds was expensed. During the year ended June 30, 2012, the University capitalized interest expense in the amount of \$1,824,375 (associated with the Institutional Bonds issued in 2010).

Depreciation: As discussed in Note 1, starting July 1, 2011, as mandated by the State of South Carolina, the University decided to take monthly depreciation on assets instead of full year depreciation. Previously, the University took a full year of depreciation in the year the asset was placed into service, a full year thereafter, and no depreciation in the year of disposal. Under the monthly depreciation method, the University will take a full month of depreciation in the month the asset is placed into service and a full month every month thereafter until disposal. No depreciation will be taken in the month of disposal. For the year ended June 30, 2012, the

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 6 - CAPITAL ASSETS, Continued

Depreciation: Continued

University adjusted its currently depreciating vehicles and equipment as follows:

Under the full-year depreciation method for the year ended June 30, 2012, depreciation expense would have been \$439,296 and \$1,160,960 for vehicles and equipment, respectively. Under the monthly depreciation method for the year ended June 30, 2012, depreciation expense was \$243,192 and \$1,049,187 for vehicles and equipment, respectively. The change results in a depreciation expense difference of \$196,104 and \$111,773 for FY2012. However, to value vehicles and equipment using the monthly depreciation method, there was a one-time adjustment to the accumulated depreciation account and to the depreciation account of \$101,791 and \$593,461 for vehicles and equipment respectively.

	<u>Vehicles</u>		<u>Equipment</u>
Full- year depreciation method	\$ 439,296	Full- year depreciation method	\$ 1,160,960
Change in methods	<u>(196,104)</u>	Change in methods	<u>(111,773)</u>
Monthly depreciation method	243,192	Monthly depreciation method	1,049,187
Revaluation of accumulated depreciation on currently depreciating assets	<u>(101,791)</u>	Revaluation of accumulated depreciation on currently depreciating assets	<u>(593,461)</u>
FY12 Depreciation expense	<u>\$ 141,401</u>	FY12 Depreciation expense	<u>\$ 455,726</u>

Construction: Coastal Carolina University continues building at an unprecedented pace, adding \$24,254,680 to Construction in Progress in the current fiscal year. There are a total of twenty-four projects included in this amount. Some of the larger projects that are currently under construction are the Kenneth E. Swain Hall Annex to the College of Science, a yet-to-be named Academic/Classroom Building, a new Public Safety facility, the Rebecca Bryan Information Commons addition to the Library, and a Central Energy Plant, the latter of which is a cost-saving measure for some of the new buildings under construction.

Projects that were accounted for as construction-in-progress, but have been completed and transferred to assets during the course of fiscal year 2012 include the HTC Student Recreation and Convocation Center which opened its doors in June of 2012, adding \$32,353,119 to new buildings. Building improvements capitalized this year were the Dr. Ward Sports Performance Center at Brooks Stadium, an expansion to the Fred W. Hicks III Dining Hall, a new sound studio in Wheelwright Auditorium and upgrades made to the Lib Jackson Student Center.

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 6 - CAPITAL ASSETS, Continued

Acquisitions: The University purchased the Coastal Science Center (from Can Am North, LLC.) located in the former Atlantic Center for Business. The sale consisted of 69,480 square feet of classroom and office space, as well as 10.62 acres of land, including a 455-space parking lot. This transaction was recorded at a total cost of \$2,093,354 by the University.

The University also completed the purchase of Atlantic Hall which serves as the Procurement Building for the entire campus. Two acres of land were included with the purchase of this 20,000 square foot building from the Horry County Higher Education Commission. This transaction was recorded at fair market value. Horry County Higher Education Commission gifted to the University (\$373,041 of the total cost of \$1,750,000).

The Student Health Center located on University Boulevard was purchased from Conway Hospital for \$819,348 and recorded at cost. This 7,884 square foot building provides sixteen offices, two conference rooms, ten exam rooms and a nurses' station.

A parcel of land consisting of 14.75 acres was deeded to the University by the Coastal Educational Foundation for the new Public Safety Building, currently under construction, and adjacent parking lot space. A gift of \$3,245,000 was recognized, which is the fair market value for similar land in that area of campus (\$220,000 per acre).

NOTE 7 – ENDOWMENTS

The University holds one permanent endowment of \$100,000. The cash and cash equivalents, with a fair value at June 30, 2012, of \$111,119, are recorded in non-current assets, restricted cash. If a donor has not provided specific instructions to the contrary, section 34-6-20 of the South Carolina Code of Laws permits the Board of Trustees to authorize for expenditure the net appreciation (realized and unrealized) over historical dollar value of the endowment funds. The income earned on the endowment is spent for the purpose for which it was established, that of faculty research support. It is the University's policy to authorize and spend investment income only at the budgeted amount of 5% of the most recent June 30 fair market value.

NOTE 8 - DEFERRED REVENUE

Deferred revenue for the University at year-end is comprised of tuition prepayments of \$2,029,343, grant and contract funds of \$3,855,319, housing prepayments of \$364,981, advance football tickets sales of \$77,960, and auxiliary gift certificates of \$4,553. Tuition prepayments include Summer I 2012 fees of \$507,230, Summer II 2012 fees of \$638,130, Fall 2012 fees of \$336,655, and deposits of \$547,328.

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 9 – LEASE OBLIGATIONS

Operating Leases:

The University leases classroom and office facilities from external parties under conditions of non-cancelable operating leases having terms in excess of one year. Total payments for such leases were \$183,719 for the year ended June 30, 2012. Future minimum lease payments under terms of these leases are as follows:

Year Ending June 30	Principal
2013	\$ 192,935
Total	\$ 192,935

The University also leases a parking lot, three activity fields, and classroom, office and clinic facilities from third parties in accordance with operating leases with fixed annual payments and terms of one year or less. Payments for such space during the fiscal year ending June 30, 2012, were \$607,398.

NOTE 10 – BONDS PAYABLE

For the University, bonds payable consisted of the following at June 30, 2012:

	Balance at Inception	Interest Rates	Maturity Dates	Balance 6/30/2012
Revenue Bonds				
Series 1999S	\$ 24,545,000	4.875% to 5.3%	6/1/2026	\$ -
Series 2004 Refunded	3,885,000	4.09%	6/1/2018	1,935,000
Series 2006 Refunded	13,175,000	3.75% to 4.25%	6/1/2026	11,040,000
Series 2012 Refunded	6,147,000	2.10%	6/1/2026	6,147,000
Total Revenue Bonds				19,122,000
State Institution				
General Obligation 2002	8,750,000	3.25% to 4.625%	9/1/2022	5,880,000
General Obligation 2006	11,300,000	4.25% to 6.00%	10/1/2026	9,670,000
General Obligation 2010	54,000,000	3.52%	4/1/2030	49,890,000
Total State Institutional Bonds				65,440,000
 Total Bonds Payable				 \$ 84,562,000

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 10 – BONDS PAYABLE, Continued

Revenue bonds are payable from and secured by a pledge of net revenues derived by the University from the operation of the facilities constructed with the bond proceeds and by a pledge of additional funds, which are all available funds and academic fees of the University except for those which are not (i) otherwise designated or restricted; (ii) funds derived from State appropriations; and (iii) tuition funds pledged to the repayment of State institution bonds, if any. The University has also secured insurance contracts for its revenue bonds which guarantee payment of principal and interest, in the case such required payment has not been made, for a period equal to the final maturity of the bonds. Certain of the bonds payable are callable at the option of the University.

State institution bonds are general obligation bonds backed by the full faith, credit, and taxing power of the State. Tuition revenue is pledged in the amount of \$525 per full-time in-state student, \$525 per full-time out-of-state student and \$15 per graduate credit hour. The legal debt margin for general obligation bonds is that the maximum amount of annual debt service shall not exceed ninety percent of the sums received from tuition and fees for the preceding fiscal year. Tuition bonds fees for the preceding year were \$7,320,182 which results in a legal annual debt service at June 30, 2012, of \$6,588,164.

The scheduled maturities of the bonds payable by type are as follows:

	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
Revenue			
<u>Bonds</u>			
2013	\$ 1,276,000	\$ 656,683	\$ 1,932,683
2014	1,324,000	612,417	1,936,417
2015	1,366,000	566,471	1,932,471
2016	1,413,000	518,969	1,931,969
2017	1,458,000	469,802	1,927,802
2018-2022	6,536,000	1,654,006	8,190,006
2023-2026	5,749,000	513,383	6,262,383
	<u>\$ 19,122,000</u>	<u>\$ 4,991,731</u>	<u>\$ 24,113,731</u>

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 10 – BONDS PAYABLE, Continued

	Principle		Interest		Total
General Obligation Bonds					
2013	\$ 2,855,000	\$	2,487,126	\$	5,342,126
2014	2,920,000		2,369,976		5,289,976
2015	2,990,000		2,335,976		5,325,976
2016	3,075,000		2,260,576		5,335,576
2017	3,170,000		2,225,676		5,395,676
2018-2022	17,670,000		10,122,089		27,792,089
2023-2027	21,735,000		8,041,431		29,776,431
2028-2030	11,025,000		3,735,513		14,760,513
	\$ 65,440,000	\$	33,578,363	\$	99,018,363

In June of 2012, new Refunding Revenue Bonds were issued by the University in the amount of \$6,147,000. The proceeds were used to refund the remaining balance of the 1999 Revenue Bonds, resulting in a debt service savings of \$1,589,867 and an economic gain of \$1,371,577. The proceeds received at closing totaled \$6,150,944, which consisted of the following:

Total Par Amount	\$ 6,147,000
Plus Accrued Interest	3,944
Total Proceeds	\$ 6,150,944

The specific uses of the funds consisted of the following:

1999 Escrow Principle	\$ 6,070,000
1999 Escrow Interest	9,742
COI Expenses	67,258
Debt Service Deposit	3,944
Total Proceeds	\$ 6,150,944

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 10 – BONDS PAYABLE, Continued

The purposes of all outstanding bond issues are listed below:

- State Institution Bonds Series 2010A
 - i. Construct an approximately 18,000 square foot addition to the Kimbel Library.
 - ii. Construct an approximately 40,000 square foot annex to the Smith Science Building.
 - iii. Construct a new student recreation complex.

- State Institution Bonds Series 2006C
 - i. Fund various projects, specifically including Science Facilities, other Academic Facilities, Physical Plant and Campus Infrastructure, and Student Life and Intramural Facilities.
 - a. Repairs and renovations to roofs and HVAC systems on academic facilities.
 - b. Construct a planned environmental research facility.
 - c. Convert the existing space in two warehouses to science laboratories.
 - d. Allow for electrical upgrades, parking lots, sidewalks, irrigation, expansion of fiber optics, security cameras, and wireless technology system throughout the campus.
 - e. Provide playing fields and weight rooms for intramural sports activities.

- State Institution Bonds Series 2002D
 - i. Renovate and construct certain academic and athletic facilities.

- Revenue Auxiliary Bonds 1999, 2004, 2006 & 2012 Series
 - i. Construction of Baxley Hall.
 - ii. Construction of Hicks Dining Hall.
 - iii. Expansion of student housing on main campus with Eaglin Hall.

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

Other assets in statement of net assets consists of the following:

	Original Amount	Unamortized Amount
Loss on Refunding Portion 1994 in 2004	\$ 75,600	\$ 18,173
2004 Issue Costs	15,000	3,606
Loss on Refunding Portion 1999 in 2006	838,715	497,181
2006 Issue Costs	251,933	149,343
Loss on Refunding Portion 1999 in 2012	323,260	323,260
2012 Issue Costs	67,258	67,258
Amortization of 2010 Issue Costs	340,087	282,864
Campus Road Improvement Deposit	20,715	20,715
	<u>\$ 1,932,568</u>	<u>\$ 1,362,400</u>

These are amortized over the life of respective debts, except for the Campus Road Improvement Deposit. The Campus Road Improvement Deposit is a three-year deposit to Horry County for road maintenance, if necessary, on a road constructed by the University. As the developer, the University must guarantee that the roadway extension remain in first class condition, less normal wear, for a period of three years. This is the second year of the three year period. At the end of the three year period, the amount of this deposit will be refunded to the University.

NOTE 11—LONG-TERM LIABILITIES

Long-term liability activity for the University for the year ended June 30, 2012, was as follows:

	Balance 6/30/2011	Additions	Reductions	Balance 6/30/2012	Due Within One Year
Bonds Payable					
General Obligation Bonds	\$ 68,235,000	\$ -	\$ 2,795,000	\$ 65,440,000	\$ 2,855,000
Revenue Bonds	20,200,000	6,147,000	7,225,000	19,122,000	1,276,000
Total Bonds Payable	88,435,000	6,147,000	10,020,000	84,562,000	4,131,000
ARRA-Energy Conservation Plan Note	108,332	-	54,166	54,166	54,166
Federal Loan Program Liability	1,445,347	-	3,463	1,441,884	-
Accrued Compensated Absences	3,388,279	270,867	42,155	3,616,991	234,520
Total Other Liabilities	4,941,958	270,867	99,784	5,113,041	288,686
Total Long-Term Liabilities	<u>\$ 93,376,958</u>	<u>\$ 6,417,867</u>	<u>\$ 10,119,784</u>	<u>\$ 89,675,041</u>	<u>\$ 4,419,686</u>

Additional information regarding Capital Lease Obligations is included in Note 9. Additional information regarding Bonds Payable is included in Note 10.

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 12 – OPERATING EXPENSES BY FUNCTION

Operating expenses by functional classification for the year ended June 30, 2012 are summarized as follows:

Functional Classification	Personnel Costs and Benefits	Services and Supplies	Utilities	Scholarships	Depreciation	Total
Instruction	\$ 44,819,762	\$ 6,283,097	\$ 148,426	\$ -	\$ -	\$ 51,251,285
Research	1,208,303	1,096,185	6,965	-	-	2,311,453
Public Service	767,270	538,924	8,535	-	-	1,314,729
Academic Support	6,625,499	1,773,697	6,933	-	-	8,406,129
Student Services	14,154,039	7,621,749	121,115	-	-	21,896,903
Institutional Support	10,209,320	3,082,845	223,873	-	-	13,516,038
Plant Operation	10,089,177	5,755,258	3,251,614	-	-	19,096,049
Scholarships	429,702	-	-	9,772,025	-	10,201,727
Auxiliary Enterprises	1,524,815	2,670,176	591,661	-	-	4,786,652
Depreciation	-	-	-	-	4,538,853	4,538,853
Total Expenses	<u>\$ 89,827,887</u>	<u>\$ 28,821,931</u>	<u>\$ 4,359,122</u>	<u>\$ 9,772,025</u>	<u>\$ 4,538,853</u>	<u>\$ 137,319,818</u>

NOTE 13 – PENSION PLANS

The Retirement Division of the State Budget and Control Board administers two basic types of retirement plans – defined-benefit plans and defined-contribution plans -- under six separate retirement systems: the South Carolina Retirement System (SCRS); the Police Officers Retirement System (PORS); the General Assembly Retirement System (GARS); the Judges and Solicitors Retirement System (JSRS); the State Optional Retirement Program (State ORP); and the National Guard Retirement System (NGRS). Generally, all State employees, except those specifically exempted by statute, are required to become members of SCRS, PORS or State ORP. The System also issues its own publicly available Comprehensive Annual Financial Report (CAFR) which includes financial statements and required supplementary information. A copy of the separately issued CAFR may be obtained by writing to the Retirement Division, 202 Arbor Lake Drive, Columbia, South Carolina 29223. The financial statements of the Retirement Division may also be found on the State Auditor’s website: www.osa.state.sc.us. Furthermore, the Division and the six retirement systems are included in the CAFR of the State of South Carolina.

Article X, Section 16, of the South Carolina Constitution requires that all State-operated retirement systems be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws of 1976, as amended, prescribes requirements relating to membership, benefits and employee/employer contributions for each pension plan. Employee and employer contribution rates for the South Carolina Retirement System and the Police Officers Retirement System are actuarially determined.

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 13 – PENSION PLANS, Continued

South Carolina Retirement System

SCRS is a traditional defined-benefit plan for employees of Coastal Carolina University. The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined-benefit pension plan administered by the Retirement Division, is a public employee retirement system. Generally, all benefits eligible employees are required to become members of SCRS, PORS or State ORP as a condition of employment, unless exempted by law as provided in Section 9-1-480 of the South Carolina Code of Laws. This plan provides retirement annuity benefits as well as disability, cost-of-living adjustment and group life benefits to eligible employees.

Employees participating in the SCRS are required to contribute 6.50 percent of all compensation. Effective July 1, 2011, the employer contribution rate became 13.685 percent, which included a 4.30 percent surcharge to fund retiree health and dental insurance coverage. The University's actual contributions to the SCRS for fiscal years ending June 30, 2012, 2011 and 2010, were \$4,554,119, \$4,053,588, and \$3,855,590, respectively, and equaled the required contributions (including the required surcharge) for each year. Also, Coastal Carolina University paid employer group life insurance contributions of \$49,917 in the current fiscal year at the rate of .15 percent of compensation.

Police Officers Retirement System

The South Carolina Police Officers Retirement System (PORS) is a cost-sharing defined-benefit public employee retirement plan administered by the Retirement Division. Generally, all benefits-eligible employees who are Police Officers and Firefighters are required to participate in and contribute to the PORS System as a condition of employment. This plan provides annuity benefits as well as disability, cost-of-living adjustment and group life benefits to eligible employees. In addition, participating employers in the PORS contribute to the accidental death fund which provides annuity benefits to beneficiaries of police officers and firemen killed in the actual performance of their duties. These benefits are independent of any other retirement benefits available to the beneficiary.

Employees participating in the PORS are required to contribute 6.50 percent of all compensation. Effective July 1, 2011, the employer contribution rate became 15.663 percent, which, as for the SCRS, included the 4.30 percent surcharge. The University's actual contributions to the PORS for fiscal years ending June 30, 2012, 2011 and 2010, were \$233,739, \$199,928 and \$175,464, respectively, and equaled the required contributions (including the required surcharge) for each year. Also, the University paid employer group-life insurance contributions of \$2,985 and accidental death insurance contributions of \$2,985 in the current fiscal year for PORS participants. The rate for each of these insurance benefits is .20 percent of compensation.

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 13 – PENSION PLANS, Continued

Optional Retirement Program

Coastal Carolina University employees may elect to participate in the Optional Retirement Program (ORP), a defined-contribution plan. The ORP was established in 1987 under Title 9, Chapter 17, of the South Carolina Code of Laws. The ORP provides retirement and death benefits through the purchase of individual fixed or variable annuity contracts which are issued to, and become the property of, the participants. The State assumes no liability for this plan other than for payment of contributions to designated insurance companies.

ORP participation is available to all faculty and staff of the State's higher education institutions who meet all eligibility requirements for membership in the SCRS. To elect participation in the ORP, eligible employees must waive SCRS membership within their first thirty days of employment. An employee may irrevocably elect SCRS membership in any annual open enrollment period after the first but before the fifth anniversary of their initial enrollment. If a State ORP member does not make the election to transfer to SCRS within the allotted time, he/she will, by default, continue State ORP membership.

Under State law, contributions to the ORP are required at the same rates as for the SCRS, 9.385 percent plus the retiree surcharge of 4.30 percent from the employer in fiscal year 2011/2012.

Certain Coastal Carolina University employees have elected to be covered under optional retirement plans. For the fiscal year 2011/2012, total contribution requirements to the ORP were \$3,416,318 (including the surcharge) from the University as employer and \$1,622,657 from its employees as plan members. The retiree surcharge of 4.30 percent, plus 4.535 percent of all contributions, was remitted to the Retirement Division of the State Budget and Control Board. Five percent of employer contributions plus employee contributions of 6.5 percent (for a total of 11.50 percent) were remitted directly to the respective annuity policy providers. The obligation for payment of benefits resides with the insurance company. State ORP participants are eligible for group life insurance equal to the member's current annual earnable compensation. Such benefits will be paid following the active member's or retired member's (who has returned to covered employment) death, provided they work for a covered employer.

Deferred Compensation Plans

Several optional deferred compensation plans are available to State employees and employers of its political subdivisions. Certain employees of Coastal Carolina University have elected to participate. The multiple-employer plans, created under Internal Revenue Code Sections 457, 401(k), and 403(b), are administered by third parties and are not included in the Comprehensive Annual Financial Report of the State of South Carolina. Compensation deferred under the plans is placed in trust for the contributing employee. The State has no liability for losses under the plans. Employees may withdraw the current value of their contributions when they terminate State employment. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 14—POST-EMPLOYMENT AND OTHER EMPLOYEE BENEFITS

Teacher and Employee Retention Incentive

Effective January 1, 2001, Section 9-1-2210 of the South Carolina Code of Laws allows employees eligible for service retirement to participate in the Teacher and Employee Retention Incentive (TERI) Program. TERI participants may retire and begin accumulating retirement benefits on a deferred basis without terminating employment for up to five years. Upon termination of employment or at the end of the TERI period, whichever is earlier, participants will begin receiving monthly service retirement benefits, including any cost of living adjustments granted during the TERI period. Employees who entered the TERI Program on or after July 1, 2005, make contributions to the South Carolina Retirement Systems at the same rate as active employees. Coastal Carolina University must pay the employer share on all TERI participants at the same rate as on active employees. TERI participants do not earn additional service credit, are not eligible to purchase service and are not eligible for disability retirement benefits. TERI participants are covered under the active membership Group Life Insurance Program.

In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State of South Carolina provides certain health care, dental, and life insurance benefits to certain active and retired State employees and certain surviving dependents of retirees. All permanent full-time and certain permanent part-time employees of Coastal Carolina University are eligible to receive these benefits. The State provides post-employment health and dental benefits to employees who retire from State service who meet eligibility requirements set forth by the Employee Insurance Program. Retirement benefits are effective dependent upon the date of retirement.

These benefits are provided through annual appropriations by the General Assembly to Coastal Carolina University for its active employees and to the State Budget and Control Board for all participating State retirees, except the portions funded through the pension surcharge and provided from other applicable fund sources of the University for its active employees who are not funded by State General Fund appropriations. The State finances health and dental plan benefits on a pay-as-you-go basis.

Coastal Carolina University recorded compensation and benefit expenses for these insurance benefits for active employees in the amount of \$4,958,267 for the year ended June 30, 2012. As discussed in Note 13, the University paid \$2,568,581 applicable to the 4.30 percent surcharge included with the employer contributions for retirement benefits. These amounts were remitted to the South Carolina Retirement Systems for distribution to the Employee Insurance Program for retiree health and dental insurance benefits.

Information regarding the cost of insurance benefits applicable to Coastal Carolina University retirees is not available. By State law, the University has no liability for retirement benefits.

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 14—POST-EMPLOYMENT AND OTHER EMPLOYEE BENEFITS, Continued

Accordingly, the cost of providing these benefits for retirees is not included in the accompanying financial statements.

In addition, the State General Assembly periodically directs the Retirement Systems to pay supplemental (cost-of-living) increases to retirees. Such increases are primarily funded from Systems' earnings; however, a portion of the required amount is appropriated from the State General Fund annually for the SCRS and PORS benefits.

NOTE 15 – RELATED PARTIES

There are several separately chartered legal entities which do not meet the criteria established by GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, to be treated as component units of the University. These entities include the Horry County Higher Education Commission and the Georgetown County Advisory Board for Coastal Carolina University. While they are not financially accountable to the University, these organizations exist primarily to provide financial assistance and other support to the University and its educational programs. The activities of these entities are not included in the University's financial statements. However, the University's statements for the year ended June 30, 2012, include significant transactions between them and the University which are as follows:

Horry County Higher Education Commission: The Horry County Higher Education Commission was created by Act No. 114 in the 1959 session of the South Carolina General Assembly. The Commission is composed of sixteen members who are appointed by the Horry County Legislative Delegation. The Commission is responsible for providing resources to meet the goals and carry out the mission of Coastal Carolina University, and to expend funds, including proceeds of bonds issued by Horry County, to provide buildings and equipment for the University. The Commission receives an annual appropriation from Horry County to accomplish these objectives. During the year ended June 30, 2012, the Commission made grants to Coastal Carolina University totaling \$948,125. Of the total, \$198,125 was for scholarships, \$215,000 was for public service, academic enhancement and staff development projects, and \$535,000 was for capital improvement projects. The entire amount was receivable at year-end. The Commission leases its land and buildings to the University at a below-market rental rate under terms of annual leases. Rent paid by the University during the fiscal year 2012 was \$18,002, none of which was payable at year-end. Also, as required by the leases, the University insures the Commission's buildings and improvements. The University provides accounting and cash management services to the Commission at no charge, including management of the operating portion of its cash. At June 30, 2012, the Commission had net assets of \$5,901,582.

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 15 – RELATED PARTIES, Continued

Georgetown County Advisory Board for Coastal Carolina University: Georgetown County annually appropriates funds to support the mission of Coastal Carolina University in Georgetown County. The Georgetown County Advisory Board for Coastal Carolina University is responsible for the budgeting and distribution of these funds. During the year ending June 30, 2012, the University recognized and received \$75,000 in revenue from the Advisory Board. Expenditures made on behalf of the University for scholarships and the development of facilities in Georgetown County were approximately \$144,110.

Transactions with the State of South Carolina: The University has significant transactions with the State of South Carolina and various State agencies. The University receives various business, banking and legal services at no cost, and purchases various goods and services from State agencies and component units. The amounts of such expenditures for 2012 are not readily available. At June 30, 2012, accounts receivable included \$143,169 due from other State agencies primarily for Federal and State sponsored projects, and accounts payable included \$1,087,389 due to other State agencies. Horry Georgetown Technical College (HGTC) contracts with the University to provide security services to each of their campuses. HGTC currently owes the University \$110,597 for the current year for these services. The University also has a Bridge Partnership program with HGTC. Bridge program fees of \$38,633 were receivable at year end.

Transactions with Related-Party Vendors: The University has identified 13 potential related party vendors with whom they have transacted business during fiscal year ending June 30, 2012. These vendors and the total related transaction amounts are listed below:

**Related Party Vendor Transactions
FYE June 30, 2012**

Vendor	Amounts
Alternatives News Magazine	\$ 1,600
Atlas Travel Agency	28,604
Charles H. Johns IV	3,546
Conway Ford Inc.	2,509
Grand Strand Regional Medical	100,000
Grand Strand Tee Time Network	17,226
Natasha M. Hannah	2,260
Palmetto-Chevrolet Geo	5,640
Preston M Roberts	428
S & R Turf Equipment, LLC	20,066
Talotta Interiors Inc.	3,207
The Lowcountry Companion	1,652
Winyah Rivers Foundation	14,135
Total	\$ 200,873

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 16 – RISK MANAGEMENT

The University is exposed to various risks of loss and maintains State or commercial insurance coverage for each of those risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. Settlement claims have not exceeded this coverage in any of the past three years.

The State of South Carolina believes it is more economical to manage certain risks internally and set aside assets for claim settlement. Several State funds accumulate assets, and the State itself substantially assumes all the risk for the following claims of covered employees: unemployment compensation benefits; workers' compensation benefits for job-related illnesses or injuries; health and dental insurance benefits; long-term disability and group life insurance benefits. Employees elect health insurance coverage through either a health maintenance organization or through the State's self-insured plan.

The University and other entities pay premiums to the State's Insurance Reserve Fund (IRF), which issues policies, accumulates assets to cover the risk of loss, and pays claims incurred for covered losses relating to: theft; damage to, or destruction of assets, real property, personal property; business interruption; equipment, motor vehicles, watercraft, torts (liability) and professional medical services.

The South Carolina Office of Insurance Reserve Fund is a self-insurer and purchases reinsurance to obtain certain services and to limit losses in certain areas. The South Carolina Office of Insurance Reserve Fund rates are determined actuarially.

The University obtains coverage through a commercial insurer for fidelity bond insurance for all employees for losses arising from theft or misappropriation and for officers' and directors' errors and omissions.

NOTE 17 – COMPONENT UNITS

The Coastal Educational Foundation: The Coastal Educational Foundation (the CEF) is a separately chartered corporation organized exclusively to support Coastal Carolina University. As discussed in Note 1, the CEF has been included in the reporting entity as a component unit. Because the CEF is deemed not to be a government entity and, therefore, used a different reporting model, its balances and transactions are reported on separate financial statements.

The CEF provides support directly to the University through funds embarked from private contributions to support University scholarship and various academic programs. The CEF has provided \$6,446,198 in support through direct and indirect transfers. For the fiscal year ended

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 17 – COMPONENT UNITS, Continued

The Coastal Educational Foundation, Continued

June 30, 2012, receivables and payables between the University and the CEF were \$1,174,219 and \$5,167, respectively.

The University leases the Foundation Center from the CEF for \$100,000 per year. (See Note 9.) In further support of the University, the CEF owns parcels of real property on which portions of the University's campus is located. At June 30, 2012, the carrying value of said property was \$5,333,698, net of \$120,629 accumulated depreciation. The University leases this land annually from the foundation at a rate below market value.

The CEF transferred parcels of land to the University to be utilized in campus expansion during the fiscal year ended June 30, 2012. These parcels of land had a fair market value at the date of contribution of \$3,245,000.

The University, in turn, provides operation and fund-raising staff for which it does not charge the foundation. The CEF has valued these services for their financial reporting at \$398,218 for the fiscal year ending June 30, 2012. The University paid total rent of \$55,000 in fiscal year 2012 to the foundation for three parcels of land: the soccer field, baseball fields, and student parking lot.

The CEF carries investment in marketable equity securities with readily determinable fair market values, and all debt securities, at fair value in the Statement of Financial Position. Investment income is considered unrestricted unless the donors have specified otherwise. Unrealized gains and losses are netted with realized gains and losses in the statement of activities. Donated investments are valued at fair market value at the date of donation. Investments in non-publicly traded securities of closely held entities with no readily determinable market value are carried on the books at established fair value at the date of donation to the foundation. Dividend income is considered unrestricted unless the donor has specified otherwise.

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 17 – COMPONENT UNITS, Continued

A summary of investments at fair value at June 30, 2012, follows:

<u>Commonfund Investments</u>		
Multi-Strategy Equity Funds	\$	15,717,209
Multi-Strategy Bond Funds		6,069,459
Total privately managed Funds		21,786,668
Public Traded Securities		0
Total Publicly Traded Securities		0
Closely Held Investments		
Common Stock		190,000
Total Closely Held Investments		190,000
Total Investments	<u>\$</u>	<u>21,976,668</u>

During the year ended June 30, 2012, University Board members served as ex-officio members of the Coastal Educational Foundation Board.

The Chanticleer Athletic Foundation: The Chanticleer Athletic Foundation (the CAF) is a separately chartered 501c(3) corporation organized in 1987 exclusively to support Coastal Carolina University Athletics. The CAF is comprised of no less than fifteen board members and an executive director, who manages the operations of the CAF. The board of directors oversees the actions of the executive director and provides strategic goals which the executive director carries out. As discussed in Note 1, the CAF has been included in the reporting entity as a component unit. Because the CAF is deemed not to be a government entity and, therefore, uses a different reporting model, its balances and transactions are reported on separate financial statements.

The CAF provides support directly to the University through funds embarked from private contributions to support University athletic scholarships and programs. These transfers for fiscal year 2012 were recorded by the University as non-operating gift revenues totaling \$1,022,391.

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 17 – COMPONENT UNITS, Continued

Of the total non-operating gift revenue, a \$100,000 down payment was paid to aid the University in the purchase of 3 athletic buses. In addition, the CAF procured and gifted to the University \$395,696 of goods and services, which included vehicle leases to athletic coaches and wiring of the new Student Recreation and Convocation Center.

For the year ended June 30, 2012, the CAF had net assets of \$6,110,972, receivables from the University of \$6,120, and payables to the University of \$553,458.

The CCU Student Housing Foundation: The CCU Student Housing Foundation (the Foundation) is a separately chartered not-for-profit corporation organized in 2002 to provide housing for students at the University, as well as to provide support for the various programs of the University. The CCU Housing Foundation, LLC, (the Company), a not-for-profit corporation, was organized in 2005. The Foundation is the owner and sole member of the Company. The Company operates University Place, an apartment complex housing 2,100 students located approximately one half mile from the campus. As discussed in Note 1, the Foundation and the Company have been included in the reporting entity as a component unit. Since the Foundation and the Company are deemed not to be governmental entities and use a different reporting model, their balances and transactions are reported on separate financial statements.

At June 30, 2012, the Foundation's carrying value of the University Place housing complex was \$61,920,375 net of \$8,845,899 accumulated depreciation. The carrying value of the Foundation's land and buildings on expansion property was \$3,195,560 net of \$104,440 accumulated depreciation. The Company's carrying value of University Place furnishings and improvements was \$1,338,943 net of \$3,726,044 accumulated depreciation.

The Foundation and the Company combined held debt in the amount of \$86,828,156 at June 30, 2012, of which \$85,045,110 is revenue bonds issued for financing University Place and \$1,783,046 is a mortgage on future expansion property. During fiscal year 2012, the Foundation paid mortgage interest of \$103,044. Interest on the Company's bonds is payable semi-annually and varies from four to five percent. The bonds mature in varying amounts through 2042. The Company's obligations under the bond agreements are collateralized by, among other things, a leasehold mortgage and assignment of rents and leases applicable to University Place. Annual debt service coverage ratio required by the bond agreement is 1.2:1. The Company paid debt service interest of \$4,907,691 for the fiscal year 2012.

During 2006, the University agreed to lease the two houses located on the expansion property, pending a decision about how the property will eventually be used. Lease revenue received by the Foundation was \$32,400 for the year.

As of July 15, 2007, the Foundation terminated the University as property manager and hired an unrelated property management company to manage University Place apartments. On August 8, 2009, the University was rehired to manage University Place.

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

NOTE 17 – COMPONENT UNITS, Continued

The CCU Student Housing Foundation, Continued

In accordance with terms of the bonds discussed above, the Foundation and its subsidiary have entered into a support agreement with the University. This agreement provides that the University will refer students to University Place and identify University Place as “Preferred Residential Housing” and will use its best efforts to see that the debt service ratio required by lenders is maintained. Furthermore, the agreement restricts the University’s ability to operate or own any other off-campus student housing facility.

The University collects rent for University Place through its student receivables system. Student rent and related fees are transferred to the Company each semester based on billings posted to student accounts receivable accounts regardless of whether the fees have been collected by the University. As of June 30, 2012, the University owed the Company \$20,150 in rent collected on behalf of the Company.

In June 2012, the Company and the University executed a real estate lease agreement for University Place apartments. Beginning July 1, 2012, the Company will lease the apartments to the University for a term of 30 years, with optional one year extensions beyond 2042.

The University received financial support from the CCU Student Housing Foundation for the fiscal year ended June 30, 2012 of \$356,000 of which \$56,000 was a salary supplement for the President of the University. The Foundation also provided a \$12,000 salary supplement for a University employee who assists the Foundation’s Executive Director.

NOTE 18 – CONTINGENCIES AND LITIGATION

The University participates in certain federal grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Management believes disallowances, if any, will not be material.

The University is a defendant in various legal actions, some of which are uninsured, the outcome of which is not presently determinable. In the opinion of the University’s counsel, the resolution of these matters, including the uninsured claims, will not have a material adverse effect on the University’s financial position.

NOTE 19 – COMMITMENTS

Horry County One-Cent Sales Tax: In March 2009, Horry County began charging an additional one-cent sales tax on most all taxable goods and services that a consumer currently pays tax on at the time of purchase to fund facilities for education. Exempt from this sales tax are groceries, gas, and prescription drugs. The one-cent sales tax provides funding for Horry County schools, Coastal Carolina University, and Horry Georgetown Technical College over the

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

Horry County One-Cent Sales Tax: Continued

next 15 years. For the fiscal year ending June 30, 2012, Coastal Carolina University has received approximately \$7.7 million in revenue from this new tax. Since the inception of the one-cent sales tax, CCU has received more than \$23 million in revenue. CCU has purchased several buildings with this revenue in the past few years and is currently constructing a new Academic Classroom and Office Building, a Central Energy Plant and additional parking lots. A new Science Annex Building is being planned as a future use of these funds.

Open Construction Contracts: The following contractors have open construction contracts with the University as of June 30, 2012:

Contractor	Project	PO Numbers	Contract Amount	Amount Spent	Amount Outstanding
SAFEbuilt Carolinas Inc.	Academic/Classroom Bldg.	P0033955	\$ 39,596	\$ 16,965	\$ 22,631
Control Management Inc.	Academic/Classroom Bldg.	P0033974	233,653	147,580	86,073
S & ME, Inc.	Academic/Classroom Bldg.	P0033983	94,195	74,113	20,082
S & ME, Inc.	Bay 3 Parking	P0034303	10,000	661	9,339
Hardwick's Landscaping	Bay 3 Parking	P0034340	511,985	78,201	433,785
McWaters Inc.	Bryan Information Commons	P0033720	618,180	197,811	420,369
Envisionware Inc.	Bryan Information Commons	P0034419	93,360	0	93,360
Chancel Builders, Inc.	Bryan Information Commons	B0008179	3,934,966	3,681,286	253,680
Surveillance Video.Com	Bryan Information Commons	P0034581	1,571	212	1,358
S & ME, Inc.	Central Heating & Cooling	P0034000	52,210	24,947	27,263
Mead & Hunt, Inc.	Central Heating & Cooling	P0034007	10,615	7,205	3,410
Mead & Hunt, Inc.	Fire Tower Parking	P0033731	56,023	38,885	17,138
Boudreaux Group	Food Service/Dining Facility	P0034371	11,900	2,970	8,930
LS3P Associates	Science Building Renovations	P0034195	41,830	8,222	33,608
Michael Keeshen & Associates	Softball/Baseball Complex	P0033968	769,075	348,085	420,990
Quackenbush Architects	Student Center Annex	P0034479	744,887	0	744,887
Garvin Design Group	Student Rec/Conv Center	B0008181	468,710	410,726	57,984
PC Construction	Student Rec/Conv Center	B0008191	10,293,408	8,287,530	2,005,878
Strategic Connections Inc.	Student Rec/Conv Center	P0033612	1,176,382	1,033,664	142,718
Forty Nine Degrees LLC	Student Rec/Conv Center	P0034117	42,000	35,000	7,000
Mead & Hunt, Inc.	Student Rec/Conv Center	P0034146	1,770	343	1,427
McWaters Inc.	Student Rec/Conv Center	P0034268	16,867	0	16,867
W.O. Blackstone & Company, Inc.	Student Rec/Conv Center	P0034354	951,158	330,317	620,841
Control Management Inc.	Student Rec/Conv Center	P0034534	116,222	19,118	97,104
Specseats Intl Corp	Student Rec/Conv Center	P0034546	13,824	0	13,824
S & ME, Inc.	Swain Hall - Annex II	P0033926	117,800	91,872	25,928
Mead & Hunt Inc.	Swain Hall - Annex II	P0033982	22,384	7,563	14,821
Control Management Inc.	Swain Hall - Annex II	P0034096	1,005,623	647,622	358,001
Nycom Inc.	Swain Hall - Annex II	P0034101	1,061,611	51,540	1,010,071
Watson Tate Savory Architects	Swain Science Annex	B0008201	467,286	153,286	314,000
Chancel Builders, Inc.	Swain Science Annex	B0008312	11,986,944	5,666,923	6,320,021
Spann Roofing	Wms Brice Renovation	P0034565	116,425	94,304	22,121
			<u>\$ 35,082,460</u>	<u>\$ 21,456,950</u>	<u>\$ 13,625,510</u>

COASTAL CAROLINA UNIVERSITY
Notes to Financial Statements, Continued
For the Year Ended June 30, 2012

New Student Housing Construction: To keep up with enrollment growth and the requirement for all freshmen and sophomores to live on campus, in early 2013 the University plans to issue up to \$85 million in bonds to finance the construction of new dormitories which will add 1270 total beds when completed. This project will be built on a parcel of land owned by the CCU Student Housing Foundation known as the Elvington property. This project is a multi-phase project and Phase I construction is scheduled to begin in January 2013 with completion of 635 new beds anticipated for occupancy no later than 2015.

Capital Lease with the CCU Housing Foundation, LLC: Starting July 1, 2012, the University entered into a 30 year capital lease with the CCU Housing Foundation, LLC. (CHF) for University Place (UP), an apartment complex housing 2,100 students located approximately one-half mile from the campus. The lease will allow the University to manage the operation of UP, and collect the revenue from student housing at UP. In turn, the University will remit varying lease payments to the CHF in the amount necessary to keep the CHF within their bond covenants. Over the 30-year term of the lease, the University will pay CHF \$239,528,841 in lease payments. At the end of the lease, the University will have the option to purchase UP from CHF.

OTHER FINANCIAL INFORMATION

COASTAL CAROLINA UNIVERSITY
Schedule of Information on Business-Type Activities
Required for the Government-Wide
Statement of Activities in the State CAFR
For the Year Ended June 30, 2012

	<u>Year Ended June 30</u>		Increase <u>(Decrease)</u>
	<u>2012</u>	<u>2011</u>	
Charges for Services	\$ 128,766,406	\$ 116,968,059	\$ 11,798,347
Operating Grants and Contributions	18,223,057	21,950,545	(3,727,488)
Capital Grants and Contributions	5,206,768	2,669,599	2,537,169
Less Expenses	<u>(138,986,039)</u>	<u>(128,857,709)</u>	<u>(10,128,330)</u>
Net Program Revenue (Expense)	<u>13,210,192</u>	<u>12,730,494</u>	<u>479,698</u>
Transfers			
State Appropriations	8,920,787	9,856,086	(935,299)
Other Transfers in from State Agencies	5,613	-	5,613
Local Sales Tax Allocation	<u>7,660,595</u>	<u>6,884,907</u>	<u>775,688</u>
Total General Revenue and Transfers	<u>16,586,995</u>	<u>16,740,993</u>	<u>(153,998)</u>
Change in Net Assets	29,797,187	29,471,487	325,700
Net Assets - Beginning	168,294,768	138,823,281	29,471,487
Net Assets - Ending	<u>\$ 198,091,955</u>	<u>\$ 168,294,768</u>	<u>\$ 29,797,187</u>

COASTAL CAROLINA UNIVERSITY
Schedule of Reconciling State Appropriations per the Financial Statements
to State Appropriations Recorded in State Accounting Records
For the Year Ended June 30, 2012

Following is a reconciliation of the original base budget amount presented in the General Funds Column of Section 11 of the 2010-2011 Appropriations Bill 3700 enacted by the South Carolina General Assembly to State Appropriations revenue reported in the financial statements for the year ended June 30, 2012.

Non-Capital Appropriations

Original Appropriations	\$ 8,478,680
Supplement Appropriation Addition	112,919
Technology Grant Program	323,307
South Carolina Endowment Incentive Act of 1997	<u>5,881</u>
Statement of Revenues, Expenses & Changes in Net Assets	<u>\$ 8,920,787</u>

COASTAL CAROLINA UNIVERSITY
Schedule of Tuition Fees
For the Year Ended June 30, 2012

South Carolina Code of Laws Section 59-107-90 requires that the maximum amount of annual debt service on State institution bonds for each institution shall not exceed ninety percent of the sums received from tuition fees (as defined by code Section 59-107-30) for the preceding year. The applicable amount for the year ended June 30, 2012, is as follows:

Amount of Tuition Fees as defined by Code Section 59-107-30 for the Fiscal Year Ended June 30, 2011	<u>\$ 7,320,182</u>
Legal Annual Debt Service Limit at June 30, 2012	<u>\$ 6,588,164</u>

COASTAL CAROLINA UNIVERSITY COMPREHENSIVE ANNUAL FINANCIAL REPORT

STATISTICAL SECTION



Brooks Stadium

This part of the University's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the University's overall financial health. Unless otherwise noted, the information in this section is derived from the comprehensive annual financial report of the relevant year. The University implemented GASB Statement No. 34 in 2002; certain schedules include information beginning in that year.

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the University's financial performance and well-being has changed over time.

Schedule 1
Coastal Carolina University
Net Assets by Component
Fiscal Years 2003 – 2012

	For the year ended June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Net Assets										
Invested in capital assets, net of debt	\$ 118,117,078	\$ 92,076,002	\$ 71,619,921	\$ 59,953,874	\$ 57,318,311	\$ 46,314,833	\$ 57,050,243	\$ 54,822,552	\$ 53,844,656	\$ 48,759,779
Restricted - non-expendable	100,000	100,000	100,000	100,000	100,000	100,000	97,953	102,626	102,934	103,546
Restricted - expendable	33,396,565	32,445,453	33,277,562	21,751,075	19,439,071	15,203,375	3,119,736	637,981	1,238,953	5,282,000
Unrestricted	46,478,312	43,673,313	33,825,798	26,417,735	16,471,934	18,843,171	10,887,678	9,031,159	5,969,709	4,396,078
Total Net Assets	\$ 198,091,955	\$ 168,294,768	\$ 138,823,281	\$ 108,222,684	\$ 93,329,316	\$ 80,461,379	\$ 71,155,610	\$ 64,594,318	\$ 61,156,252	\$ 58,541,403

Schedule 2
Coastal Carolina University
Major Revenue Sources
Fiscal Years 2003 – 2012

For the year ended June 30

(dollars)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tuition, net of allowance	\$ 98,590,156	\$ 88,379,677	\$ 78,675,758	\$ 75,894,084	\$ 64,647,787	\$ 60,037,693	\$ 51,186,504	\$ 43,074,537	\$ 35,779,409	\$ 28,458,464
State grants to students	9,821,512	9,931,985	9,200,535	8,884,673	8,261,850	6,725,629	6,368,500	5,637,258	4,493,503	3,360,109
Federal grants to students	2,565,409	3,770,094	3,529,443	8,468,043	7,467,366	5,031,709	4,631,878	4,866,852	4,403,041	3,941,964
Other operating grants	2,281,414	2,070,136	2,078,719	1,808,138	1,948,524	2,578,763	2,643,014	2,104,181	2,736,269	2,412,206
Sales and services of educ activities	4,647,195	3,033,764	2,974,222	2,789,296	2,380,591	2,527,891	1,957,787	1,788,649	1,734,367	965,243
Auxiliary enterprises, net of allowance	8,777,833	8,105,193	7,841,230	7,227,340	7,193,288	7,018,449	6,538,216	5,305,441	5,149,927	4,670,935
Other fees	2,082,887	1,677,210	2,043,312	1,322,613	1,243,228	1,073,120	1,125,867	999,332	861,376	652,174
Total operating revenue	128,766,406	116,968,059	106,343,219	106,394,187	93,142,634	84,993,254	74,451,766	63,776,250	55,157,891	44,461,094
State appropriations	8,920,787	9,856,086	11,970,857	13,524,645	17,671,977	16,171,875	13,562,113	11,792,079	11,220,170	12,579,167
Local appropriations	313,125	238,313	434,395	209,658	233,670	315,079	338,539	214,889	218,067	243,480
Gifts, Grants, and Contracts*	17,202,173	18,247,517	14,411,780	1,484,956	2,525,354	1,412,749	2,074,663	2,503,349	3,047,176	1,450,680
Investment income	713,372	3,464,715	2,016,468	2,042,596	1,551,714	1,256,909	425,808	402,465	92,668	903,026
Total non-operating revenue	27,149,457	31,806,631	28,833,500	17,261,855	21,982,715	19,156,612	16,401,123	14,912,782	14,578,081	15,176,353
Total non-capital revenue	\$ 155,915,863	\$ 148,774,690	\$ 135,176,719	\$ 123,656,042	\$ 115,125,349	\$ 104,149,866	\$ 90,852,889	\$ 78,689,032	\$ 69,735,972	\$ 59,637,447

(percentages of total)

Tuition, net of allowance	63.2%	59.4%	58.2%	61.4%	56.2%	57.6%	56.3%	54.7%	51.3%	47.7%
State grants to students	6.3%	6.7%	6.8%	7.2%	7.2%	6.5%	7.0%	7.2%	6.4%	5.6%
Federal grants to students	1.6%	2.5%	2.6%	6.8%	6.5%	4.8%	5.1%	6.2%	6.3%	6.6%
Other operating grants	1.5%	1.4%	1.5%	1.5%	1.7%	2.5%	2.9%	2.7%	3.9%	4.0%
Sales and services of educ activities	3.0%	2.0%	2.2%	2.3%	2.1%	2.4%	2.2%	2.3%	2.5%	1.6%
Auxiliary enterprises, net of allowance	5.6%	5.4%	5.8%	5.8%	6.2%	6.7%	7.2%	6.7%	7.4%	7.8%
Other fees	1.3%	1.1%	1.5%	1.1%	1.1%	1.0%	1.2%	1.3%	1.2%	1.1%
Total operating revenue	82.6%	78.6%	78.7%	86.0%	80.9%	81.6%	81.9%	81.0%	79.1%	74.6%
State appropriations	5.7%	6.6%	8.9%	10.9%	15.4%	15.5%	14.9%	15.0%	16.1%	21.1%
Local appropriations	0.2%	0.2%	0.3%	0.2%	0.2%	0.3%	0.4%	0.3%	0.3%	0.4%
Gifts	11.0%	12.3%	10.7%	1.2%	2.2%	1.4%	2.3%	3.2%	4.4%	2.4%
Investment income	0.5%	2.3%	1.5%	1.7%	1.3%	1.2%	0.5%	0.5%	0.1%	1.5%
Total non-operating revenue	17.4%	21.4%	21.3%	14.0%	19.1%	18.4%	18.1%	19.0%	20.9%	25.4%
Total non-capital revenue	100.0%									

* Includes \$14,332,160 and \$13,506,926 in Pell Grant Revenue in FY12 and FY11, respectively, and \$2,426,619 in Stabilization Funding for FY11.

Schedule 3
Coastal Carolina University
Expenses by Function
Fiscal Years 2003 – 2012

For the year ended June 30

(dollars)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Instruction	\$ 51,251,285	\$ 47,126,842	\$ 42,940,090	\$ 41,222,211	\$ 37,496,227	\$ 33,749,600	\$ 30,302,652	\$ 27,433,692	\$ 25,798,618	\$ 22,786,032
Research	2,311,453	1,969,431	2,450,264	1,534,647	1,365,651	991,703	1,130,243	689,398	966,347	743,184
Public Service	1,314,729	1,401,435	1,194,171	1,010,520	1,398,176	1,530,716	1,402,660	1,188,870	1,533,278	1,290,221
Academic Support	8,406,129	7,692,319	6,916,496	6,839,919	6,260,774	5,544,497	5,444,440	5,193,271	4,485,906	4,032,686
Student Services	21,896,903	19,090,602	18,010,372	17,282,683	16,636,251	13,663,750	12,499,087	10,836,863	9,341,425	8,053,622
Institutional Support	13,516,038	11,639,916	11,545,464	10,121,548	9,927,237	8,560,893	8,180,490	7,383,968	6,374,436	5,645,194
Plant Operation	19,096,049	17,518,943	16,713,037	15,346,465	13,433,372	14,423,873	12,700,415	9,488,335	7,330,871	6,266,252
Scholarships	10,201,727	10,521,521	7,270,964	7,717,421	6,807,605	6,220,738	5,555,772	5,639,316	5,001,247	4,630,717
Auxiliary Enterprises	4,786,652	4,824,147	4,656,279	5,215,065	4,943,921	5,355,666	4,384,077	3,336,934	3,509,497	2,695,134
Depreciation	4,538,853	5,235,188	4,615,762	4,096,014	3,703,908	3,267,991	3,190,958	2,922,724	2,768,983	2,318,304
Total operating expenses	137,319,818	127,020,344	116,312,899	110,386,493	101,973,122	93,309,427	84,790,794	74,113,371	67,110,608	58,461,346
Interest on capital debt	1,646,247	1,770,271	2,321,273	1,857,739	1,647,266	1,740,332	1,627,464	1,690,726	1,588,650	1,678,510
Other non-operating expenses	19,974	67,094	10,256	2,585	45,539	-	-	-	295,041	87,776
Total non-operating expenses	1,666,221	1,837,365	2,331,529	1,860,324	1,692,805	1,740,332	1,627,464	1,690,726	1,883,691	1,766,286
Total expenses	\$ 138,986,039	\$ 128,857,709	\$ 118,644,428	\$ 112,246,817	\$ 103,665,927	\$ 95,049,759	\$ 86,418,258	\$ 75,804,097	\$ 68,994,299	\$ 60,227,632

(percentages of total)

Instruction	36.9%	36.6%	36.2%	36.7%	36.2%	35.5%	35.1%	36.2%	37.4%	37.8%
Research	1.7%	1.5%	2.1%	1.4%	1.3%	1.0%	1.3%	0.9%	1.4%	1.2%
Public Service	0.9%	1.1%	1.0%	0.9%	1.3%	1.6%	1.6%	1.6%	2.2%	2.1%
Academic Support	6.0%	6.0%	5.8%	6.1%	6.0%	5.8%	6.3%	6.9%	6.5%	6.7%
Student Services	15.8%	14.8%	15.2%	15.4%	16.0%	14.4%	14.5%	14.3%	13.5%	13.4%
Institutional Support	9.7%	9.0%	9.7%	9.0%	9.6%	9.0%	9.5%	9.7%	9.2%	9.4%
Plant Operation	13.7%	13.6%	14.1%	13.7%	13.0%	15.2%	14.7%	12.5%	10.6%	10.4%
Scholarships	7.3%	8.2%	6.1%	6.9%	6.6%	6.5%	6.4%	7.4%	7.2%	7.7%
Auxiliary Enterprises	3.4%	3.7%	3.9%	4.6%	4.8%	5.6%	5.1%	4.4%	5.1%	4.5%
Depreciation	3.3%	4.1%	3.9%	3.6%	3.6%	3.4%	3.7%	3.9%	4.0%	3.8%
Total operating expenses	98.8%	98.6%	98.0%	98.3%	98.4%	98.2%	98.1%	97.8%	97.3%	97.1%
Interest on capital debt	1.2%	1.4%	2.0%	1.7%	1.6%	1.8%	1.9%	2.2%	2.3%	2.8%
Other non-operating expenses	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.1%
Total non-operating expenses	1.2%	1.4%	2.0%	1.7%	1.6%	1.8%	1.9%	2.2%	2.7%	2.9%
Total expenses	100.0%									

Schedule 4
Coastal Carolina University
Expenses by Use
Fiscal Years 2003 – 2012

For the year ended June 30
(dollars)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Personnel costs and benefits	\$ 89,827,887	\$ 81,420,498	\$ 75,630,433	\$ 70,346,054	\$ 65,043,866	\$ 57,926,829	\$ 52,396,576	\$ 46,868,903	\$ 42,104,080	\$ 37,919,803
Services and supplies	28,821,931	26,221,253	25,321,514	25,146,483	23,150,973	22,859,221	20,422,732	16,433,595	15,184,331	11,750,783
Utilities	4,359,122	4,019,195	3,844,951	3,399,167	3,517,704	3,280,450	3,447,960	2,562,796	2,300,106	2,095,677
Scholarships	9,772,025	10,124,210	6,900,239	7,398,775	6,556,671	5,974,936	5,332,568	5,325,354	4,753,108	4,376,779
Depreciation	4,538,853	5,235,188	4,615,762	4,096,014	3,703,908	3,267,991	3,190,958	2,922,723	2,768,983	2,318,304
Total operating expenses	137,319,818	127,020,344	116,312,899	110,386,493	101,973,122	93,309,427	84,790,794	74,113,371	67,110,608	58,461,346
Interest on capital asset debt	1,646,247	1,770,271	2,321,273	1,857,739	1,647,266	1,740,332	1,627,464	1,690,726	1,588,650	1,678,510
Other non-operating expenses	19,974	67,094	10,256	2,585	45,539	-	-	-	295,041	87,776
Total non-operating expenses	1,666,221	1,837,365	2,331,529	1,860,324	1,692,805	1,740,332	1,627,464	1,690,726	1,883,691	1,766,286
Total expenses	\$ 138,986,039	\$ 128,857,709	\$ 118,644,428	\$ 112,246,817	\$ 103,665,927	\$ 95,049,759	\$ 86,418,258	\$ 75,804,097	\$ 68,994,299	\$ 60,227,632

(percentages of total)

Personnel costs and benefits	64.6%	63.2%	63.7%	62.7%	62.7%	60.9%	60.6%	61.8%	61.0%	63.0%
Services and supplies	20.7%	20.3%	21.3%	22.4%	22.3%	24.0%	23.6%	21.7%	22.0%	19.5%
Utilities	3.1%	3.1%	3.2%	3.0%	3.4%	3.5%	4.0%	3.4%	3.3%	3.5%
Scholarships	7.0%	7.9%	5.8%	6.6%	6.3%	6.3%	6.2%	7.0%	6.9%	7.3%
Depreciation	3.3%	4.1%	3.9%	3.6%	3.6%	3.4%	3.7%	3.9%	4.0%	3.8%
Total operating expenses	98.8%	98.6%	98.0%	98.3%	98.4%	98.2%	98.1%	97.8%	97.3%	97.1%
Interest on capital asset debt	1.2%	1.4%	2.0%	1.7%	1.6%	1.8%	1.9%	2.2%	2.3%	2.8%
Other non-operating expenses	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%	0.1%
Total non-operating expenses	1.2%	1.4%	2.0%	1.7%	1.6%	1.8%	1.9%	2.2%	2.7%	2.9%
Total expenses	100.0%									

Schedule 5
Coastal Carolina University
Other Changes in Net Assets
Fiscal Years 2003 – 2012

	For the year ended June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Income before other changes in net assets	\$16,949,798	\$19,984,075	\$16,542,547	\$11,411,810	\$11,522,195	\$ 8,687,182	\$ 4,434,631	\$ 2,884,935	\$ 741,673	\$ (590,185)
Capital appropriations	7,660,595	6,884,907	6,665,565	1,959,902	145,000	168,307	1,246,339	-	178,719	3,821,281
Capital grants and gifts	5,206,768	2,669,599	7,402,741	1,524,241	833,356	-	193,939	-	-	151,733
Gain (Loss) on disposal of assets	(19,974)	(67,094)	(10,256)	(2,585)	(45,539)	649,901	686,383	553,131	1,694,457	58,770
Total change in net assets	\$29,797,187	\$29,471,487	\$30,600,597	\$14,893,368	\$12,455,012	\$ 9,505,390	\$ 6,561,292	\$ 3,438,066	\$ 2,614,849	\$ 3,441,599

Notes: State capital grants and appropriations

- * Amounts received in 2003 were for construction of the football stadium.
- * The 2006 and 2007 amounts include \$1.35 million in state research infrastructure bond proceeds for complete renovation of the Kearns Hall classroom building.
- * In 2009, 2010, 2011, and 2012, the University received \$1.48 million, \$6.66, \$6.88, and \$7.66 million respectively from the Horry County 1 % Education Capital Improvement Tax.
- * In 2010, SCDOT granted \$300,000 for University Blvd. road improvements.

Notes: Local and other capital grants and appropriations

- * From 2004 to 2006, a total of over \$1,125,000 was received from the Horry County Higher Education Commission for upgrades to the building housing the Burroughs and Chapin Center for Marine and Wetlands Studies.
- * In 2006, a grant was received from the Santee Cooper utility for \$216,400 for upgrades to the newly leased Coastal Science Center.
- * From 2004 to 2006, a cumulative amount of over \$525,000 was received in pledge payments for naming rights at the football stadium.
- * In 2007, over \$400,000 represents the donation of a bell tower constructed on campus and the gift of related land by the Coastal Educational Foundation.
- * The 2009, amount for capital appropriations include \$482,480 of research infrastructure bond proceeds.
- * In 2010, the Coastal Educational Foundation gave \$1,750,000 for improvements to Adkins Field House and \$3,676,000 in land donations for building projects.
- * In 2010, the Chanticleer Club gave a \$750,000 gift for an athletic training facility and \$491,600 for Adkins Field House improvements.
- * In 2011, the Coastal Educational Foundation gave \$187,400 for the purchase of Quail Creek Golf Course. The Coastal Educational Foundation also donated 3.06 acres of land to the University with a fair market value of \$416,000.
- * In 2011, Chestnut Holding, LLC sold Quail Creek Golf Course under market value, donating \$1,008,000 to the University.
- * From 2009 to 2011, the Horry County Higher Education Commission donated over \$1,289,000 for the construction of intramural fields.
- * In 2011, the Chanticleer Athletic Foundation donated \$174,000 for netting on the practice hitting facility and donated \$119,000 in improvements to the Adkins Field House. Excess donations were refunded in 2012.
- * In 2012, the Coastal Educational Foundation donated \$3,245,000 of land for academic classrooms. The Coastal Educational Foundation also gave the University \$533,300 for Hackler Golf Course improvements, \$454,300 for the Bryan Information Commons Library renovations, and \$3,420 for Adkins Field House improvements.
- * In 2012, the Horry County Higher Education Commission donated \$535,000 for the Blanton Circle project, as well as \$373,000 of the procurement building purchase.
- * In 2012, HTC donated \$291,000 of wiring for the Student Recreation and Convocation Center.

REVENUE CAPACITY

These schedules and charts contain information to help the reader assess the factors affecting the University's ability to generate its operating revenue

Schedule 6
Coastal Carolina University
Applications, Enrollment and Degrees Awarded
Last Ten Academic Years

	Academic Year Beginning in Fall									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
ADMISSIONS - FRESHMEN										
Applications	10,502	9,639	8,706	7,514	6,618	6,218	5,427	5,041	4,527	3,603
Applications accepted	7,836	7,170	6,438	5,215	4,524	4,238	4,016	3,661	3,208	2,580
Accepted as a percentage of applications	75%	74%	74%	69%	68%	68%	74%	73%	71%	72%
Students enrolled	2,137	2,006	1,775	1,655	1,652	1,474	1,498	1,323	1,272	1,078
Students enrolled as a percentage of accepted	27%	28%	28%	32%	37%	35%	37%	36%	40%	42%
SAT scores - total	1013	1008	1028	1030	1040	1047	1046	1041	1045	1044
ENROLLMENT										
Headcount enrollment										
Undergraduate	8,517	8,203	7,920	7,573	7,070	6,660	6,397	6,020	5,610	5,058
Graduate	567	503	440	581	802	1,389	1,216	1,001	1,170	922
Full time equivalent enrollment										
Undergraduate	8,455	8,073	7,665	7,372	6,890	6,398	6,140	5,807	5,390	4,796
Graduate	265	229	200	238	288	546	436	334	405	299
Residency for Fee Payment Purposes*										
Undergraduate, State Residents	6,013	5,796	5,365	5,147	4,825	4,623	4,519	4,319	4,128	3,804
Undergraduate, Out of State Residents	2,504	2,407	2,555	2,426	2,245	2,037	1,878	1,701	1,482	1,254
Headcount Total by Fee Payment Purposes	8,517	8,203	7,920	7,573	7,070	6,660	6,397	6,020	5,610	5,058
Percent of Undergraduates paying as Residents	71%	71%	68%	68%	68%	69%	71%	72%	74%	75%
Percent of Undergraduates paying as Non-residents	29%	29%	32%	32%	32%	31%	29%	28%	26%	25%
Required Tuition and Fees**										
Undergraduate, In State, Full Time	9,760	\$ 9,390	\$ 8,950	\$ 8,650	\$ 7,600	\$ 7,500	\$ 6,860	\$ 6,100	\$ 5,190	\$ 4,350
Undergraduate, Out of State, Full Time	21,560	\$20,270	\$18,770	\$18,090	\$16,590	\$16,190	\$15,100	\$14,150	\$12,870	\$11,760
Non-resident: Resident Fee Ratio	2.21	2.16	2.10	2.09	2.18	2.16	2.20	2.32	2.48	2.70
DEGREES AWARDED										
Bachelor's	1,379	1,289	1,222	1,076	1,004	931	887	768	801	690
Master's	120	92	95	86	75	46	49	30	29	31

* Scholarship recipients who are non-residents may receive a partial or full waiver of the out-of-state fee differential

** Does not include room and board

Source: CCU Office of Institutional Research & Assessment

Schedule 7
Coastal Carolina University
Undergraduate Annual Required Tuition and Fees at South Carolina Public Four-Year Institutions
Last Ten Academic Years

	Academic Year Beginning in Fall										Ten Year Change	
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003		
The Citadel	\$ 10,523	\$ 10,216	\$ 9,871	\$ 8,735	\$ 8,403	\$ 7,735	\$ 7,168	\$ 6,522	\$ 5,900	\$ 4,999		110.5%
Clemson University	12,674	12,304	11,854	11,078	10,378	9,870	9,400	8,886	7,840	6,934		82.8%
Coastal Carolina University	9,760	9,760	9,390	8,950	8,650	7,600	7,500	6,860	6,100	5,190		88.1%
College of Charleston	9,918	9,616	9,616	8,988	8,400	7,778	7,234	6,668	6,202	5,770		71.9%
Francis Marion University	9,066	8,802	8,480	7,960	7,682	7,038	6,512	5,984	5,540	5,082		78.4%
Lander University	9,792	9,504	9,144	8,760	8,380	7,728	7,162	6,668	5,866	5,400		81.3%
South Carolina State University	9,258	9,258	8,898	8,462	7,806	7,318	7,278	6,480	6,170	5,570		66.2%
University of South Carolina												
Columbia	10,488	10,168	9,786	9,156	8,838	8,346	7,808	7,314	6,416	5,778		81.5%
Aiken	8,974	8,700	8,374	7,900	7,532	7,006	6,670	6,128	5,622	5,084		76.5%
Beaufort	8,508	8,108	7,756	7,250	7,000	6,250	5,724	5,214	4,670	4,208		102.2%
Upstate	9,722	9,426	9,072	8,642	8,342	7,760	7,218	6,636	6,060	5,460		78.1%
Winthrop University	\$ 13,026	\$ 12,656	\$ 12,176	\$ 11,606	\$ 11,140	\$ 10,210	\$ 9,500	\$ 8,756	\$ 7,816	\$ 6,652		95.8%
Average Rate*	\$ 10,142	\$ 9,877	\$ 9,535	\$ 8,957	\$ 8,546	\$ 7,887	\$ 7,431	\$ 6,843	\$ 6,184	\$ 5,629		80.2%

* Averages for years FY 2002 and FY 2003 don't include USC Beaufort because it was not accredited as a Level II baccalaureate degree granting university until FY 2004

Source: S.C. Commission on Higher Education Statistical Abstract

Source: CHE Tuition & Required Fees for Academic Year 2012-2013

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the University's current levels of outstanding debt and the University's ability to issue debt in the future.

Schedule 8
Coastal Carolina University
Ratios of Outstanding Debt
Fiscal Years 2003-2011

	For the year ended June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
General Bonded Debt										
General obligation bonds	\$ 65,440,000	\$ 68,235,000	\$ 70,980,000	\$ 17,655,000	\$ 18,305,000	\$ 18,935,000	\$ 7,935,000	\$ 8,220,000	\$ 8,490,000	\$ 8,750,000
Total general bonded debt	\$ 65,440,000	\$ 68,235,000	\$ 70,980,000	\$ 17,655,000	\$ 18,305,000	\$ 18,935,000	\$ 7,935,000	\$ 8,220,000	\$ 8,490,000	\$ 8,750,000
Outstanding general bonded debt per full-time equivalent student	\$ 7,505	\$ 8,219	\$ 9,025	\$ 2,320	\$ 2,551	\$ 2,727	\$ 1,207	\$ 1,339	\$ 1,465	\$ 1,717
Other Debt										
Revenue bonds	\$ 19,122,000	\$ 20,200,000	\$ 21,305,000	\$ 22,365,000	\$ 23,375,000	\$ 24,345,000	\$ 24,600,000	\$ 25,425,000	\$ 26,215,000	\$ 26,855,000
Capital lease obligations	\$ -	\$ -	\$ 55,133	\$ 162,895	\$ 267,404	\$ 368,758	\$ 467,052	\$ 562,379	\$ 834,930	\$ 216,978
Total outstanding debt	\$ 84,562,000	\$ 88,435,000	\$ 92,340,133	\$ 40,182,895	\$ 41,947,404	\$ 43,648,758	\$ 33,002,052	\$ 34,207,379	\$ 35,539,930	\$ 35,821,978
Total outstanding debt per full-time equivalent student	\$ 9,697	\$ 10,652	\$ 11,741	\$ 5,280	\$ 5,845	\$ 6,286	\$ 5,019	\$ 5,570	\$ 6,133	\$ 7,031
Number of full time equivalent undergraduate and graduate students	8,720	8,302	7,865	7,610	7,177	6,944	6,576	6,141	5,795	5,095

Schedule 9
Coastal Carolina University
Debt Service Coverage on Revenue Bonds
Fiscal Years 2003-2011

REVENUE BONDS	For the year ended June 30									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Revenues	\$138,853,361	\$131,251,959	\$116,793,340	\$104,224,614	\$90,926,143	\$ 70,209,074	\$ 59,884,941	\$ 50,441,023	\$ 44,878,156	\$ 35,566,512
Expenses	123,860,178	111,929,070	99,040,370	92,597,576	80,449,056	58,774,006	53,701,011	46,408,826	40,255,735	33,338,327
Net Revenues Available for Debt Service	<u>\$14,993,183</u>	<u>\$19,322,889</u>	<u>\$17,752,970</u>	<u>\$11,627,038</u>	<u>\$10,477,087</u>	<u>\$ 11,435,068</u>	<u>\$ 6,183,930</u>	<u>\$ 4,032,197</u>	<u>\$ 4,622,421</u>	<u>\$ 2,228,185</u>
Debt Service Req, Revenue Bonds	1,941,004	2,056,501	2,056,501	2,056,501	2,242,005	\$ 1,296,398	\$ 2,096,891	\$ 2,113,270	\$ 2,084,574	\$ 2,194,949
Coverage	7.72	9.40	8.63	5.65	4.67	8.82	2.95	1.91	2.22	1.02

Above revenues, expenses, and net revenues available for debt service have been determined in accordance with the requirements of the applicable bonds.

Schedule 10
Coastal Carolina University
Debt Service Coverage on General Obligation Bonds
Fiscal Years 2003-2012

GENERAL OBLIGATION BONDS	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Tuition Pledged for Debt Service	\$7,674,531	\$7,320,182	\$6,135,497	\$5,753,325	\$6,392,583	\$2,020,067	\$1,687,780	\$1,344,290	\$968,436	\$864,426
Debt Service, General Obligation Bonds	\$5,317,126	\$5,403,801	\$1,418,776	\$1,396,973	\$1,426,706	\$961,328	\$614,439	\$605,532	\$378,335	\$175,647
Coverage	1.44	1.35	4.32	4.12	4.48	2.10	2.75	2.22	2.56	4.92

DEMOGRAPHIC AND ECONOMIC INFORMATION

These charts offer demographic and economic indicators to help the reader understand the environment within which the University's financial activities take place and to help make comparisons over time and with other universities.

Schedule 11
Coastal Carolina University
South Carolina Employment by Industry
Calendar Year 2012 and Ten Years Earlier

<u>Sources</u>	<u>2002</u>		<u>2012</u>	
	<u>Number of Employees</u>	<u>Percent of Total</u>	<u>Number of Employees</u>	<u>Percent of Total</u>
Construction	114,200	6.94%	76,600	4.09%
Manufacturing	291,300	17.70%	223,800	11.96%
Trade, Transportation and Utilities	350,500	21.30%	358,400	19.16%
Information	28,100	1.71%	26,900	1.44%
Financial Activities	90,800	5.52%	96,400	5.15%
Professional and Business Services	187,600	11.40%	237,600	12.70%
Education and Health Services	171,600	10.43%	218,100	11.66%
Leisure and Hospitality	21,300	1.29%	223,100	11.92%
Other Services	65,600	3.99%	69,600	3.72%
Government	324,400	19.72%	340,400	18.19%
	<u>1,645,400</u>	<u>100.00%</u>	<u>1,870,900</u>	<u>100.00%</u>

Source: United States Department of Labor, Bureau of Labor Statistics

Schedule 12
Coastal Carolina University
Top 10 Employers - Calendar Year 2012 and Ten Years Earlier
Horry County, South Carolina

Year 2012

<u>Employer</u>	<u>Number of Employees</u>	<u>%</u>
Horry County School District	5,394	31.2%
Wal-Mart Associates, Inc.	2,348	13.6%
Horry County Government	2,024	11.7%
Coastal Carolina University	1,382	8.0%
Grand Strand Regional Medical Center	1,400	8.1%
Conway Hospital	1,250	7.2%
Food Lion	919	5.3%
McLeod Loris Seacoast	900	5.2%
Blue Cross / Blue Shield	826	4.8%
City of Myrtle Beach	825	4.8%

Year 2002

<u>Employer</u>	<u>Number of Employees</u>	<u>%</u>
Horry County School District	3,900	27.7%
Wal-Mart Associates, Inc.	1,702	12.1%
AVX	1,515	10.8%
Horry County Government	1,425	10.1%
Myrtle Beach National	1,000	7.1%
Conway Hospital	1,000	7.1%
Blue Cross / Blue Shield	960	6.8%
Grand Strand Regional Medical Center	950	6.8%
Loris Health Care System	821	5.8%
City of Myrtle Beach	800	5.7%

Source: Myrtle Beach Area Chamber of Commerce

Schedule 13
Coastal Carolina University
State and Regional
Population, Income and Employment History
Last Ten Academic Years

<u>Year</u>	<u>Population</u>			<u>Total Personal Income</u>			<u>Unemployment Rate (%)</u>		
	<u>South Carolina</u>	<u>Horry County</u>	<u>Georgetown County</u>	<u>South Carolina</u>	<u>Horry County</u>	<u>Georgetown County</u>	<u>South Carolina</u>	<u>Horry County</u>	<u>Georgetown County</u>
2011	4,679,230	276,340	59,991	\$ 157,565,000,000	n/a	n/a	9.6	9.4	9.4
2010	4,625,364	269,291	60,158	150,495,805,000	n/a	n/a	11.0	10.5	10.8
2009	4,561,242	263,868	60,703	145,041,489,000	\$ 7,678,701,000	\$ 2,256,752,000	11.0	10.3	11.3
2008	4,479,800	257,380	60,731	146,334,933,000	\$ 7,603,947,000		11.6	10.9	12.5
2007	4,404,914	249,711	60,388	141,243,653,000	7,068,484,000	2,095,081,000	5.9	5.1	6.4
2006	4,324,799	239,496	59,912	134,203,912,000	6,754,139,000	1,995,556,000	6.4	5.5	7.0
2005	4,249,385	228,254	59,464	124,379,061,000	6,119,654,000	1,819,785,000	6.7	5.7	8.6
2004	4,196,799	217,890	59,141	117,229,951,000	5,616,186,000	1,700,895,000	6.8	5.9	9.5
2003	4,143,420	210,840	58,355	110,644,256,000	5,270,555,000	1,572,159,000	6.7	5.6	9.7
2002	4,102,211	206,110	57,679	106,984,582,000	5,011,034,000	1,518,970,000	5.9	5.1	8.2

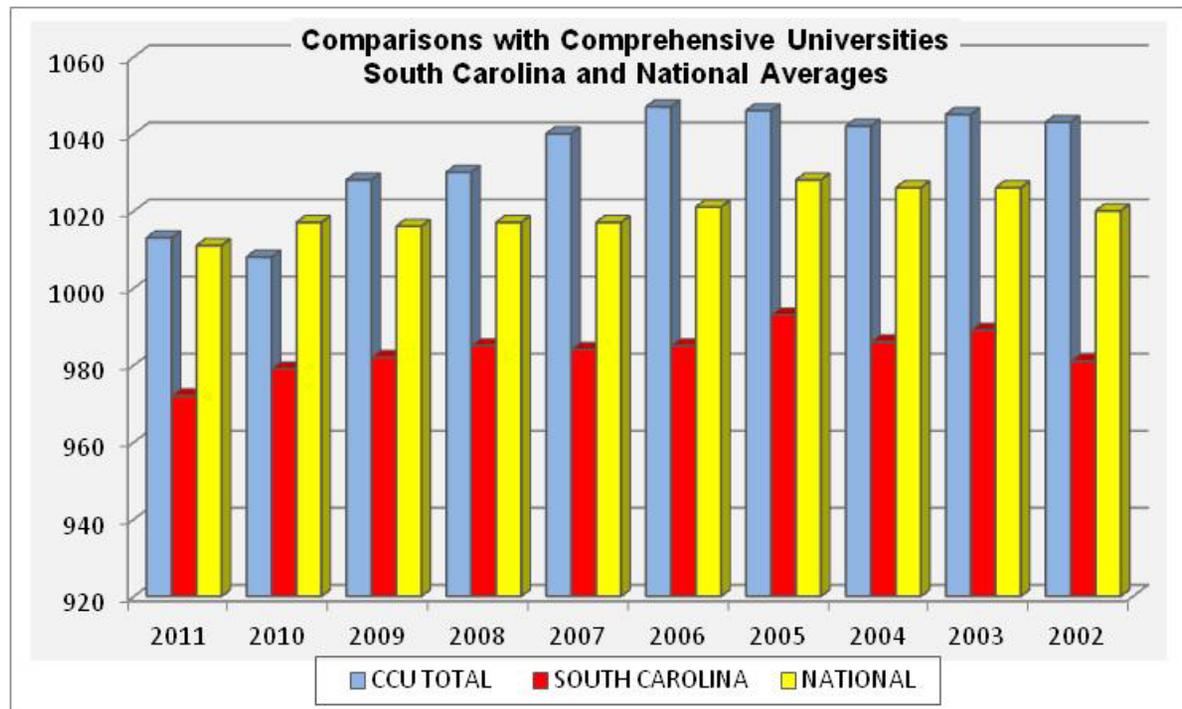
*Source: South Carolina Department of Employment and Workforce Labor Market Information
U.S. Census Bureau*

OPERATING INFORMATION

These schedules contain information about the University's operations and resources to help the reader understand how the University's information relates to the services the University provides and the activities it performs.

Schedule 14
Coastal Carolina University
SAT Scores, New Freshmen
Last Ten Academic Years

	FALL SEMESTERS									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
CCU TOTAL	1013	1008	1028	1030	1040	1047	1046	1042	1045	1043
SOUTH CAROLINA	972	979	982	985	984	985	993	986	989	981
NATIONAL	1011	1017	1016	1017	1017	1021	1028	1026	1026	1020



Schedule 15
Coastal Carolina University
Average Faculty Salaries by Rank
Last Ten Academic Years

	Academic Year Beginning in Fall									
	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Coastal Carolina University										
Professor	\$84,168	\$82,640	\$83,036	\$82,159	\$78,667	\$73,231	\$71,845	\$68,471	\$62,559	\$63,186
Associate Professor	\$70,535	\$68,877	\$68,397	\$67,679	\$63,887	\$62,123	\$59,385	\$56,615	\$53,936	\$51,831
Assistant Professor	\$58,234	\$56,232	\$57,468	\$58,005	\$57,786	\$53,996	\$51,395	\$48,248	\$44,887	\$43,592
Instructor/Other	\$46,112	\$45,593	\$46,076	\$44,910	\$41,300	\$37,009	\$34,470	\$32,564	\$30,698	\$29,805
Average, all ranks	\$67,832	\$65,110	\$65,270	\$64,034	\$61,905	\$58,227	\$55,822	\$52,411	\$49,095	\$48,208
Average, percent of										
SC public universities	111.40%	108.50%	108.90%	105.99%	103.40%	101.33%	99.11%	97.15%	96.62%	98.77%
Average, percent of SREB*	n/a	n/a	112.92%	111.74%	110.42%	105.99%	104.44%	102.13%	99.67%	96.56%
Average, percent of national**	n/a	n/a	91.29%	90.25%	91.67%	90.16%	81.55%	79.56%	78.18%	79.19%
South Carolina Public Universities										
Professor	\$76,402	\$75,990	\$75,452	\$76,573	\$74,802	\$71,895	\$69,949	\$66,270	\$61,351	\$62,615
Associate Professor	\$62,647	\$62,428	\$62,158	\$64,009	\$63,124	\$60,936	\$59,267	\$56,901	\$53,415	\$51,443
Assistant Professor	\$54,599	\$54,100	\$54,175	\$54,199	\$53,825	\$51,282	\$49,373	\$46,761	\$44,468	\$43,728
Instructor/Other	\$45,426	\$44,848	\$44,866	\$44,357	\$44,159	\$41,942	\$40,443	\$40,350	\$37,059	\$35,448
Average, all ranks	\$60,893	\$60,009	\$59,937	\$60,416	\$59,868	\$57,462	\$56,326	\$53,949	\$50,814	\$48,809
Southern (SREB*) Average	n/a	\$57,515	\$57,804	\$57,308	\$56,062	\$54,937	\$53,449	\$51,318	\$49,260	\$49,927
National** (CUPA) Average	\$72,894	\$72,291	\$71,500	\$70,953	\$67,533	\$64,580	\$68,454	\$65,875	\$62,800	\$60,880

Source: United States Department of Education Integrated Post Secondary Educational Data Survey (IPEDS), converted to nine month basis.

*Southern Regional Education Board

**College and University Professional Association

Schedule 16
Coastal Carolina University
Faculty, Staff and Administrative Statistics
Last Ten Academic Years

For year ended June 30

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Full-time faculty	355	346	315	299	264	248	233	231	238	209
Part-time faculty	195	193	168	184	160	132	120	133	133	103
Total faculty	550	539	483	483	424	380	353	364	371	312
Full-time staff/administrators	672	652	619	606	561	541	532	459	408	393
Part-time staff/administrators	141	191	152	203	134	136	98	94	58	116
Total staff/administrators	813	843	771	809	695	677	630	553	466	509
Total full-time employees	1027	998	934	905	825	789	765	690	646	602
Total employees	1363	1382	1254	1292	1119	1057	983	917	837	821
Part-time faculty FTE (full-time equivalent)	151.1	149.2	140.7	141.5	135.7	121.5	106.1	100.4	93.3	64.0
Total teaching faculty FTE	351.0	493.2	452.7	435.5	397.7	361.5	339.1	320.4	301.3	264.0
Ratios:										
Full-time faculty: Full-time staff/administrators	0.53	0.53	0.51	0.49	0.47	0.46	0.44	0.50	0.58	0.53
Total faculty: Total staff and administrators	0.68	0.64	0.63	0.60	0.61	0.56	0.56	0.66	0.80	0.61
Part-time faculty: Total faculty	0.35	0.36	0.35	0.38	0.38	0.35	0.34	0.37	0.36	0.33

Source: IPEDS - HR Survey

Schedule 17
Coastal Carolina University
Capital Asset Information
For the Year Ended June 30, 2012

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Buildings – Assignable Area Square Feet										
Instruction	318,969	318,969	319,342	278,626	285,471	284,251	226,247	236,635	225,467	226,382
Research	997	997	927	416	416	416	675	675	675	675
Public Service	0	0	0	1,200	1,200	1,200	3,377	3,377	3,377	3,377
Academic Support	35,083	35,083	35,083	59,128	59,043	59,043	58,659	57,089	58,489	58,489
Student Services	89,323	89,323	89,149	116,462	100,541	100,541	103,185	105,478	103,185	103,452
Institutional Support	59,763	59,763	59,763	59,435	59,074	57,874	49,605	48,431	45,156	42,596
Plant Operation and Maintenance	29,822	29,822	26,721	25,665	24,865	20,706	37,393	33,229	31,300	29,682
Auxiliaries	298,581	298,581	298,581	286,073	284,910	286,574	280,523	285,126	282,503	252,707
Other	53,136	53,136	41,033	10,892	13,297	13,297	13,840	13,686	13,686	13,686
Library										
Total physical volumes (excluding e-books)	139,164	140,703	143,935	176,761	177,447	156,342	152,823	154,925	152,074	148,768
Dormitories - Number of beds										
Main Campus	1,210	1,210	1,210	1,222	1,222	1,222	1,222	1,222	1,222	1,222
University Place I and II	987	987	987	987	987	987	987	987	987	987
University Place III	1,092	1,092	1,092	0	0	0	0	0	0	0
Athletic and Intramural Facilities										
Stadiums	4	4	4	4	4 *	4 *	4 *	4	4	4
Extramural and intramural fields	3	3	3	3	3	3	3	3	3	3
Track facility	1	1	1	1	1	1	1	1	1	1
Golf course	1	1	0	0 *	0 *	0 *	0 *	0	0	0
Pool	1	1	1	1	1	1	1	1	1	1
Gymnasiums	3	2	2	2	2	2	2	2	2	2
Fitness centers	3	2	2	2	2	2	2	2	2	2
Tennis courts	8	8	8	8	10	10 *	10 *	10 *	10	10

* Changed due to reclassification of facility

COASTAL CAROLINA UNIVERSITY COMPREHENSIVE ANNUAL FINANCIAL REPORT

SINGLE AUDIT SECTION



Bryan Information Commons

COASTAL CAROLINA UNIVERSITY --SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE FOR THE YEAR ENDED JUNE 30, 2012

Account	Federal Grantor/Pass through Grantor/Program Title	CFDA Number	Pass-through Grantor's Number	Res/Dev	Budget	Expenditures	TOTALS
RESEARCH AND DEVELOPMENT							
DEPARTMENT OF COMMERCE							
	Passed through South Carolina Sea Grant Consortium						
31-2058	Connections Between Bivalve Settlement, Growth and Survival and the Water Quality within Myrtle Beach Tidal Swash Estuaries	11.417	R41-D	YES	\$7,029.00	\$3,632.95	
31-2315	Consequences of Altered Temperature Regimes on the Reproduction, Survival, Growth, and Interactions of Two Key Estuarine Fauna	11.420	2012-13	YES	\$49,061.00	\$4,910.01	
31-2314	Observation and Modeling Studies to Benefit the Management and Selection of Borrow Sites for Beach Nourishment in South Carolina	11.420	Ominbus 2012-13	YES	\$77,987.00	\$16,391.88	
31-2777	Submarine Groundwater Discharge to Long Bay, SC: Preliminary Assessment of Land Use Impact, Geological Controls and Nutrient Loads	11.420	M179	YES	\$75,640.00	\$58,074.54	
31-2980	The Biavailability and Fate of Terrestrial Nutrients and Dissolved Organic Matter in the Coastal Setting	11.420	NA11NOS4200087	YES	\$20,000.00	\$19,612.66	
	Passed thru University of South Carolina						
31-2977	Determining the Role of Estuarine Swashes on Water Quality Impairment Along the Grand Strand of SC: Impacts of Land Use and Stormwater Runoff	11.420	PO 31783 L	YES	\$247,131.00	\$81,748.05	
31-2963	Guidance for South Carolina on Near-Shore Adaptation Priorities	11.431	NA090AR4310154	YES	\$59,591.00	\$56.96	
31-2974	NOAA Prescott Grant	11.439	NA10NMF4390230	YES	\$96,437.00	\$55,751.87	
31-2983	South Carolina Marine Mammal Stranding Network: Enhancing and Supporting Response, Necropsies, Sample analysis, and Outreach	11.439	NA11NMF4390070	YES	\$88,080.00	\$33,488.46	
	Passed thru Global Science & Technology, Inc.						
31-2704	National Mesonet Expansion	11.459	SA11-CCU01	YES	\$518,247.00	\$343,630.88	
31-2306	Mechanisms Controlling Hypoxia: Integrated Causal Modeling	11.478	NAOPNOS4780229	YES	\$26,387.00	\$12,751.96	
							\$630,050.22
DEPARTMENT OF DEFENSE							
31-2981	Stormwater Planning Management: Development of a Pilot Investigative Approach to Remediate Bacterial Source Impairments Along the Grand Strand	12.110	W912HN-10-2-0001	YES	\$75,000.00	\$17,400.00	
							\$17,400.00

COASTAL CAROLINA UNIVERSITY --SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE FOR THE YEAR ENDED JUNE 30, 2012

Account	Federal Grantor/Pass through Grantor/Program Title	CFDA	Pass-through	Res/Dev	Budget	Expenditures	TOTALS
		Number	Grantor's Number				
DEPARTMENT OF THE INTERIOR							
	Passed thru The Nature Conservancy						
31-2982	Winyah Bay - Yawley North Island Oyster Project	15.631	CCU-3818-01	YES	\$17,954.00	\$13,166.78	
31-2055	Mapping Nearshore and Inner Shelf at Fire Island National Seashore	15.808	GO9AC00511	YES	\$60,180.00	\$57,938.08	
31-2050	NPS American Battlefield Protection Program	15.926	GA-2255-10-004	YES	\$60,000.00	\$37,415.67	
							\$108,520.53
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							
31-2742	The Roles of Gravity Waves in the Polar Atmosphere	43.001	C2566B1	YES	\$282,886.00	\$19,805.15	
	Passed through College of Charleston						
31-2912	South Carolina Space Grant Consortium Year 14	43.001	NNG05GI68G	YES	\$2,000.00	\$1,520.01	
							\$21,325.16
NATIONAL SCIENCE FOUNDATION							
31-2119	RUI: Role of the Ambient in the Electrical Properties at the Interface for ZnO Systems	47.049	DMR-1104600	YES	\$99,570.00	\$50,632.44	
31-2311	RAPID: Collaborative Research: Signature of the 2011 Flooding on the Mississippi Subaqueous Delta	47.050	OCE-1142557	YES	\$11,985.00	\$11,984.98	
31-2979	RUI: Dynamical Coupling during Major Stratospheric Sudden Warming	47.050	AGS-1116123	YES	\$254,185.00	\$22,199.01	
	Passed thru University of Georgia						
31-2310	Hydrogeological Characterization of the Duplin River: A Detailed Examination of a Subset of the GCE-LTER Site	47.050	OCE0620959	YES	\$45,592.00	\$19,572.37	
31-2976	Development and Testing of a Submersible, Remotely-Operated, Continuous Rn-222 Survey System	47.050	OCE-1029223	YES	\$181,605.00	\$34,158.18	
31-2967	Acquisition of Instrumentation for the Sediment Analysis Laboratory at Coastal Carolina University	47.050	EAR-0949366	YES	\$110,227.00	\$7,171.52	
31-2054	Collaborative Research: Defining Ecosystem Heterotrophic Response to Nutrient Concentrations and Ratios	47.074	DEB-0919054	YES	\$246,394.00	\$57,543.00	
31-2778	Collaborative Research: Regulation of CpNifS/CpSufE1-Mediated Iron-Sulfur Cluster Synthesis in Plant Plastids	47.074	MCB-0950648	YES	\$57,032.00	\$46,387.34	
31-2760	GK-12 Fellows Linking Marine and Wetland Research with Science Education in Coastal Carolina Schools	47.076	DGE-0742419	YES	\$509,225.00	\$443,016.97	
31-2969	ARRA - Acquisition of a Small Computing Cluster for Geophysical Research	47.082	AGS-0958616	YES	\$104,604.00	\$2,244.75	
							\$694,910.56

COASTAL CAROLINA UNIVERSITY --SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE FOR THE YEAR ENDED JUNE 30, 2012

Account	Federal Grantor/Pass through Grantor/Program Title	CFDA	Pass-through	Res/Dev	Budget	Expenditures	TOTALS
		Number	Grantor's Number				
US DEPARTMENT OF ENERGY							
31-2723	Passed thru Clemson University Develop a Fully Redundant Version of Orange FS with Clemson University	81.049	1536-219-2007492	YES	\$54,236.00	\$39,017.19	\$39,017.19
US DEPARTMENT OF EDUCATION							
31-2158	Passed thru South Carolina Commission on Higher Education Concept-Focused Inquiry (CFI): A Program for Mathematics and Science Teachers in Grades 6-8	84.367		YES	\$90,000.00	\$39,535.36	
31-2159	Concept-Focused Inquiry (CFI): A Program for Mathematics and Science Teachers in Grades 6-8	84.367	Year 2	YES	\$76,999.00	\$47,088.48	\$86,623.84
STUDENT FINANCIAL ASSISTANCE PROGRAMS							
US DEPARTMENT OF EDUCATION							
31-8041	FSEOG 10-11	84.007		NO		(\$12,471.00)	
31-8042	FSEOG 11-12	84.007		NO		\$354,181.75	
80-8201	Direct Loans	84.268		NO		\$46,287,643.00	
80-8202	PLUS Loans	84.268		NO		\$19,967,097.00	
50-5230	PERKINS Loans	84.038		NO		\$1,463,333.41	
31-8014	Federal Work Study - America Reads	84.033		NO		\$21,130.44	
31-8051	Federal Work Study - 2010-2011	84.033		NO		\$18,755.00	
31-8052	Federal Work Study - 2011 - 2012	84.033		NO		\$212,637.89	
31-5221	Federal Pell Grant Programs IL/CWS JLD 01	84.063		NO		(\$54,976.08)	
31-8020	Federal Pell Grant Programs 09-10	84.063		NO		(\$242.50)	
31-8021	Federal Pell Grant Programs 00-01	84.063		NO		\$370.00	
31-8031	Federal Pell Grant Programs 10-11	84.063		NO		\$289,759.00	
31-8032	Federal Pell Grant Programs 11-12	84.063		NO		\$14,060,178.15	
31-8151	UGTCH 10-11	84.379		NO		\$1,500.00	
31-8152	UGTCH 11-12	84.379		NO		\$203,984.00	
31-8161	GRTCH 10-11	84.379		NO		\$9,000.00	
31-8162	GRTCH 11-12	84.379		NO		\$12,000.00	
31-8030	Yellow Ribbon Program			NO		(\$3,228.50)	
31-8071	Academic Competitiveness 10-11	84.375		NO		\$750.00	\$82,831,401.56

COASTAL CAROLINA UNIVERSITY --SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE FOR THE YEAR ENDED JUNE 30, 2012

Account	Federal Grantor/Pass through Grantor/Program Title	CFDA Number	Pass-through Grantor's Number	Res/Dev	Budget	Expenditures	TOTALS
OTHER PROGRAMS							
DEPARTMENT OF COMMERCE							
	Passed thru South Carolina Sea Grant Consortium						
31-3721	SC Sea Grant Extension Cooperative Agreement 2008-09	11.420	A/E 1d	NO	\$33,370.00	\$23,376.37	
31-3189	Oyster Restoration Working Website	11.420	R21-JJ/PM-21JJ	NO	\$500.00	\$351.00	
							<u>\$23,727.37</u>
DEPARTMENT OF THE INTERIOR							
31-1516	Dream a Dream: Environmental Education and Stewardship (SC)	15.608	2010-0078-006	NO	\$15,000.00	\$4,289.78	
31-3722	USGS Sublease of Space at Coastal Carolina University	15.808	GO9AC00327	NO	\$14,484.00	\$6,540.00	
							<u>\$10,829.78</u>
DEPARTMENT OF JUSTICE							
	Passed thru SC Department of Public Safety						
31-3929	FY 2011 Bulletproof Vests Program	16.607	BVP 372012	NO	\$1,629.58	\$1,629.58	
31-3926	ARRA - COPS Universal Hiring Program 2009	16.710	2009RKWX0762	NO	\$138,807.00	\$43,155.88	
							<u>\$44,785.46</u>
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION							
	Passed thru College of Charleston						
31-1737	Developing Scientific Reasoning and Promoting STEM Careers Via a Robotics Summer Camp for Middle School Children	43.001	Space Grant #520829	NO	\$4,000.00	\$4,000.00	
							<u>\$4,000.00</u>
NATIONAL ENDOWMENT FOR THE ARTS							
	Passed thru SC Humanities Council						
31-3546	Writing the South in Fact, Fiction, and Poetry	45.129	10-1363-1	NO	\$8,000.00	(\$1,894.19)	
							<u>(\$1,894.19)</u>
US Department of Energy							
	Passed thru SC Energy Office						
31-3935	ARRA - Energy Conservation Plan	81.502	S09-0064	NO	\$433,327.00	\$15,212.39	
							<u>\$15,212.39</u>
US Department of Education							
	Passed thru South Carolina Department of Education						
31-1148	Project CREATE -Amendment for Redistribution	84.027	10-CO-310-01	NO	\$15,629.00	(\$91.99)	
							<u>(\$91.99)</u>
Department of Health and Human Services							
	Passed thru Shoreline Behavioral Health Services						
31-3165	Communities Putting Prevention to Work - Tobacco (Subaward to CCU)	93.724	CDC-RFA-DP09-912	NO	\$280,000.00	\$104,570.22	
							<u>\$104,570.22</u>
TOTAL FEDERAL EXPENDITURES					\$4,550,010.58	\$84,630,388.10	<u>\$84,630,388.10</u>

COASTAL CAROLINA UNIVERSITY
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

1. GENERAL

The accompanying Schedule of Federal Financial Assistance presents the activity of all federal award programs of Coastal Carolina University. The reporting entity is defined in Note 1 of the University's financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Federal Financial Assistance is presented using the accrual basis of accounting which is described in Note 1 of the University's financial statements.

3. LOAN PROGRAMS

The federal loan program we participated in from July 1, 2011, to June 30, 2012, is the William D. Ford Federal Direct, which is the umbrella name for the Federal Direct Stafford Student Loan Program and the Federal Direct Parent Loan for Undergraduate Students (PLUS) Program. The Federal Family Education Loan Program (FFELP) ended June 30, 2010, but the Ford title is still used as the umbrella title for all the federal loan programs. The loans are made directly from the federal government, therefore, there is no loan balance recorded at the University. The totals of loans processed for the current fiscal year are:

Stafford Student Loan – Subsidized	\$ 22,399,802
Stafford Student Loan – Unsubsidized	23,887,841
PLUS Loans	<u>19,967,097</u>
Total	<u>\$ 66,254,740</u>

The Federal Perkins Loan Program is administered directly by the University, and balances and transactions relating to the program are included in the University's financial statements. The balance of loans outstanding under the Federal Perkins Loan program was \$1,299,467 as of June 30, 2012. The expenditures for June 30, 2011, are calculated as follows:

June 30, 2011 Loan Balance	\$ 1,321,833
Current Year Loans Made	<u>141,500</u>
Total	<u>\$ 1,463,333</u>

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Independent Auditors' Report on Compliance with Requirements
Applicable to Each Major Program and Internal Control Over
Compliance in Accordance with OMB Circular A-133

To the Honorable Nikki R. Haley,
Governor of the State of South Carolina
And the Board of Trustees of
Coastal Carolina University
Conway, South Carolina

Compliance

We have audited the compliance of Coastal Carolina University, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of Coastal Carolina University's major federal programs for the year ended June 30, 2012. Coastal Carolina University's major federal programs are identified in the summary of auditors' 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 Coastal Carolina University's management. Our responsibility is to express an opinion on Coastal Carolina University'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 non-compliance 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 Coastal Carolina University'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 Coastal Carolina University's compliance with those requirements.

In our opinion Coastal Carolina University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

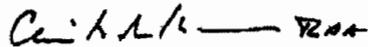
The management of Coastal Carolina University is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Coastal Carolina University's internal control over compliance with the 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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Coastal Carolina University's internal control over compliance.

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A control deficiency in an entity's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the audit committee, management, others within the organization and the federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than those specified parties.

 Cynthia L. K. P. A.

September 21, 2012

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Independent Auditors' Report On Internal Control Over
Financial Reporting And On Compliance And Other Matters
Based On An Audit Of Financial Statements Performed
In Accordance With Government Auditing Standards

To the Honorable Nikki R. Haley,
Governor of the State of South Carolina
And the Board of Trustees of
Coastal Carolina University
Conway, South Carolina

We have audited the financial statements of the business-type activities of Coastal Carolina University, a department of the State of South Carolina, as of and for the year ended June 30, 2012, which collectively comprise the University's basic financial statements and have issued our report thereon dated September 21, 2012. Our report includes a reference to other auditors. 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. Other auditors audited the financial statements of the Coastal Educational Foundation, Coastal Carolina University Student Housing Foundation, and Chanticleer Athletic Foundation as described in our report on Coastal Carolina University's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The Coastal Educational Foundation, Coastal Carolina University Student Housing Foundation, and Chanticleer Athletic Foundation's financial statements were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Coastal Carolina University's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Coastal Carolina University's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Coastal Carolina University's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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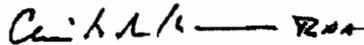
Coastal Carolina University
Conway, South Carolina
Page Two

Compliance And Other Matters

As part of obtaining reasonable assurance about whether Coastal Carolina University's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Coastal Carolina University, in a separate letter dated September 21, 2012.

This report is intended solely for the information of the finance committee, management, others within the entity 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.



September 21, 2012

COASTAL CAROLINA UNIVERSITY
Summary Schedule of Prior Audit Findings
June 30, 2012

Findings Relating to the Financial Statements:

There were no findings relating to the financial statements.

Findings and Questioned Costs Relating to Federal Awards:

There were no findings or questioned costs related to federal awards.

COASTAL CAROLINA UNIVERSITY
Schedule of Findings and Questioned Costs
June 30, 2012

Summary of Auditors' Results:

GAGAS

An unqualified opinion was issued on Coastal Carolina University's general purpose financial statements dated September 21, 2012.

There were no significant deficiencies or material weaknesses. No instances of noncompliance material to the financial statement were disclosed by the audit of their financial statements.

A-133

An unqualified opinion was also issued on compliance of major programs at Coastal Carolina University dated September 21, 2012. No significant deficiencies in the internal control over major programs were found. Our audit disclosed no audit findings that are required to be reported under OMB Circular A-133.

The major programs at Coastal Carolina University are the Student Financial Aid Cluster from the U.S. Department of Education, and Research and Development Cluster. Type A, or major programs, are defined as those that expended \$300,000 or more. Coastal Carolina University's total federal awards expended for the year ended June 30, 2012, were between \$10 million and \$100 million.

Coastal Carolina University is considered to be a low-risk auditee by the criteria listed in OMB Circular A-133.

Findings Relating to the Financial Statements:

There were no findings relating to the financial statements.

Findings and Questioned Costs Relating to Federal Awards:

There no were findings or questioned costs related to federal awards.

U.S. DEPARTMENT OF EDUCATION PROGRAMS

CFDA	84.007	Federal Supplemental Education Opportunity Grants (FSEOG)
CFDA	84.268	Federal Direct Loan Program
CFDA	84.033	Federal Work-Study Programs (FWS)
CFDA	84.038	Federal Perkins Loans (FPL) – Federal Capital Contributions
CFDA	84.063	Federal Pell Grant Program (PELL)

COASTAL CAROLINA UNIVERSITY
Schedule of Findings and Questioned Costs, Continued
June 30, 2012

RESEARCH AND DEVELOPMENT CLUSTER

Department of Commerce

CFDA	11.420	Coastal Zone Management Estuarine Research Reserves (Determining the Role of Estuarine Swashes on Water Quality Impairment Along the Grand Strand of SC: Impact of Land Use and Storm Water Runoff)
CFDA	11.439	Marine Mammal Data Program (NOAA Prescott Grant)
CFDA	11.459	Weather and Air Quality Research (National Mesomet Expansion)

Department of the Interior

CFDA	15.808	U.S. Geological Survey Research and Data Collection (Mapping Nearshore and Inner Shelf at Fire Island National Seashore)
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National Science Foundation

CFDA	47.076	Education and Human Resources (GK-12 Fellows Linking Marine and Wetland Research with Science Education Coastal Carolina Schools)
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