

COASTAL CAROLINA UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

NOTE 11—OPERATING EXPENSES BY FUNCTION

Operating expenses by functional classification for the year ended June 30, 2004 are summarized as follows:

Functional Classification	Natural Classification						Total
	Personnel Costs and Benefits	Services and Supplies	Utilities	Scholarships	Depreciation		
Instruction	\$ 21,561,103	\$ 4,189,062	\$ 48,453	\$ -	\$ -	\$ -	\$ 25,798,618
Research	344,873	617,110	4,364	-	-	-	966,347
Public Service	924,796	607,771	711	-	-	-	1,533,278
Academic Support	3,664,659	816,617	4,630	-	-	-	4,485,906
Student Services	5,770,138	3,537,215	34,072	-	-	-	9,341,425
Institutional Support	4,953,731	1,325,366	95,339	-	-	-	6,374,436
Plant Operation	3,564,285	2,191,325	1,575,261	-	-	-	7,330,871
Scholarships	248,139	-	-	4,753,108	-	-	5,001,247
Auxiliary Enterprises	1,072,356	1,899,865	537,276	-	-	-	3,509,497
Depreciation	-	-	-	-	2,768,983	-	2,768,983
Total Expenses	\$ 42,104,080	\$ 15,184,331	\$ 2,300,106	\$ 4,753,108	\$ 2,768,983	\$ -	\$ 67,110,608

NOTE 12—PENSION PLANS

The Retirement Division of the State Budget and Control Board maintains four independent defined benefit plans and 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 four pension plans 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. Annual benefits, payable monthly for life, are based on length of service and on average final compensation.

South Carolina Retirement System

The majority of employees of Coastal Carolina University are covered by a retirement plan through the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Division, a public employee retirement system. Generally all State employees are required to participate in and contribute to the SCRS 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, death, and group-life insurance benefits to eligible employees and retirees.