

December 8, 1998

The Honorable David M. Beasley, Governor
and
Members of the Board of Trustees
Coastal Carolina University
Conway, South Carolina

This report on the application of certain agreed-upon procedures to the accounting records and the statement of revenues, expenditures, and transfers of the Coastal Carolina University Intercollegiate Athletics Program for the fiscal year ended June 30, 1998, was issued by Wildman & Richards, LLP, Certified Public Accountants, under contract with the South Carolina Office of the State Auditor.

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

Respectfully submitted,

Thomas L. Wagner, Jr., CPA
State Auditor

TLWjr/tdc

COASTAL CAROLINA UNIVERSITY
INTERCOLLEGIATE ATHLETICS PROGRAM
Year Ended June 30, 1998

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED UPON PROCEDURES

November 30, 1998

Mr. Thomas L. Wagner, Jr., CPA
State Auditor
State of South Carolina
Columbia, South Carolina

We have performed the procedures described below, which were agreed to by the South Carolina Office of the State Auditor and the Board of Trustees and management of Coastal Carolina University, solely to assist the University in complying with NCAA Bylaw 6.2.3.1 for the fiscal year ended June 30, 1998. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants (AICPA). The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures and associated findings are as follows:

1. We obtained from the University's accounting department, the statement of revenues, expenditures and transfers and note thereto of the intercollegiate athletics program for the year ended June 30, 1998, as prepared by management of Coastal Carolina University and shown as Attachment A in this report. We recalculated the addition of the amounts on the statement, traced those amounts to management's worksheets and agreed the amounts on the management's worksheets to the Athletic Department's accounts in the University's general ledger. We discussed the nature of the worksheet adjustments with management to satisfy ourselves that the adjustments were appropriate. We found no exceptions as a result of the procedures.
2. We obtained from the Athletic Department staff a list of all outside organizations not under the University's accounting control. The list included only the Coastal Carolina Booster Club, Inc. (the CINO Club). The CINO Club has as its principal or one of its principal purposes the generating of resources for or on behalf of the University's intercollegiate athletics program or the promotion of the program. We also obtained descriptions of the University's methods for gathering information on the nature and extent of the CINO Club's activities for or on behalf of the intercollegiate athletics program. We found no exceptions as a result of the procedures.
3. From the University's accounting department, we obtained a copy of the CINO Club's financial statements for the University's fiscal year and noted that these statements were audited by other auditors whose opinion dated October 26, 1998 was unqualified. We found no exceptions as a result of this procedure.
4. We obtained from the Assistant Athletic Director a listing of all expenditures made directly by the CINO Club for or on behalf of the University's intercollegiate athletics program or employees and determined they are included as revenues and expenditures on the University's Athletic Department's accounting records and its statement of revenues, expenditures and transfers. We found no exceptions as a result of the procedures.
5. We scanned the Athletic Department's contributions revenue accounts detail to identify each individual contribution received directly that constitutes more than ten percent of all contributions received for intercollegiate athletics. For the one such receipt, we reviewed the supporting documentation to determine if it was properly classified, if it was received from independent outside sources (those which don't have as one of their principal purposes the promotion and support of the intercollegiate athletics program), and to determine that the source

and value of the contribution is disclosed in a footnote to the statement. We found no exceptions as a result of the procedures.

6. From the Athletic Department cash receipts files for all sports, we selected 20 receipts for intercollegiate athletics and tested them to determine if they were properly recorded and classified in the accounting records based on our review of the supporting documentation. The items selected for testing were chosen randomly. The total of the selected items was 2.3% of the aggregate total of recorded receipts. We found no exceptions as a result of the procedures.

7. We asked management to describe specific elements of the University's internal control unique to the Athletic Department's accounting system and financial reporting.

a. We tested the items selected in 6 above to determine if they were complete and properly classified based on a review of the supporting documentation. We also tested these items to determine if internal control over the reporting of these revenues was operating as described. We found no exceptions as a result of the procedures.

b. We tested 25 expenditures recorded in expense accounts applicable to the Athletic Department to determine if these expenditures were complete, properly classified, and properly authorized based on a review of the supporting documentation and if internal control over the reporting of these expenditures was operating as described. The items were selected systematically from the 2,382 Athletic Department vouchers. The items selected were .3% of the aggregate total of recorded expenditures. We found no exceptions as a result of the procedures.

c. We tested reported student activity fees revenue for reasonableness by comparing the recorded amount to our estimate of the fees using student enrollment and the fee per student per semester. We found no exceptions as a result of the procedures.

8. We examined guarantee contracts for all basketball games during fiscal year 1998. We compared the contract revenues to recorded revenues in the general ledger. We found no exceptions as a result of the procedures.

9. We obtained a schedule of Athletic Department salaries and agreed those amounts to the appropriate general ledger salary accounts. We estimated the related employer contributions expenditures using the University's average fringe benefits rates for comparably paid employees and compared our estimates with reported expenditures in the appropriate general ledger accounts. We found no exceptions as a result of the procedures.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified areas, accounts, or items and on the effectiveness of internal control over reporting described in paragraph one and procedures 1 - 9 of this report. Accordingly, we do not express such an opinion. Had we performed additional procedures, or had we conducted an audit or review of the University's intercollegiate athletics program financial statements or any part thereof, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Office of the State Auditor and the Board of Trustees and management of Coastal Carolina University, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

WILDMAN & RICHARDS, LLP
Certified Public Accountants

**Coastal Carolina University
Intercollegiate Athletics Program
Statement of Revenues, Expenditures, and Transfers
Year Ended June 30, 1998**

	Baseball	Men's Basketball	Soccer	Women's Basketball	Other Sports	Non-Program Specific	Total
Operating Revenue and Transfers:							
Student Activity Fees	\$0	\$0	\$0	\$0	\$0	\$1,462,098	\$1,462,098
Transfers from Current Fund of University	0	0	0	0	0	1,108,440	1,108,440
Guarantees	500	118,000	0	6,000	350	0	124,850
CINO Club Contributions	4,390	0	0	0	1,629	94,725	100,744
NCAA Program for Academic Enhancement	0	0	0	0	0	50,000	50,000
NCAA Distributions	0	0	0	0	9,798	31,877	41,675
Big South Distributions	0	0	0	0	0	43,389	43,389
Gifts - Unrestricted	7,402	3,000	0	0	2,500	16,150	29,052
Sponsorships	0	0	0	0	0	40,240	40,240
Athletic Camps	0	0	0	0	0	16,529	16,529
Ticket Sales	0	4,443	1,870	732	313	0	7,358
Other	5,988	0	1	0	2,829	3,581	12,399
Total Revenues and Transfers	18,280	125,443	1,871	6,732	17,419	2,867,029	3,036,774
Expenditures:							
Scholarships	135,688	148,946	99,006	140,020	554,424	100,880	1,178,964
Salaries	64,264	190,461	43,166	65,000	149,583	359,672	872,146
Fringe Benefits	10,635	35,989	8,467	16,015	31,235	83,306	185,647
Team Travel	14,689	72,659	16,170	28,600	120,145	0	252,263
Recruiting	3,832	20,484	7,112	3,611	22,457	0	57,496
Guarantees	0	6,700	1,500	1,000	169	0	9,369
Equipment Leases	8,058	3,231	115	2,715	7,632	12,250	34,001
Equipment Purchase and Repairs	0	40	0	0	10,516	1,181	11,737
Insurance	140	185	0	140	140	20,819	21,424
Broadcasting Services	0	0	0	0	0	10,925	10,925
Game Officials	7,902	15,010	6,160	6,600	5,502	0	41,174
Other Services	0	1,120	0	23	2,903	16,801	20,847
Athletic Supplies	27,938	21,368	22,866	4,985	85,835	16,942	179,934

Office Expenses	5,723	17,430	2,621	3,332	11,883	56,876	97,865
Staff Travel	496	5,165	13	10	1,774	8,297	15,755
Printing and Advertising	469	110	344	0	1,297	22,090	24,310
Visiting Team Expenses	2,976	0	0	0	0	0	2,976
Other	0	0	343	256	90	7,534	8,223
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Total Expenditures	282,810	538,898	207,883	272,307	1,005,585	717,573	3,025,056
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Excess (Deficiency) of Revenues and Transfers Over (Under) Expenditures	(\$264,530)	(\$413,455)	(\$206,012)	(\$265,575)	(\$988,166)	\$2,149,456	\$11,718
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COASTAL CAROLINA UNIVERSITY
NOTE TO INTERCOLLEGIATE ATHLETICS PROGRAM STATEMENT OF REVENUES,
EXPENDITURES, AND TRANSFERS
Year Ended June 30, 1998

1. INDIVIDUAL CONTRIBUTIONS EXCEEDING TEN PERCENT OF TOTAL CONTRIBUTIONS

Contributions and gifts to Coastal Carolina University's intercollegiate athletics program totaled \$129,796. This amount is reported in Attachment A at the following captions:

CINO Club Contributions	\$ 100,744
Gifts - Unrestricted	<u>29,052</u>
	<u>\$ 129,796</u>

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

CINO Club	\$ 94,000
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COASTAL CAROLINA UNIVERSITY
AUDITORS' COMMENTS
Year Ended June 30, 1998

CURRENT YEAR FINDINGS

There are no current year findings.

FOLLOW UP ON PRIOR YEAR FINDINGS

There were no prior year findings