

**COASTAL CAROLINA UNIVERSITY
CONWAY, SOUTH CAROLINA**

**FINANCIAL STATEMENTS
with
INDEPENDENT AUDITOR'S REPORT**

For the Year Ended June 30, 2002

State of South Carolina



Office of the State Auditor

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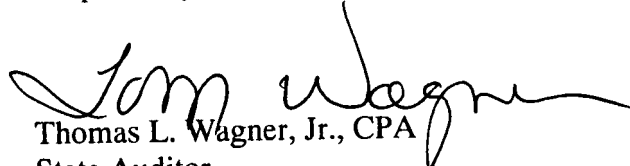
September 23, 2002

The Honorable Jim Hodges, Governor
and
Members of the Board of Trustees
Coastal Carolina University
Conway, South Carolina

This report on the audit of the financial statements of Coastal Carolina University for the fiscal year ended June 30, 2002, was issued by Walda Wildman, LLC, 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/trb

COASTAL CAROLINA UNIVERSITY
FINANCIAL STATEMENTS
For the Year Ended June 30, 2002

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

September 12, 2002

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

I have audited the accompanying basic financial statements of Coastal Carolina University (the University) as of June 30, 2002, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of the University's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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. I believe that my audit and the report of other auditors provide a reasonable basis for my opinion.

As described in Note 1 to the financial statements, the financial statements of the University are intended to present the financial position, results of operations, and cash flows of only that portion of the funds of the State of South Carolina that is attributable to the transactions of the University. These financial statements do not include other funds, enterprises or component units of the State. These financial statements are not intended to present fairly the financial position of the State of South Carolina primary government or financial reporting entity and the results of its operations and cash flows of its proprietary fund in conformity with accounting principles generally accepted in the United States of America.

In my opinion, based on my audit, the financial statements referred to above present fairly, in all material respects, the financial position of the University at June 30, 2002, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 17 to the basic financial statements, the University adopted Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as of July 1, 2001.

As discussed in Note 17 to the basic financial statements, as of July 31, 2001, the University corrected an error in how it has recorded revenue from State capital improvement bonds.

In accordance with *Government Auditing Standards*, I have also issued my report dated September 12, 2002, on my consideration of the University's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in

accordance with *Government Auditing Standards*, and should be read in conjunction with this report in considering the results of my audit.

My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules required by the Office of the South Carolina Comptroller General, as listed in the table of contents, are presented for purposes of additional analysis as required by the Office of the South Carolina Comptroller General and are not a required part of the basic financial statements of Coastal Carolina University. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The Management's Discussion and Analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by the GASB. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

Walda Wildman, LLC

WALDA WILDMAN, LLC
Certified Public Accountant

Coastal Carolina University Management's Discussion and Analysis

Coastal Carolina University is pleased to present its financial report for the year ended June 30, 2002. This section, Management's Discussion and Analysis, will describe each of the statements, present a condensed version of each one, and offer financial highlights of 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*. The basic financial statements differ significantly, in both the form and the accounting principles used, from prior financial statements. The financial statements presented in prior years focused on the accountability of fund groups, while these statements focus on the financial condition of the University, the results of operations, and cash flows of the University as a whole.

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) present financial information in a form similar to that used by corporations. They 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) is 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 could result in operating deficits because the financial reporting model classified 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 summarized by operating, non-capital financing, capital financing and related investing activities, and helps measure the ability to meet financial obligations as they mature.

In this year of implementation of GASB 35, comparative prior year data is not presented. In future years, a comparative analysis will be provided since comparable prior year information will be available.

Financial Highlights

During fiscal 2002, the total net assets of the university increased by \$2.6 million. The increase was due to several factors. Capital assets net of accumulated depreciation increased by over \$1.8 million. Campus construction, net of the increase in accumulated depreciation for buildings, comprises \$1.2 million of the total. Equipment (including

purchases funded by \$330,000 in federal grants and private gifts) was added in the amount of \$700,000, net of the increase in accumulated depreciation.

The total liabilities at year-end decreased by \$2.8 million. This change was due primarily to the decrease in construction accounts payable from June 30, 2001 by almost \$2 million, and repayment of \$1 million in long-term debt. Operating revenues were boosted by increases in both enrollment and the tuition rate. The fall 2001 enrollment represented the largest percentage increase in more than a decade, with a full time equivalent enrollment increase of 9.4 percent. The revenues generated from tuition increased by approximately 20 percent over the previous year. This increase was generated by increased tuition charges of 7.71 percent for South Carolina residents and 8.87 percent for out-of-state students. Rising enrollments have facilitated higher revenues from auxiliary services at the same time that the University has exercised increased cost control in those areas.

The most significant sources of operating revenues for the University are tuition and fees, auxiliary services, and grants and contracts. Operating expenditures, including depreciation of \$2.1 million, totaled \$50 million. State appropriations were by far the largest source of non-operating revenue, totaling \$14.1 million. The largest non-operating expense was debt service in the amount of \$1.5 million.

In a year in which the State budget cuts were significant, amounting to about 6.6 percent, University management held the line on expenditures. There were selective expenditure increases in the areas of temporary faculty for needed extra class sections, and on focused efforts dedicated to student retention. Many critical renovation projects were deferred.

Actual expenditures accumulated by year-end were approximately \$200,000 under budget. Salaries and fringe came in at \$500,000 under budget. Significant surplus in this area was redirected to start up costs for a large group of new faculty expected in the fall of 2002, for professional and contractual services, and for a faculty incentive program to develop more on-line courses. Revenues accrued at approximately \$500,000 more than conservatively anticipated at the beginning of the academic year, due primarily to enrollment which exceeded management's best expectations.

Major sources of cash included student tuition and fees (\$24.5 million), state appropriations (\$14.1 million), grants and contracts (\$7 million) and auxiliary services (\$4.7 million). The largest payments were for employees (\$34 million), suppliers (\$12.8 million) and student aid (\$3 million).

Coastal Carolina University
Condensed Statement of Net Assets
As of June 30, 2002

Assets	
Current assets	\$ 8,894,547
Capital assets, net	77,163,548
Other assets	2,146,031
Total Assets	88,204,126
Liabilities	
Current liabilities	3,300,876
Non-current liabilities	29,803,446
Total Liabilities	33,104,322
Net Assets	
Invested in capital assets, net of related debt	49,347,474
Restricted – non-expendable	101,260
Restricted – expendable	42,477
Unrestricted	5,608,593
Total Net Assets	\$ 55,099,804

Coastal Carolina University
Condensed Statement of Revenues, Expenses, and Changes in Net Assets
For the year ended June 30, 2002

Operating revenues	\$ 37,473,069
Operating expenses	50,084,272
Operating loss	(12,611,203)
Net non-operating revenues	13,856,575
Income before other revenues, expenses, gains and losses	1,245,372
Capital appropriations, grants and gifts	1,415,664
Increase in net assets	2,661,036
Net assets, beginning of year as originally reported	82,149,404
Restatement adjustments	(29,710,636)
Net assets, beginning of year, restated	52,438,768
Net assets, end of year	\$ 55,099,804

Coastal Carolina University
Condensed Statement of Cash Flows
For the Year Ended June 30, 2002

Cash flows provided (used) by:	
Operating activities	\$ (12,851,572)
Non capital financing activities	15,158,825
Capital financing activities	(2,185,960)
Investing activities	284,074
Increase in cash	405,367
Cash, beginning of year	5,613,115
Cash, end of year	\$ 6,018,482

Capital Assets and Debt

Capital assets consisted of almost \$700,000 in construction in progress at June 30, 2002 and approximately \$76 million, net of accumulated depreciation, in buildings, land improvements, and equipment. Debt on these assets amounted to approximately \$28 million. While revenue bond and institutional bond debt decreased by \$1,000,000, a capital lease was executed in the amount of \$251,074.

Looking Ahead

The enrollment for fall 2002 has increased again. Preliminary figures project an increase of 15 to 18 percent in tuition revenues for this term, with an apparent enrollment increase of five to six percent. The substantial increase in net assets over the past two fiscal years, including addition of the largest classroom building on campus, will serve to strengthen the University's financial position and its ability to serve its growing clientele in fiscal 2003. State agencies have been warned of possible state appropriation reductions of five percent or more during the year. The University will continue to build reserve where possible against future years' downturn in revenues.

Construction of a football facility is underway to begin Coastal's first season of NCAA Division I competition in the fall of 2003. State capital improvement bonds will fund a large portion of the cost. The University retired State institution bonds, series 1993C, with a final principal payment of \$325,000 on April 1, 2002. The Board of Trustees resolved at its May 10, 2002 meeting to issue new general obligation bonds in the amount of \$8,750,000 in fiscal year

2003. The proceeds of these bonds will be used to supplement the budget of the football facility as well as to begin several significant deferred maintenance projects.

Additional challenges include major capital needs, including \$35 million for an addition to the science building, and significant deferred campus maintenance. Focus on the University's strategic plan for the year has prompted salaries for new faculty at nationally competitive levels. There are plans for a master's degree in Coastal Marine and Wetland Studies, as well as new degrees in Communications and Applied Physics. A new master's program in education was fully implemented in the fall of 2002, bringing the University its first substantial cohort of full time graduate students. Significant efforts to improve student retention have increased the number of South Carolina residents and minority enrollment.

The University sees its challenge as serving a student population that is significantly larger, increasingly more diverse, whose high expectations match those of the University management.

COASTAL CAROLINA UNIVERSITY
STATEMENT OF NET ASSETS
June 30, 2002

ASSETS

Current assets:

Cash and cash equivalents	\$ 5,708,831
Accounts receivable, net	2,726,178
Inventories	282,705
Prepaid expenses	<u>176,833</u>
Total current assets	<u>8,894,547</u>

Restricted non-current assets:

Restricted cash and cash equivalents, consisting of \$101,260 endowment funds, \$29,900 earnings on endowment, and \$178,491 in Perkins loan program	309,651
Loans to students, net	<u>1,152,172</u>
Total restricted non-current assets	<u>1,461,823</u>

Non-current assets:

Gifts receivable, net	325,000
Other assets	359,208
Capital assets, net of accumulated depreciation	<u>77,163,548</u>
Total non-current assets	<u>77,847,756</u>

TOTAL ASSETS	<u>88,204,126</u>
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LIABILITIES

Current liabilities:

Accounts payable	1,761,310
Deferred revenue	535,984
Accrued interest payable	141,727
Accrued compensated absences	117,759
Revenue bonds payable, current	710,000
Capital lease payable, current	<u>34,096</u>
Total current liabilities	<u>3,300,876</u>

Non-current liabilities payable from restricted non-current assets:

Federal Perkins loan funds	1,318,086
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Non-current liabilities:

Accrued compensated absences	1,333,530
Revenue bonds payable	26,855,000
Capital lease payable	216,978
Other liabilities	<u>79,852</u>
Total non-current liabilities	<u>28,485,360</u>

TOTAL LIABILITIES	<u>33,104,322</u>
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NET ASSETS

Invested in capital assets, net of debt	49,347,474
Restricted for:	
Non-expendable for research	101,260
Expendable for research	29,900
Expendable for Perkins loan program	12,577
Unrestricted	<u>5,608,593</u>
TOTAL NET ASSETS	<u>\$ 55,099,804</u>

The accompanying notes are an integral part of these statements.

COASTAL CAROLINA UNIVERSITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2002

Operating Revenues	
Student tuition and fees, net of scholarship allowance of \$5,476,208	\$ 24,037,171
Grants and contracts	7,195,552
Sales and services of educational departments	833,697
Sales and commissions of auxiliary enterprises, net of scholarship allowance of \$1,043,087	4,734,807
Other fees	<u>671,842</u>
Total Operating Revenues	<u>37,473,069</u>
Operating Expenses	
Personnel costs and benefits	33,697,871
Services and supplies	9,472,102
Utilities	1,762,842
Scholarships	2,975,220
Depreciation	<u>2,176,237</u>
Total Operating Expenses	<u>50,084,272</u>
Operating Loss	<u>(12,611,203)</u>
Non-Operating Revenues (Expenses)	
State appropriations	14,110,923
Local appropriations	312,160
State grants	107,719
Gifts	803,159
Investment and endowment income	286,067
Interest on capital asset related debt	(1,550,185)
Other non-operating expenses	<u>(213,268)</u>
Total Non-Operating Revenues (Expenses)	<u>13,856,575</u>
Income Before Other Revenues, Expenses, Gains and Losses	1,245,372
Capital appropriations	158,039
Capital grants and gifts (net of pledge allowance of \$350,000)	<u>1,257,625</u>
Increase in Net Assets	2,661,036
Net Assets	
Net Assets, beginning of year as originally reported	82,149,404
Restatement adjustments	<u>(29,710,636)</u>
Net Assets, beginning of year, restated	<u>52,438,768</u>
Net Assets, end of year	<u>\$ 55,099,804</u>

The accompanying notes are an integral part of these statements.

COASTAL CAROLINA UNIVERSITY
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2002

Cash Flows from Operating Activities

Cash received from students for tuition and fees	\$ 24,550,105
Cash received from grants and contracts	7,021,323
Cash paid to suppliers	(12,840,180)
Cash paid to employees	(33,902,598)
Cash paid for scholarship payments to students	(2,975,220)
Cash paid for Perkins Loans issued to students	(286,085)
Cash received from collection of Perkins loans from students	157,994
Cash received from sales and commissions of auxiliary enterprises	
Residence hall and food service	4,063,874
Bookstore	164,978
Vending	409,277
Health service	129,236
Cash received from other receipts	655,724
Net Cash Used by Operating Activities	<u>(12,851,572)</u>

Cash Flows from Noncapital Financing Activities

State appropriations	14,110,923
Local appropriations	260,537
State grants	187,751
Gifts	599,614
Net Cash Flows Provided by Non-Capital Financing Activities	<u>15,158,825</u>

Cash Flows from Capital Financing Activities

Federal grants and contracts for capital projects	176,746
State grants and contracts for capital projects	3,368,461
Local appropriations for capital projects	111,458
Gifts for capital projects	596,626
Purchases of capital assets	(3,706,289)
Principal paid on capital debt and lease	(1,000,000)
Interest paid on capital debt and lease	(1,525,357)
Other non-operating cash flows	(207,605)
Net Cash Used by Capital Financing Activities	<u>(2,185,960)</u>

Cash Flows from Investing Activities

Interest on deposits	284,074
Net Cash Provided by Investing Activities	<u>284,074</u>

Increase in Cash and Cash Equivalents 405,367

Cash and Cash Equivalents - Beginning of Year	<u>5,613,115</u>
Cash and Cash Equivalents - End of Year	<u>\$ 6,018,482</u>

Continued

COASTAL CAROLINA UNIVERSITY
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2002

Reconciliation of net operating expenses to net cash used by operating activities:	
Operating loss	\$ (12,611,203)
Depreciation expense	2,176,237
Bad debt expense	52,884
Donated services	29,900
Change in current assets and liabilities	
Accounts receivable	(325,074)
Inventories	18,734
Prepaid items	66,739
Deferred revenue	(140,475)
Accounts payable	(782,552)
Retainage payable	(938,057)
Accrued compensated absences	141,912
Accrued payroll	(346,639)
Change in non-current asset	
Loans to students, net	(98,274)
Loans issued to students	(286,085)
Collection of loans from students	157,994
Net proceeds from operation of loan program	<u>32,387</u>
Net Cash Used by Operating Activities	\$ <u><u>(12,851,572)</u></u>

Supplemental disclosure: noncash activities:

Operating activities - Donated services	\$ <u><u>29,900</u></u>
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The accompanying notes are an integral part of these statements.

COASTAL CAROLINA UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2002

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Coastal Carolina University is a public, mid-sized (5,000 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, while honoring its commitment to the citizens of Horry County who founded the University and continue to provide funding to it. 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.

Reporting Entity: The financial reporting entity, as defined by GASB Statement No. 14, *The Financial Reporting Entity*, consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Accordingly, the financial statements include the accounts of the University, as the primary government. Coastal Carolina University is part of the primary government of the State of South Carolina.

Financial Statements: The financial statement presentation for the University has been changed to meet 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*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The financial statement presentation provides a comprehensive, entity-wide perspective of the College's net assets, revenues, expenses and changes in net assets and cash flows that replaces the fund-group perspective previously required.

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 has elected not to apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the University considers 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 include amounts due from the Federal government, state and local governments, 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 determined by moving weighted average basis.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

COASTAL CAROLINA UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2002

Capital Assets: Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. 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 or more that add to the usable space, prepare existing buildings for new uses, or extend the useful life of an existing building are capitalized. The University capitalizes movable personal property with a unit value in excess of \$5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements, and intangible assets costing in excess of \$100,000. Routine repairs and maintenance and library materials, except individual items costing in excess of \$5,000, are charged to operating expenses in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 12 to 50 years for buildings and improvements and land improvements and 3 to 40 years for machinery, equipment, and vehicles. A full year of depreciation is taken the year the asset is placed in service and no depreciation is taken in the year of disposition.

Deferred Revenues and Deposits: 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. Also included are non-operating state grant funds received but not yet expended for their restricted purpose.

Deposits represent dormitory computer hardware deposits, and other miscellaneous deposits. 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.

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.

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

Invested in capital assets, net of related debt: This represents 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 not included as a component of invested in capital assets, net of related debt.

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

Restricted net assets - nonexpendable: Nonexpendable restricted net assets consist of endowment and similar type funds in 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, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

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.

COASTAL CAROLINA UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2002

Classification of Revenues: The University has classified its revenues as either operating or non-operating revenues according to the following criteria:

Operating revenues: Operating revenues generally result from exchange transactions to provide goods or services related to the University's principal ongoing operations. These 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; (3) fees received from organizations and individuals in exchange for miscellaneous goods and services provided by the University; (4) grants and contracts that are essentially the same as contracts for services that finance programs the University would not otherwise undertake; and (5) interest on student loans receivable.

Non-operating revenues: Non-operating revenues include activities that have the characteristics of non-exchange transactions. These revenues include gifts and contributions, government appropriations, investment income, and any grants and contracts that are not classified as operating revenue or 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 nongovernmental programs, are recorded as either operating or nonoperating 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 out-of-state abatements facilitated by intra-state agreements are neither recorded as tuition and fee revenue nor 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, food service and health service activities. Revenues of internal service and auxiliary enterprise activities and the related expenditures of college departments have been eliminated.

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.

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.

Changes in Accounting and Restatement of Beginning Net Asset Balances: As a result of the adoption of GASB Statement No. 34, the University was also required to make certain changes in accounting principles. These changes are discussed in detail in Note 17.

NOTE 2—CASH, CASH EQUIVALENTS AND OTHER DEPOSITS

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

The following schedule reconciles deposits within the notes to the statement of net assets amounts:

<u>Statement of Net Assets</u>		<u>Notes</u>	
Cash and Cash Equivalents (current)	\$ 5,708,831	Cash on hand	\$ 17,323
Cash and Cash Equivalents (non-current)	309,651	Deposits held by State Treasurer	6,001,159
Totals	<u>\$ 6,018,482</u>		<u>\$ 6,018,482</u>

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, 2002, all State Treasurer bank balances were fully insured or collateralized with securities held by the State or by its agents in the State's name.

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 investments is disclosed in the Comprehensive Annual Financial Report of the State of South Carolina.

Restricted cash deposits at June 30, 2002 include \$131,160 held in endowment funds and \$178,491 held for the Perkins loan program.

NOTE 3—ACCOUNTS RECEIVABLE

Current accounts receivable as of June 30, 2002, are summarized as follows:

Student accounts receivable	\$ 294,659
Sponsor receivables	229,781
Accrued interest and endowment income receivable	56,866
Federal grants and contracts receivable	435,869
State grants and contracts receivable	84,325
Other grants and contracts receivable	218,960
Related party receivables	
Local appropriation receivable	98,204
Gifts receivable	1,100,289
Other receivables	257,666
Total current accounts receivable, gross	2,776,619
Less allowance for uncollectibles	50,441
Net total receivables	<u>\$ 2,726,178</u>

Non-current receivables at year-end were as follows:

Gifts receivable	\$ 675,000
Total non-current receivables, gross	675,000
Less allowance for uncollectibles	350,000
Net total non-current receivables	<u>\$ 325,000</u>

COASTAL CAROLINA UNIVERSITY
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Allowances for uncollectible accounts receivable are established based upon actual losses experienced in prior years and evaluations of the current account portfolio

NOTE 4—LOANS RECEIVABLE

Student loans made through the Federal Perkins Loan Program comprise substantially all of the loans receivable as of June 30, 2002. The Perkins Loan program provides various repayment options; students have the right to repay the loans over periods up to 10 years depending on the amount of the loan and loan cancellation privileges the student may exercise. As the University determines that loans are uncollectible, the loans are written off and assigned to the US Dept of Education. At June 30, 2002, the allowance for uncollectible student loans is valued at \$102,273.

NOTE 5—CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2002 is summarized as follows:

	Balance July 1, 2001	Additions	Retirements	Balance June 30, 2002
Capital assets not being depreciated:				
Land	\$ 164,138	\$ -	\$ -	\$ 164,138
Construction in progress	41,502	633,970	-	675,472
Total capital assets not being depreciated	<u>205,640</u>	<u>633,970</u>	<u>-</u>	<u>839,610</u>
Other capital assets:				
Land improvements	1,545,862	3,035	-	1,548,897
Buildings and improvements	84,627,544	2,417,199	-	87,044,743
Equipment	3,042,557	949,947	(106,431)	3,886,073
Vehicles	338,635	40,543	(5,900)	373,278
Total other capital assets at historical cost	<u>89,554,598</u>	<u>3,410,724</u>	<u>(112,331)</u>	<u>92,852,991</u>
Less accumulated depreciation for:				
Land improvements	(405,928)	(88,772)	-	(494,700)
Buildings and improvements	(12,274,155)	(1,813,891)	-	(14,088,046)
Equipment	(1,572,114)	(136,590)	-	(1,708,704)
Vehicles	(212,950)	(29,373)	4,720	(237,603)
Total accumulated depreciation	<u>(14,465,147)</u>	<u>(2,068,626)</u>	<u>4,720</u>	<u>(16,529,053)</u>
Other capital assets, net	<u>75,089,451</u>	<u>1,342,098</u>	<u>(107,611)</u>	<u>76,323,938</u>
Capital assets, net	<u>\$ 75,295,091</u>	<u>\$ 1,976,068</u>	<u>\$ (107,611)</u>	<u>\$ 77,163,548</u>

NOTE 6—ENDOWMENTS

The University holds one permanent endowment of \$100,000. The cash and cash equivalents, with a fair market value at June 30, 2002 of \$131,160 are recorded in non-current assets, restricted cash. If a donor has not provided specific instructions otherwise, 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, faculty research support. It is

COASTAL CAROLINA UNIVERSITY
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the University's policy to authorize and spend investment income only to the extent it is available at the most recent June 30. At June 30, 2002, the income available to be spent was \$29,900.

NOTE 7—DEFERRED REVENUE

Deferred revenue at year-end is comprised of tuition prepayments of \$291,997 and auxiliary services prepayments and deposits of \$163,955, and state grant funds of \$80,032.

NOTE 8—CAPITAL LEASE OBLIGATION

The University entered a capital lease purchase agreement for eleven pianos on August 1, 2001, payable in annual installments at an effective interest rate of 8.150%. This lease has remaining non-cancelable terms in excess of one year. The carrying value of assets held under this capital lease totaled \$361,074 as of June 30, 2002. Accumulated depreciation of this equipment totaled \$9,875 at June 30, 2002. Future commitments for the capital lease as of June 30, 2002 are as follows:

<u>Year ending June 30</u>	<u>Capital Lease Payments</u>
2003	\$ 57,286
2004	57,286
2005	57,286
2006	57,286
2007	57,286
2008	57,286
Total minimum lease payments	343,716
Less: Interest	76,274
Executory and other costs	16,368
Present value of minimum lease payments	\$ <u>251,074</u>

NOTE 9—BONDS PAYABLE

Bonds payable consisted of the following at June 30, 2002:

	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>Balance</u>
Revenue Bonds			
Series 1994	6.125% to 6.875%	06/01/17	\$ 4,160,000
Series 1999	4.875% to 5.3%	06/01/26	<u>23,405,000</u>
Total Revenue Bonds			<u>27,565,000</u>
Total Bonds Payable			\$ <u>27,565,000</u>

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.

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

		<u>Principal</u>	<u>Interest</u>	<u>Payments</u>
Revenue Bonds	2003	\$ 710,000	\$ 1,475,638	\$ 2,185,638
	2004	745,000	1,438,713	2,183,713
	2005	785,000	1,399,956	2,184,956
	2006	825,000	1,359,063	2,184,063
	2007	875,000	1,315,929	2,190,929
	2008-2012	5,090,000	5,838,751	10,928,751
	2013-2017	6,395,000	4,317,160	10,712,160
	2018-2022	6,045,000	2,609,985	8,654,985
	2023-2026	6,095,000	828,390	6,923,390
		<u>\$ 27,565,000</u>	<u>\$ 20,583,585</u>	<u>\$ 48,148,585</u>

Defeased Debt

In prior years, the University defeased various bond issues by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The liability of the defeased bonds has been removed from the University's long-term debt and the trust account assets are not included in these statements. At June 30, 2002, \$7,745,000 of revenue bonds are outstanding defeased debt.

NOTE 10—LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2002 was as follows:

	Balance June 30, 2001	Additions	Reductions	Balance June 30, 2002	Due Within One Year
Bonds Payable					
State Institution Bonds	\$ 325,000	-	\$ 325,000	-	-
Revenue Bonds	28,240,000	-	675,000	27,565,000	710,000
Total Bonds Payable	28,565,000	-	1,000,000	27,565,000	710,000
Capital Lease Obligation	-	251,074	-	251,074	34,096
Perkins loan fund liability	1,285,699	32,387	-	1,318,086	-
Accrued Compensated Absences	1,309,376	263,136	121,223	1,451,289	117,759
Total Long-Term Liabilities	\$ 31,160,075	\$ 546,597	\$ 1,121,223	\$ 30,585,449	\$ 861,855

Additional information regarding Capital Lease Obligations is included in Note 8. Additional information regarding Bonds Payable is included in Note 9.

NOTE 11—OPERATING EXPENSES BY FUNCTION

Operating expenses by functional classification for the year ended June 30, 2002 are summarized as follows:

COASTAL CAROLINA UNIVERSITY
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Functional Classification	Natural Classification					Total
	Personnel Costs and Benefits	Services and Supplies	Utilities	Scholarships	Depreciation	
Instruction	\$ 17,053,494	\$ 2,692,676	\$ 33,843	\$ -	\$ -	\$ 19,780,013
Research	429,185	318,338	3,554	6,750	-	757,827
Public Service	809,943	469,042	856	5,000	-	1,284,841
Academic Support	2,858,514	964,624	10,047	-	-	3,833,185
Student Services	4,438,729	2,036,887	23,890	-	-	6,499,506
Institutional Support	3,866,891	836,446	102,967	-	-	4,806,304
Plant Operation	3,136,495	1,042,541	1,138,509	-	-	5,317,545
Scholarships	266,388	-	-	2,963,470	-	3,229,858
Auxiliary Enterprises	838,232	1,111,548	449,176	-	-	2,398,956
Depreciation	-	-	-	-	2,176,237	2,176,237
Total Expenses	\$ 33,697,871	\$ 9,472,102	\$ 1,762,842	\$ 2,975,220	\$ 2,176,237	\$ 50,084,272

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. 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.

Employees participating in the SCRS are required to contribute 6.0 percent of all compensation. Effective July 1, 2001, the employer contribution rate became 10.4 percent, which included a 2.85 percent surcharge to fund retiree health and dental insurance coverage. The University's actual contributions to the SCRS for the three most recent fiscal years ending June 30, 2002, 2001, and 2000, were \$1,319,320, \$1,278,296 and \$1,192,640, respectively, and equaled the required contributions of 7.55 percent (excluding the surcharge) for each year. Also, Coastal Carolina University paid

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employer group-life insurance contributions of \$26,212 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 multiple-employer defined benefit public employee retirement plan administered by the Retirement Division. Generally all full-time employees who are policemen and firemen are required to participate in and contribute to the System as a condition of employment. This plan provides annuity benefits as well as disability and group-life insurance benefits to eligible employees and retirees. 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 6.5 percent of all compensation. Effective July 1, 2001, the employer contribution rate became 13.15 percent, which, as for the SCRS, included the 2.85 percent surcharge. The University's actual contributions to the PORS for the years ending June 30, 2002, 2001, and 2000 were \$33,269, \$33,327, and \$30,675, respectively, and equaled the required contributions of 10.3 percent (excluding the surcharge) for each year. Also, the University paid employer group-life insurance contributions of \$646 and accidental death insurance contributions of \$646 in the current fiscal year for PORS participants. The rate for each of these insurance benefits is .20 percent of compensation.

Optional Retirement Program

Certain State 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 limited to faculty and administrative 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 irrevocably waive SCRS membership within their first ninety days of employment.

Under State law, contributions to the ORP are required at the same rates as for the SCRS, 7.55 percent plus the retiree surcharge of 2.85 percent from the employer in fiscal year 2002.

Certain of the Coastal Carolina University's employees have elected to be covered under optional retirement plans. For the fiscal year, total contribution requirements to the ORP were \$497,898 (excluding the surcharge) from the University as employer and \$395,681 from its employees as plan members. 5.4 percent of all contributions was remitted to the Retirement Division of the State Budget and Control Board and 11 percent of all contributions was remitted directly to the respective annuity policy providers. The obligation for payments of benefits resides with the insurance companies.

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
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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 which will include any cost of living adjustments granted during the TERI period. Because participants are considered retired during the TERI period, they do not make SCRS contributions, do not earn service credit, and are ineligible to receive group life insurance benefits or disability retirement benefits.

NOTE 13—POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS

In accordance with the South Carolina Code of Laws and the annual Appropriation 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 postemployment health and dental benefits to employees who retire from State service or who terminated with at least 20 years of State service who meet one or more of the eligibility requirements, such as age, length of service, and hire date. Generally those who retire must have at least 10 years of retirement service credit to qualify for these State-funded benefits. Benefits are effective at date of retirement when the employee is eligible for retirement benefits.

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 \$2,026,570 for the year ended June 30, 2002. As discussed in Note 12, the University paid \$695,175 applicable to the 2.85 percent surcharge included with the employer contributions for retirement benefits. These amounts were remitted to the South Carolina Retirement Systems for distribution to the Office of Insurance Services 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. 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 14—RELATED PARTIES

Certain separately chartered legal entities whose activities are related to those of the University exist primarily to provide financial assistance and other support to the University and its educational program. Financial statements for these entities are audited by independent auditors and retained by them. They include (the) Coastal Educational Foundation, the Horry County Higher Education Commission, and the Coastal Carolina Booster Club, Inc. The activities of these entities are not included in the University's financial statements. However, the University's statements include transactions between the University and these related parties.

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Following is a discussion of each of these entities and a summary of significant transactions (if any) between these entities and the University for the year ended June 30, 2002.

The Coastal Educational Foundation

The Coastal Educational Foundation is a separately chartered corporation organized to receive and manage private funds for the benefit and support of the University. The Foundation's activities are governed by its Board of Directors. The Foundation provides funds to the University to support programs such as scholarships and faculty development and to acquire plant and equipment.

The Foundation owns parcels of real property on which certain portions of the University's campus is located. The Foundation does not charge rent for the use of most of this property. However, the University leases one parcel and one office building under terms of annually renewable leases.

During the year ended June 30, 2002, the University recorded nonoperating gift revenues of \$365,522 and gifts for capital purchases of \$648,836, net of pledge allowance, received or pledged from donors through the Foundation during fiscal 2002. Of those amounts, \$1,078,226, net of pledge allowance, was receivable at year-end. Also during the year, the University paid the Foundation \$23,570 to lease applicable real property.

The most recent available financial information for the Foundation is for the year ended June 30, 2001. Summary financial information for that year is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Totals June 30, 2001
Income	\$ 723,913	\$ 2,369,335	\$ 78,151	\$ 3,171,399
Expenses	967,021	-	-	967,021
Change in net assets	(243,108)	2,369,335	78,151	2,204,378
Net assets, beginning of year	3,684,576	2,582,453	7,623,186	13,890,215
Net assets, end of year	<u>\$ 3,441,468</u>	<u>\$ 4,951,788</u>	<u>\$ 7,701,337</u>	<u>\$ 16,094,593</u>

The 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 fiscal 2002, the County levied a one mill property tax to fund its appropriation to the Commission.

During the year ended June 30, 2002, the University recorded the \$253,009 it received from the Commission as local appropriation revenue. Of this amount, \$48,203 was receivable at year-end. The Commission also made direct payments on behalf of the University totaling \$459,674. Included in this total is debt service on Horry County general obligation bonds of \$342,127.

The University leases real property from the Commission under terms of an annual lease. During fiscal 2002, rent paid was \$24,000, none of which was payable at year-end.

The most recent available financial information for the Commission is for the year ended June 30, 2001. Summary financial information for that year is as follows:

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	Governmental Fund Types		Memorandum
	General Fund	Debt Service Fund	Totals Only
Income and Transfers in	\$ 778,803	\$ 463,563	\$ 1,242,366
Expenses and Transfers Out	841,090	448,238	1,289,328
Changes in Net Assets	(62,287)	15,325	(46,962)
Net assets at beginning of year	124,227	109,472	233,699
Net assets at end of year	\$ 61,940	\$ 124,797	\$ 186,737

The Coastal Carolina Booster Club, Inc.

The Coastal Carolina Booster Club, Inc. (CINO Club – Coastal Is Number One) is incorporated under the laws of South Carolina as the University's athletic fund raising organization. Contributions to the CINO Club are used for athletic scholarships and program development. During the year, the University reported \$346,662 as nonoperating gift revenue. The entire amount was receivable at June 30, 2002.

The most recent available financial information for the CINO Club is for the year ended June 30, 2001. Summary financial information for that year is as follows:

	2001
Income	\$ 206,760
Expenses	131,903
Change in net assets	74,857
Net assets at beginning of year	171,440
Net assets at end of year	\$ 246,297

Georgetown County Advisory Board for Coastal Carolina University

Georgetown County annually appropriates funds to support the mission of the Georgetown campus of Coastal Carolina University. 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, 2002, the University recorded revenue from the Advisory Board in the amount of \$59,151. Of this amount, \$50,000 was receivable at June 30, 2002. Recent financial information for the Advisory Board is unavailable.

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 2002 are not readily available.

NOTE 15—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 assumes substantially all the risk for the following claims of covered employees:

COASTAL CAROLINA UNIVERSITY
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- Unemployment compensation benefits
- Worker's 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 the following activities:

- Theft, damage to, or destruction of assets
- Real property, its contents, and other equipment
- Motor vehicles and watercraft
- Torts
- Natural disasters
- Malpractice by counselors and athletic trainers

The IRF is a self-insurer and purchases reinsurance to obtain certain services and to limit losses in certain areas. The IRF's rates are determined actuarially.

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

NOTE 16—CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS

The University is party to various lawsuits arising out of the normal conduct of its operations. In the opinion of University management, there are no material claims or lawsuits against the University that are not covered by insurance or whose settlement would materially affect the University's financial position.

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.

NOTE 17—ACCOUNTING CHANGES AND PRIOR PERIOD ADJUSTMENTS

Accounting changes

As of July 1, 2001, the University adopted GASB Statements Nos. 34 and 35, which mandated a number of changes in the way the University reports its financial position and changes in net assets.

First, in accordance with policies adopted by the State, as of July 1, 2002, the University adopted a capitalization limit of \$100,000 for depreciable land improvements, buildings and improvements, and intangible assets, and \$5,000 for moveable personal property (including library materials.) As a result of the change in asset capitalization policy, the University removed capitalized assets on hand at July 1, 2001, which did not meet the new capitalization levels. In prior years, library books, periodicals and subscriptions to databases had been included as a part of University assets. Under new policy, these will be expensed in the year purchased.

Second, GASB Statement No. 34 required the University to retroactively report depreciation of its capital assets.

COASTAL CAROLINA UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2002

Third, in implementing GASB Statement No. 35, the University elected to conform to the State Comptroller General's decision to treat the amount which was previously included in net assets as a Perkins loan fund liability.

Error Correction

The University corrected an error involving the application of accounting principles. In previous years revenues from State capital improvement bonds were recognized when the bonds were authorized by the legislature. Because the University is entitled to seek reimbursement for construction costs only to the extent of expenses incurred for the approved capital projects, certain capital improvement bond proceeds revenue previously recognized had not been earned at June 30, 2001.

The University has restated its beginning net assets as of July 1, 2001, for the error correction and accounting changes, which are disclosed in the following schedule.

Net Assets, June 30, 2001, as previously reported:	\$ 82,149,404
Restatement adjustment:	
Removal of library materials from capital assets	(5,048,201)
Adoption of depreciation for capital assets	(19,218,697)
Reclassification of Perkins net assets as federal liability	(1,285,699)
Capital improvement bond proceeds receivable	(4,158,039)
Total restatement adjustments	<u>(29,710,636)</u>
Net Assets, June 30, 2001, as restated:	<u><u>\$ 52,438,768</u></u>

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, 2002

Charges for services	\$ 30,277,517
Operating grants and contributions	8,596,938
Capital grants and contributions	1,257,625
Less: expenses	<u>(51,847,725)</u>
Net program revenue (expense)	<u>(11,715,645)</u>
General revenues:	-
Special/extraordinary items	-
Contributions to permanent and term endowments	-
Transfers:	
State appropriation	14,268,962
Other transfers in from state agencies/funds	107,719
Less: transfers out to state agencies/funds	<u>-</u>
Total general revenue and transfers	<u>14,376,681</u>
Change in net assets	2,661,036
Net assets – beginning	<u>52,438,768</u>
Net assets – ending	<u><u>\$ 55,099,804</u></u>

COASTAL CAROLINA UNIVERSITY
SCHEDULE RECONCILING STATE APPROPRIATION PER THE FINANCIAL STATEMENTS
TO STATE APPROPRIATION RECORDED IN STATE ACCOUNTING RECORDS
For the Year Ended June 30, 2002

Following is a reconciliation of the original base budget amount presented in the General Funds Column of Section 5F of Part IA of the 2001-2002 Appropriation Act enacted by the South Carolina General Assembly to state appropriations revenue reported in the financial statements for the year ended June 30, 2002:

Non-capital appropriation:

Original appropriation	\$ 14,563,574
Less, appropriation reductions	
Mid-year reduction	(598,407)
Second mid-year reduction	<u>(361,917)</u>
Total reductions	<u>(960,324)</u>
State Budget and Control Board allocations for	
Employee base pay increases and related employee benefits	396,613
From Commission on Higher Education	
For performance funding	60,564
Less mid-year reductions and 2% holdback	(4,620)
SC Endowment Incentive Act of 1997	<u>55,116</u>
	<u>\$ 14,110,923</u>

Capital appropriation:

Capital Improvement Bond proceeds	\$ 3,526,500
Less amounts recognized as revenue in year ended June 30, 2001	<u>(3,368,461)</u>
Capital appropriation recognized in current year	<u>\$ 158,039</u>

COASTAL CAROLINA UNIVERSITY
SCHEDULE OF TUITION FEES FOR THE YEAR ENDED JUNE 30, 2001
For the Year Ended June 30, 2002

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, 2002 is as follows:

Amount of tuition fees as defined by Code Section 59-107-30 for the fiscal year ended June 30, 2001	\$ <u>596,125</u>
Legal annual debt service limit at June 30, 2001	\$ <u>536,513</u>

SINGLE AUDIT SECTION

WALDA WILDMAN LLC
C E R T I F I E D P U B L I C A C C O U N T A N T

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL
CONTROLS OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

September 12, 2002

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

I have audited the financial statements of the Coastal Carolina University (the University) as of and for the year ended June 30, 2002, and have issued my report thereon dated September 12, 2002. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the University's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the University's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the University management and Board of Trustees and the Office of the South Carolina State Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Walda Wildman, LLC

WALDA WILDMAN, LLC
Certified Public Accountant

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

September 12, 2002

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

Compliance

I have audited the compliance of Coastal Carolina University (the University) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2002. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the University's management. My responsibility is to express an opinion on the County's compliance based on my audit.

I 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 I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the University's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of the University's compliance with those requirements.

In my opinion, the University complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2002.

Internal Control Over Compliance

The management of the 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 my audit, I considered the University's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of

performing their assigned functions. I noted no matters involving the internal control over compliance and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of the management and Board of Trustees of Coastal Carolina University, the Office of the South Carolina State Auditor, 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.

Walda Wildman, LLC

WALDA WILDMAN, LLC
Certified Public Accountant

COASTAL CAROLINA UNIVERISTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2002

1. SUMMARY OF AUDITOR'S RESULTS

- (I.) An unqualified opinion was issued on the financial statements of Coastal Carolina University.
- (ii.) The audit of the basic financial statements disclosed no reportable conditions in internal control.
- (iii.) The audit disclosed no instances of noncompliance with laws, regulations and the provisions of contracts and grant agreements which were material to the financial statements.
- (iv.) The audit disclosed no reportable conditions in internal control over major programs.
- (v.) An unqualified opinion was issued on compliance for major programs.
- (vi.) The audit disclosed no findings related to federal awards.
- (vii.) Major federal programs for Coastal Carolina University for the fiscal year ended June 30, 2002 are:

<u>Program Name</u>	<u>CFDA Number</u>
Sea Grant Support	11.417
Pell Grants	84.063

- (viii.) The threshold for determining Type A programs for Coastal Carolina was \$300,000 for the year.
- (ix.) Coastal Carolina did not qualify as a low-risk auditee under Section .530 of Circular No. A-133.

2. FINDINGS RELATED TO THE AUDIT OF THE BASIC FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS:

None.

3. FINDINGS AND QUESTIONED COSTS RELATED TO THE AUDIT OF FEDERAL AWARDS:

None.

COASTAL CAROLINA UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2002

Federal Grantor/Pass through Grantor/Program Title	CFDA Number	Pass-through Grantor's Number	Expenditures
NATIONAL OCEANIC AND ATMOSPHERIC AGENCY			
Sea Grant Support			
Passed through South Carolina Sea Grant Consortium			
Geologic framework of the Grand Strand Region	11.417	NA97RG0431	\$ 18,397
Stratigraphy and Development of The Southern Spit of The North Island Barrier	11.417	NA97RG0431	30,689
Geologic Framework of the Beach and Shoreface of the Northern South Carolina Coast	11.417	Q292F	81,745
South Carolina-Georgia Coastal Erosion Study	11.417	NA97RG0431	50,829
Geologic Framework of the Beach and Shoreface of the Northern South Carolina Coast, Linking the Beach and Inner Shelf	11.417	NA97RG0431	105,392
Stratigraphy and Development of North Island and Other Holocene Structures in the Grand Strand: Implications for Sediment Deposition along the Coastline	11.417	NA97RG0431	8,928
South Carolina-Georgia Coastal Erosion Study: GIS Data Compilation, Data Management and Shoreline Change Study	11.417	NA97RG0431	45,299
Geologic Framework of the Grand Strand Region: Distribution and Character of Near Surface Geologic Strata at the Active Coast	11.417	NA97RG0431	2,113
Passed through Clemson University			
Sea Grant Extension Program	11.417	SC542-2092504	2,456
		*	<u>345,848</u>
Passed through South Carolina Department of Natural Resources			
Unallied Science Program			
Contributions to the Biology of the Red Drum in South Carolina	11.472	NA97FL0359	10,554
OFFICE OF THE CHIEF ENGINEERS, DEPARTMENT OF THE ARMY, DEPARTMENT OF DEFENSE			
Beach Erosion Control Projects			
Passed through South Carolina Department of Natural Resources			
Myrtle Beach Renourishment Assessment & Monitoring	12.101	PO 99-031300	41
Charleston ODMDS Index Reef and Inshore Side Scan Sonar Characterization	12.101	0070083527-0200	44,491
Construction of Habitat and Sand Resource Inventory Maps of the Inner Continental Shelf	12.101	007083515-0200	<u>4,296</u>
			<u>48,828</u>
U.S. GEOLOGICAL SURVEY			
Research and Data Acquisition			
Passed through South Carolina Department of Health & Environmental Control			
South Carolina Coastal Erosion Monitoring	15.808	00HQAG0218	84,781
South Carolina Coastal Erosion Monitoring	15.808	N/A	<u>127,793</u>
			<u>212,574</u>
National Spatial Data Infra-Structure Cooperative Agreements Program			
EDMAP Project: Myrtle Beach South Carolina	15.809	02HQAG0073	2,051
U. S. DEPARTMENT OF JUSTICE			
COPS: Universal Hiring Program	16.710	98-UM-WX-2484	16,295

Continued

COASTAL CAROLINA UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2002

Federal Grantor/Pass through Grantor/Program Title	CFDA Number	Pass-through Grantor's Number	Expenditures
U.S. DEPARTMENT OF LABOR			
Youth Opportunity Grants - College Connection 2001-2002	17.263	1369B06	27,554
 NATIONAL AERONAUTIC & SPACE ADMINISTRATION			
National Education Service Program			
Passed through College of Charleston			
Development of Remote Sensing & Image Analysis Curricula for Integration into Selected			
Marine Science Courses	43.001	NGT5-40050	444
Large Scale Wave Processes in the Upper Stratosphere	43.001	NGT5-40099	4,180
Passed through Institute for Global Environmental Strategies, Inc			
Potential Consequences of Climate Variability and Change: An Earth Science			
Course for SC Middle School Educators	43.001	PO 001020	14,006
			<u>18,630</u>
 NATIONAL ENDOWMENT FOR THE HUMANITIES			
Promotion of the Humanities			
Passed through South Carolina Humanities Council			
Amistad Project	45.129	SCHC 01-0734-21	9,971
 NATIONAL SCIENCE FOUNDATION			
Mathematical and Physical Sciences			
Passed through University of South Carolina			
Subcontract to USC for NSF-RUI Lab Work	47.049	IBN-9985878	5,000
 Geosciences			
Acquisition of Equipment for a Comprehensive Marine and Environmental Sciences			
Research Training Laboratory at Coastal Carolina University	47.050	NSF99-168	18,672
Rising Tide Project: Changing How University Researchers and Secondary Educators			
Work Together	47.050	GEO-0122020	42,129
Passed through SUNY College at Brockport			
Regional Workshop: Assessing Biogeochemical Impacts of Non-point Source Pollution			
on Riverine Ecosystems Subcontract Under NSF CCLI-ND Proposal	47.050	1000662-1-011770	9,870
			<u>70,671</u>
 Biological Sciences			
Upgrading of Department of Chemistry's FT-NMR Capabilities+C55	47.074	DUE-0087449	105,850
Passed through Medical University of South Carolina			
Biomedical Research Infrastructure Network Proposal	47.074	1-P20-RR16461-01	9,230
Passed through University of South Carolina			
Characterizing the Thermal Ecology of Fiddler Crabs	47.074	22050-E301	3,650
			<u>118,730</u>
 Education and Human Resources			
Integration of Science and Education at Coastal Carolina University	47.076	OIA-9873758	42,115

Continued

COASTAL CAROLINA UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2002

Federal Grantor/Pass through Grantor/Program Title	CFDA Number	Pass-through Grantor's Number	Expenditures
Acquisition of Equipment for the Establishment of a Microbial Ecology Laboratory at Coastal Carolina University	47.076	OCE-0116536	41,930
Passed through South Carolina Department of Education Math Science Hub	47.076	00-GA-310	25,020
Passed through University of Miami A Proposal to Adapt and Adopt Workshop Chemistry	47.076	13236	<u>3,322</u>
			<u>112,387</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Nonpoint Source Implementation Grants Passed through South Carolina DHEC Identification and Mitigation of Nonpoint Sources of Fecal Coliform Bacteria and Low Dissolved Oxygen in Kingston Lake and Crabtree Creek	66.460	EQ-0-119	4,245
U.S. DEPARTMENT OF ENERGY			
State Energy Program Special Projects EPSCoR: Thermodynamic and X-Ray Studies of Electrically-Ordered Absorbed Phases	81.119	DEFG0201ER45895	41,178
U.S. DEPARTMENT OF EDUCATION			
Supplemental Educational Opportunity Grant	84.007	PO07A997401	8,587
Supplemental Educational Opportunity Grant	84.007	PO07A017401	<u>175,288</u>
			<u>183,875</u>
College Work-Study Program	84.033	P033A017401	243,793
College Work-Study Program	84.033	PO33A007401	<u>1,852</u>
			<u>245,645</u>
Pell Grant Program	84.063	P0638001555	18,264
Pell Grant Program	84.063	P0638011555	<u>3,001,359</u>
		*	<u>3,019,623</u>
Fund for the Improvement of Postsecondary Education Passed through North Carolina State University Adoption and Implementation Support of SCALE-UP	84.116	5-33214	9,545
Business and International Education Projects Internationalizing the Business Curriculum at the E. Craig Wall College of Business Administration: A Three-Part Process	84.153	P153A010032	20,801
Eisenhower Professional Development State Grant Passed through SC Commission of Higher Education Guatemala Study Tour	84.281	0302173-H17	24,986
Standards-Based Content and Methods Courses for Middle School Mathematics	84.281	02002169-H17	13,422

Continued

COASTAL CAROLINA UNIVERSITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2002

Federal Grantor/Pass through Grantor/Program Title	CFDA Number	Pass-through Grantor's	Expenditures
		Number	
Promoting Best Practices: Teaching Foreign Languages in a Standards-Based Curriculum	84.281	0301144-H17	<u>15,938</u>
			<u>54,346</u>
Innovative Education Program Strategies			
Passed through National Writing Project			
Coastal Writing Project	84.928	94-SC03	40,994
Teacher Quality Enhancement Grants			
Passed through South Carolina Department of Education			
Title II Standards and Assessment Project	84.336	02F1310-01	14,971
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
HIV Demonstration Research Public and Professional Education Projects			
Passed through Waccamaw Regional Prevention Collaboration			
HIV Prevention Mini Grant 2001	93.941	N/A	<u>1,296</u>
Total Federal Expenditures			\$ <u><u>4,635,612</u></u>

* Denotes major program.

COASTAL CAROLINA UNIVERSITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2002

1. Summary of Significant Accounting Policies

Basis of Accounting

The Schedule of Expenditures of Federal Awards was prepared on the accrual basis of accounting.

2. Subrecipients

Of the federal expenditures presented in this schedule, Coastal Carolina University provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Provided</u>
Sea Grant Support	11.417	\$45,214

WALDA WILDMAN LLC
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AUDITOR'S COMMENTS

September 12, 2002

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

During my engagement to audit the financial statements of Coastal Carolina University as of and for the year ended June 30, 2002, no matters came to my attention on which I wish to comment.

Walda Wildman, LLC

WALDA WILDMAN, LLC
Certified Public Accountant

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STATUS OF PRIOR YEAR'S FINDINGS

September 12, 2002

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

During their audit of Coastal Carolina University's financial statements for the year ended June 30, 2001, no matters came to my predecessor's attention on which the firm commented.

Walda Wildman, LLC

WALDA WILDMAN, LLC
Certified Public Accountant