

**COASTAL CAROLINA UNIVERSITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2004**

**NOTE 4—LOANS RECEIVABLE**

Student loans made through the Federal Perkins Loan Program of the University comprise all of the loans receivable as of June 30, 2004. 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 decides to exercise. As the University determines that loans are uncollectible, the loans are written off and assigned to the United States Department of Education. At June 30, 2004, the allowance for uncollectible student loans is valued at \$112,966.

**NOTE 5—CAPITAL ASSETS**

Capital asset activity for the University for the year ended June 30, 2004 is summarized as follows:

	Balance July 1, 2003	Additions	Retirements	Balance June 30, 2004
Capital assets not being depreciated:				
Land	\$ 194,265	\$ -	\$ -	\$ 194,265
Construction in-progress	8,244,026	376,209	(8,244,026)	376,209
Total capital assets not being depreciated	8,438,291	376,209	(8,244,026)	570,474
Other Capital Assets:				
Land improvements	1,793,042	309,096		2,102,138
Buildings and improvements	88,454,860	14,139,128		102,593,988
Equipment	4,204,584	624,474	(56,556)	4,772,502
Intangible assets	-	273,777		273,777
Vehicles	445,874	93,154	(25,711)	513,317
Total other capital assets at historical cost	94,898,360	15,439,629	(82,267)	110,255,722
Less accumulated depreciation for:				
Land improvements	(599,749)	(110,630)		(710,379)
Buildings and improvements	(15,957,692)	(2,214,883)		(18,172,575)
Equipment	(1,945,522)	(292,264)	56,556	(2,181,230)
Intangible assets	-	(91,259)		(91,259)
Vehicles	(251,931)	(59,947)	25,711	(286,167)
Total accumulated depreciation	(18,754,894)	(2,768,983)	82,267	(21,441,610)
Other capital assets, net	76,143,466	12,670,646	-	88,814,112
Capital assets, net	\$ 84,581,757	\$ 13,046,855	\$ (8,244,026)	\$ 89,384,586

Major outlays for capital assets and improvements are capitalized as they are constructed. Interest incurred during the construction phase may be capitalized or expensed depending on, among other things, whether the source of funding specifies that it may be used only for the acquisition of specified qualifying assets, and, in certain cases, the amount of interest earnings on unexpended debt proceeds. During the year ended June 30, 2004, the University expensed \$225,918 of construction interest.