

**COASTAL CAROLINA UNIVERSITY  
INTERCOLLEGIATE ATHLETICS PROGRAM  
CONWAY, SOUTH CAROLINA**

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**Independent Accountants' Report On  
Applying Agreed-Upon Procedures  
June 30, 2009**



**COASTAL CAROLINA UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
For the Year Ended June 30, 2009

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Independent Accountants' Report On  
Applying Agreed-Upon Procedures

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We have audited the financial statements of Coastal Carolina University as of and for the year ended June 30, 2009, and have issued our unqualified report thereon under date of September 24, 2009. At your request, we have also performed the procedures described below which were agreed to by the Board of Trustees and management of Coastal Carolina University, solely to assist these users in evaluating the performance of the University's Intercollegiate Athletics Program and to assist the University in complying with NCAA Bylaw 6.2.3.1 for the fiscal year ended June 30, 2009. Management is responsible for Coastal Carolina University's compliance with the requirements of NCAA Bylaw 6.2.3.1, the Intercollegiate Athletics Program's financial records, internal controls and compliance with applicable laws, rules and regulations. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we made 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:

**Procedures Related to the Statement of Revenues and Expenditures**

1. We obtained the Statement of Revenues and Expenditures of Coastal Carolina University Intercollegiate Athletics Program for the year ended June 30, 2009, as prepared by accounting management of the University and shown on page 7 in this report. We recalculated the addition of the amounts on the statement, traced the individual line item amounts from the Statement of Revenues and Expenditures to management's worksheets and compared the amounts on management's worksheets to the 10 and 15 fund accounts in the University's general ledger.

We found no exceptions as a result of this procedure.

2. We obtained from accounting management a list of all outside organizations that have as its principal purpose 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 then confirmed the amounts received from these outside organizations directly with the responsible official of these organizations. We compared the amount per the confirmation with the amount recorded in the Athletic Department's general ledger and on the Statement of Revenues and Expenditures.

We read the audited financial statements for the Coastal Carolina Chanticleer Club and compared the contribution total to the balance shown on management's Intercollegiate Athletics Program Statement of Revenues and Expenditures report.

We found no exceptions as a result of this procedure.

3. We scanned the Intercollegiate Athletics Program contributions revenue account detail to identify each individual contribution received directly that constitutes more than ten percent of all contributions received for intercollegiate athletics. For these recorded receipts, we obtained and read correspondence from the donor to determine the receipts were classified in accordance with NCAA guidelines, to identify those received from independent outside sources and to determine that the source and value of each such contribution is disclosed in a footnote to the statement.

We found that the contribution described in Note 1 of Attachment A to the only individual contribution is excess of ten percent of all contributions.

4. We asked accounting management to describe the basis for allocating student athletic fees to athletics and obtained from management the reconciliation of total student fees revenue. We obtained the University's general ledger detail from management and compared the total with the amount of Student Activity Fee revenue recorded in the general ledger and on the Statement of Revenues and Expenditures.

We found no exceptions as a result of this procedure.

5. We obtained all daily cash receipts reports for the Intercollegiate Athletics Program prepared by various program representatives. We then selected a sample and recalculated the reports, compared the amount on the department deposit receipt with the amount on the Bursar's office deposit transmittal, and compared the amount recorded on the Bursar's office deposit transmittal to the amount recorded in the University's general ledger accounts for the Intercollegiate Athletics Program.

Receipt	Date	Amount
286963	8/4/2009	\$ 93.24
290430	8/14/2009	11.40
291190	8/19/2009	1.00
296598	10/3/2009	1,240.00
299101	11/3/2009	2,187.50
299975	11/11/2009	1,669.44
300538	11/19/2009	333.38
300619	11/20/2009	100.00
301253	12/4/2009	165.00
305060	1/5/2009	777.00
312215	2/10/2009	6,562.50
318277	4/13/2009	300.00
320068	4/30/2009	20.00
322516	5/20/2009	237.18
324201	6/8/2009	7,046.00
325103	6/23/2009	2,720.00
325280	6/25/2009	101.17

We found no exceptions as a result of this procedure.

6. We obtained and read copies of the game guarantee contracts. We recalculated the total amount of the contracts, and compared this amount with the amount recorded as Guarantee revenue on the Statement of Revenues and Expenditures. We also compared expenditures per the contracts to expenditures recorded in the program's accounts in the general ledger.

We found no exceptions as a result of this procedure.

7. We obtained a schedule of athletics department salaries from athletic management. We compared the amounts listed on the schedule to amounts recorded in the general ledger and on the Statement of Revenues and Expenditures. We calculated the related fringe expenditures using Coastal's fringe benefit rate and compared the amounts calculated with the reported expenditures in the appropriate general ledger accounts.

We found no exceptions as a result of this procedure.

8. We obtained from accounting management the general ledger activity for all cash receipts related to intercollegiate athletics. We selected a sample of individual receipts and compared the recorded cash receipt amount to the amount on the Bursar's office deposit transmittal reports prepared by the athletic department and submitted along with the cash to the Bursar's office.

<u>Name</u>	<u>Receipt #</u>	<u>Date</u>	<u>Amount</u>
K. Faircloth Ato#294	289918	8/12/2009	110.00
GameGuaranteeUNC	302424	12/15/2009	8,000.00
K. Faircloth Ato#401	325529	6/30/2009	240.00
Basketball/Football	297258	10/13/2009	1,040.00
Basketball Tickets	306010	1/6/2009	810.00
K. Faircloth Ato#287 Penn St.	284535	7/21/2009	4,962.00
K. Faircloth Ato#340	300086	11/12/2009	255.00
K. Faircloth Ato#400	325427	6/29/2009	2,350.00

We found no exceptions as a result of this procedure.

9. We asked athletic management to describe specific elements of the University's internal control unique to the Intercollegiate Athletics Program's accounting system and financial reporting.

We found no exceptions as a result of this procedure.

10. We obtained from athletic management a listing of Athletics events for the year and from this list we selected a sample of events. For the events that have ticket sales, we compared the number of tickets sold per the general ledger with the amount of tickets sold per the ticket report. We recalculated the mathematical accuracy of the amount of ticket sales revenue by multiplying the number of tickets sold, per the ticket sales report, by the individual ticket price. We obtained and read the correspondence accompanying any concession revenue commission checks received. We compared the amount on the accompanying correspondence with the amount recorded in the general ledger.

Event	Date
Football vs. Charleston Southern	11/22/2009
Men's Basketball vs. Coker	11/15/2008
Women's Basketball vs. Campbell	11/17/2008
Baseball vs. Gardner-Webb	4/3/2009
Baseball vs. Gardner-Webb	4/4/2009
Baseball vs. Gardner-Webb	4/5/2009
Labor Day Mini Baseball Clinic	8/30/2008
Labor Day Mini Baseball Clinic	8/31/2008

We noted no procedure for sale of student tickets when students did not show up for the games. Because the students are not charged for admission, the public purchasing the tickets cannot be recorded in the system. The cashiers take the money and place it in the cash register. The excess money at the end of the game is assumed to be how many student ticket sales there were. There is no procedure in place to verify how much money is actually being taken in based on tickets sold.

The basketball game sales recorded by the ticketing software were \$2,697 less respectively than sales recorded on the University's general ledger.

**University Response:** The additional funds deposited in excess of the ticket software reports are considered to be reasonable amounts of revenue generated by sale of team complementary tickets and student section tickets not redeemed at basketball games. Due to the nature of these ticket sales and staffing limitations, they are not currently captured by the ticketing software.

11. We selected a sample of recorded expenditures for contractual services, travel, uniforms, financial aid and equipment and supplies from the general ledger. We compared the classification of the selected expenditures in the statement to the classifications permitted by NCAA Guidelines as stated by the NCAA Audit Legislation. For the selected expenditures we obtained the related disbursement package to determine the items required by Coastal's procurement policy were included and that the expenditure had been authorized in accordance with the University's policy.

<u>Name</u>	<u>Voucher</u>	<u>Date</u>	<u>Amount</u>
PC-COASTAL CLEANERS00158648	PC012709	2/27/2009	35.38
PC-DELTA AIR 006230927107	PC052709	6/30/2009	194.20
PC-PAYPAL MARCBLOOMCO00007	PC092708	10/28/2008	36.00
PC-USAIRWAYS 037739273384	PC122708	1/27/2009	222.00
Miami Air International Inc	V0373157	7/10/2008	33,877.48
Sam Lyons	V0375284	8/13/2008	463.00
Mr. Rohan Naraine	V0376078	8/22/2008	76.63
Raheem Waller	V0379751	9/5/2008	2,248.00
Sunway Charters	V0381067	9/16/2008	2550.00
New Wave Embroidery Inc	V0381869	9/22/2008	69.02
Mr. Andrew M. Bryda	V0382019	9/23/2008	14.92
Sunway Charters	V0382942	10/2/2008	1700.00
Shanahan Inc.(dba Custom Color)	V0384028	10/9/2008	265.69
Sunway Charters	V0384124	10/10/2008	7950.00
New Wave Embroidery Inc	V0385109	10/21/2008	92.02
Leauna Sistrunk	V0385237	10/22/2008	708.00
FEDEX	V0390398	1/8/2009	42.24
James McCarthy	V0393834	1/26/2009	885.00
New Wave Embroidery Inc	V0399571	2/24/2009	90.95
New Wave Embroidery Inc	V0399571	2/24/2009	90.95
Megan Matthews	V0401635	3/16/2009	400.00
Brian McCue	V0404446	4/21/2009	50.00
Hampton Inn	V0406956	5/20/2009	290.96
Mr. Rohan Naraine	V0407003	5/20/2009	170.61
Bank of America	V0410851	6/30/2009	511.60

We found no exceptions as a result of this procedure.

12. We obtained from accounting management a listing of all expenditures made directly by the respective outside organizations on behalf of the University's Intercollegiate Athletics Program or employees to determine if they were included as revenues and expenditures on the University's Intercollegiate Athletics Program's accounting records and the Program's statement of Revenues and Expenditures. We compared the amounts on this list with the amounts recorded on management's worksheets.

We found no exceptions as a result of this procedure.

13. We requested a listing of all marketing contracts made by Athletics for commercials, scoreboard ads, etc. We judgmentally selected a sample to trace contracted amounts to the general ledger.

We found no exceptions as a result of this procedure.

We were not engaged to, and did not conduct an audit the objective of which would be the expression of an opinion on compliance with NCAA Bylaw 6.2.3.1 or the expression of an opinion on The Statement of Revenues and Expenditures of the Intercollegiate Athletics Program of Coastal Carolina University for the year ended June 30, 2009 and, furthermore, we were not engaged to express an opinion on the effectiveness of the internal controls over compliance with the laws, rules and regulations described in paragraph one and procedures one through twelve of this report. Therefore we express no opinion. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

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



January 15, 2010

**Coastal Carolina University**  
**Intercollegiate Athletics Program**  
Statement of Revenues and Expenses  
For the Year Ended June 30, 2009

	<b>Football</b>	<b>Baseball</b>	<b>Men's Basketball</b>	<b>Women's Basketball</b>	<b>Men's Soccer</b>	<b>Women's Soccer</b>	<b>Other Sports</b>	<b>Non-Sport Specific</b>	<b>Total</b>
<b>Operating Revenues:</b>									
Ticket Sales	\$ 296,016	\$ 26,805	\$ 19,331	\$ 15,706	\$ -	\$ -	\$ -	\$ -	\$ 357,858
Student Activity Fees	1,183,290	185,652	204,030	221,635	133,037	173,045	1,050,408	51,030	3,202,127
Guarantees	450,000	13,000	80,000	9,116	-	-	1,500	-	553,616
Chanticleer Athletic Foundation Contributions	62,076	63,277	27,925	5,361	147	4,260	29,807	31,398	224,251
Inkind Gifts	-	705	-	-	-	-	291,080	-	291,785
Coastal Educational Foundation Contributions	-	5,699	-	-	-	-	3,751	-	9,450
Direct Institutional Support	1,779,494	965,836	886,846	509,946	329,025	380,362	2,223,674	2,095,212	9,170,395
Indirect Facilities and Administrative Support	651,029	223,840	265,247	111,458	60,937	55,618	385,664	1,014,959	2,768,752
NCAA Program for Academic Enhancement	-	-	-	-	-	-	-	60,255	60,255
NCAA Distributions	-	22,378	-	-	-	-	2,383	625,017	649,778
Big South Distributions	-	-	-	-	-	-	-	70,077	70,077
Program and Novelty Sales/Concessions	-	-	-	-	-	-	2,200	14,096	16,296
Sponsorships/Royalties/Commissions	3,000	11,428	-	-	-	-	3,492	395,236	413,156
Sport Camp Field Rentals	-	-	-	-	-	-	-	3,014	3,014
Tournament Revenue, Entry Fees	-	-	-	-	3,366	-	32,180	-	35,546
<b>Total Revenues</b>	<b>\$ 4,424,905</b>	<b>\$ 1,518,620</b>	<b>\$ 1,483,379</b>	<b>\$ 873,222</b>	<b>\$ 526,512</b>	<b>\$ 613,285</b>	<b>\$ 4,026,139</b>	<b>\$ 4,360,294</b>	<b>\$ 17,826,356</b>
<b>Expenditures:</b>									
Scholarships Including Out of State Abatements	\$ 1,627,008	\$ 318,274	\$ 374,835	\$ 385,324	\$ 249,384	\$ 350,978	\$ 1,711,501	\$ 122,026	\$ 5,139,330
Guarantees	50,000	27,719	17,703	6,613	9,362	-	-	-	111,397
Coaching Salaries and Fringe Benefits	1,126,101	421,613	470,603	206,341	121,595	113,170	817,680	-	3,277,103
Administrative Salaries and Fringe Benefits	205,313	30,147	72,972	19,083	278	-	2,496	1,987,000	2,317,289
Recruiting	76,589	45,105	71,897	18,209	11,917	15,405	105,617	-	344,739
Team Travel	348,831	178,605	144,813	78,745	40,125	41,084	372,023	-	1,204,226
Equipment, Uniforms and Supplies	182,727	96,409	10,549	15,508	10,884	30,506	186,006	-	532,589
Game Expenses	110,677	45,910	34,732	26,025	10,653	4,463	49,342	-	281,802
Marketing and Promotions	-	-	-	-	-	-	-	146,580	146,580
Direct Facilities Maintenance	15,906	114,673	3,437	2	177	-	342,999	107,686	584,880
Cheerleaders and Band	-	-	-	-	-	-	-	264,889	264,889
Indirect Facilities and Administrative Cost	651,029	223,840	265,247	111,458	60,937	55,618	385,664	1,014,959	2,768,752
Medical Expenses and Insurance	-	-	-	-	-	-	-	184,324	184,324
Memberships and Dues	1,330	-	-	285	641	545	4,849	26,049	33,699
Visiting Team / Tournament Expenses	-	1,052	-	-	7,461	-	2,264	-	10,777
Other Operating Expenses	29,394	15,273	16,591	5,629	3,098	1,516	45,698	529,729	646,928
<b>Total Expenditures</b>	<b>\$ 4,424,905</b>	<b>\$ 1,518,620</b>	<b>\$ 1,483,379</b>	<b>\$ 873,222</b>	<b>\$ 526,512</b>	<b>\$ 613,285</b>	<b>\$ 4,026,139</b>	<b>\$ 4,383,242</b>	<b>\$ 17,849,304</b>
<b>Excess (Deficiency) of Operating Revenues Over (Under) Expenses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (22,948)</b>	<b>\$ (22,948)</b>

**COASTAL CAROLINA UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
Notes to the Statement of Revenues and Expenditures  
June 30, 2009  
(Unaudited)

**NOTE 1-CONTRIBUTIONS**

Contributions and gifts to Coastal Carolina University's Intercollegiate Athletics Program totaled \$525,487. This amount is reported in Attachment A at the following captions:

Chanticleer Club Contributions	\$ 224,252
In-kind Gifts	291,785
Coastal Education Foundation	<u>9,450</u>
	<u>\$ 525,487</u>

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

Chanticleer Club	\$ 224,252
TPC of Myrtle Beach in Murrells Inlet	168,520
Grande Dunes Golf Resort	122,560

**NOTE 2-INTERCOLLEGIATE ATHLETICS - RELATED 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. Coastal Carolina University follows capitalization guidelines established by the State of South Carolina. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions and renovations and other improvements that add to 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. The total estimated book value of plant and equipment, net of depreciation, for Athletics is \$13,755,109 compared to the institution total of \$94,304,150.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The University has selected a useful life of 25 to 50 years for buildings, renovations and land improvements. The useful life for machinery, equipment and vehicles varies between 2 and 25 years depending on the asset. 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.

Interest cost incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed net of interest earned on the invested proceeds over the same period. During the year ended June 30, 2009, there were no material capitalized interest costs incurred.

<u>Athletic Facilities</u>	<u>Football</u>	<u>Baseball</u>	<u>Other</u>	<u>Total</u>
Additions	43,485	16,350	31,829	91,664
Deletions	-	-	-	-

**COASTAL CAROLINA UNIVERSITY**  
**INTERCOLLEGIATE ATHLETICS PROGRAM**  
Notes to the Statement of Revenues and Expenditures  
June 30, 2009  
(Unaudited)

**NOTE 3- INTERCOLLEGIATE ATHLETICS - RELATED DEBT**

	<u>Interest Rates</u>	<u>Maturity Dates</u>	<u>Balance June 30, 2009</u>
State Institution Obligation Bonds Related to Athletics Facilities			
2003	3.25% to 4.625%	9/1/2022	
2006	4.25% to 6.00%	10/1/2026	
			<u>\$ 8,548,551</u>

Maturities of debt related to intercollegiate athletics at June 30, 2009 were as follows:

<u>Due in Fiscal</u>	<u>Principal</u>	<u>Interest</u>	<u>Payments</u>
2010	\$ 326,835	360,136	\$ 686,971
2011	338,940	344,521	683,461
2012	353,466	327,852	681,318
2013	367,992	310,905	678,897
2014	2,074,797	1,304,565	3,379,362
2019-2023	2,568,681	820,871	3,389,552
2024-2027	<u>2,517,840</u>	<u>219,824</u>	<u>2,737,664</u>
	<u>\$ 8,548,551</u>	<u>3,688,674</u>	<u>\$ 12,237,225</u>

Athletically related debt service and total debt year ended June 30, 2009.

	<u>Athletically Related</u>	<u>University Total</u>
Total Annual Debt Service	<u>\$ 689,968</u>	<u>\$ 3,466,521</u>
Total Debt Outstanding:		
Institution Bonds	8,548,551	17,655,000
Revenue Bonds	<u>-</u>	<u>22,365,000</u>
	<u>8,548,551</u>	<u>40,020,000</u>