

COASTAL CAROLINA UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

discount the amounts. An allowance for uncollectible promises is provided based on management's evaluation of potential uncollectible promises receivable at year end.

NOTE 2—DEPOSITS AND INVESTMENTS

All deposits of the University are under the control of the State Treasurer who, by law, has sole authority for investing State funds. Deposits and investments of the University's component unit are not under the State Treasurer's control and are deposited with or invested by financial institutions or brokers.

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

<u>Per Statement of Net Assets:</u>		<u>Deposits and Investments Plus Reconciling Items Per Notes:</u>	
Current assets		Cash on hand	\$ 3,771,662
Cash and cash equivalents	\$ 11,016,397	Deposits held by State Treasurer	7,347,669
Noncurrent assets		Total per the Notes plus reconciling items	<u>\$ 11,119,331</u>
Cash and cash equivalents	<u>102,934</u>		
Total Per Statement of Net Assets	<u>\$ 11,119,331</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, 2004, 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 current assets of the University at June 30, 2004 include restricted cash deposits of \$1,246,823 for capital projects, \$28,789 held in endowment earnings, and \$49,122 in the federal Perkins loan program. Restricted non-current assets represent cash deposits of \$102,934 in endowment funds.

Component Unit Deposits and Investments

The Coastal Educational Foundation maintains its cash accounts at one financial institution. All cash accounts are insured in the aggregate by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. At June 30, 2004, the Foundation's cash balances totaled \$2,080,699, of which \$100,000 was covered by the FDIC

The Foundation carries at fair value those marketable equity securities with readily determinable fair market values. The Foundation carries investments in non-publicly traded securities of closely held entities with no readily determinable market value at the fair value established at the date of donation. Investments at June 30, 2004 consisted of the following:

Publicly traded mutual funds	\$ 11,659,164
Publicly traded common stock	75,002
Non-publicly traded investments	<u>205,967</u>
Total investments	<u>\$ 11,940,133</u>