

COLLEGE OF CHARLESTON
INTERCOLLEGIATE ATHLETICS PROGRAM

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

JUNE 30, 2009



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Members of the Board of Trustees
The College of Charleston
Charleston, South Carolina

We have performed the procedures described below, which were agreed to by the Board of Trustees and management of the College of Charleston (the College), solely to assist the College in complying with NCAA Bylaw 6.2.3.1. for the fiscal year ended June 30, 2009. This engagement to apply agreed-upon procedures was performed in accordance with 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 make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Procedures Related to the Statement of Revenues and Expenditures

1. We obtained from management the Statement of Revenues and Expenditures (the Statement) of the College of Charleston Intercollegiate Athletics Program for the year ended June 30, 2009, as shown on Attachment A of this report. We recalculated the mathematical accuracy of the amounts on the statement, traced those amounts to management's worksheets and agreed the amounts on management's worksheets to the related series of accounts in the College's general ledger. We discussed the nature of the worksheet adjustments with management to determine if adjustments have a reasonable explanation. No additional procedures were performed with respect to management's representations of the Statement.

We found no exceptions as a result of this procedure.

2. We scanned the College's general ledger of NCAA related accounts for individual contributions that constituted more than ten percent of contributions restricted. There was no single contribution that constituted more than ten percent of total revenue or \$967,152. No additional procedures were performed.
3. We compared actual revenues and expenditures in the Statement for the year ended June 30, 2009, to the prior year amounts (FY 2008). We identified actual variances of greater than 10% and \$40,000 from the prior year amounts and obtained explanations for variances from management to determine if a reasonable explanation was provided by management. Below are general descriptions provided by management for the overall variances by program as follows:

Revenue:

Other (Men's - Other Sports) - This revenue decreased \$99,636, or (99.7%), compared to fiscal year 2008. The decrease is attributable to additional revenue received in fiscal year 2008 from the Cougar Club to offset higher than normal baseball team expenditures. The baseball team expenditures in the current fiscal year were lower and did not require the need for Cougar Club to provide additional revenue.

Ticket Sales (Men's - Basketball) - These Sales increased \$372,248, or 16%, compared to fiscal year 2008. The increase is attributable to the ESPN Classic Tournament in the current year.

Other (Women's - Other Sports) - This revenue increased \$69,860, or 82.8% compared to fiscal year 2008. The increase is attributable to Women's Golf hosting five additional golf tournaments in the current year.

Expenditures:

Scholarships (Women's Scholarship) - Women's total scholarship increased \$181,083, or 10%, compared to fiscal year 2008. The increase is attributable to athletic department goal of increased female student participation in athletics by providing additional scholarship funds.

Contractual Services (Women's - Other SPOtS) - Contractual Services increased \$59,764, or 14.3%, compared to fiscal year 2008. The increase is attributable to golf course cost such as green fees and housing for hosting women golf tournaments.

4. For student activity revenue, we compared the amount per the general ledger to the corresponding amount on the Statement. In addition, we compared for reasonableness the reported student activity fees to a recalculation provided by management of student enrollment figures and the related fee charged to students. We found the recalculation appeared reasonable.

We found no exceptions as a result of this procedure.

5. For guarantees revenue, we obtained a detail schedule of the revenue reported and compared the amounts per the detail to the corresponding amount in the Statement. We compared the individual amounts in the detail to the amounts in the guarantee documentation provided. We found amount shown on the Statement and the general ledger were in agreement.

We found no exceptions as a result of this procedure.

6. For NCAA and Southern Conference (SOCON) distribution revenue, we obtained the detail of the revenue reported and compared the amount per the detail to the corresponding amount on the Statement. We agreed the individual conference distributions to the remittance advices accompanying the distributions. We found the Statement and the general ledger were in agreement.

We found no exceptions as a result of this procedure.

7. We compared the amounts of expenditures paid on behalf of the College's Department of Athletics reported by the College of Charleston Cougar Club's financial statements, for the year ended June 30, 2009 to the amount of \$1,604,533 reported in Note 3 on page 8 is in agreement.

We found no exceptions as a result of this procedure.

8. We obtained a schedule of athletic department salaries, including departmental staff from management and agreed those amounts to the appropriate general ledger salary accounts.

We found no exceptions as a result of this procedure.

Procedures Related to Internal Control Over Financial Reporting

The management of the College of Charleston is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility of management, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may occur and not be detected. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with the procedures may deteriorate. Our procedures and findings are as follows:

9. Twenty-five cash receipts for the year ended June 30, 2009 were haphazardly selected from the College's general ledger related to the Intercollegiate Athletic Program. Each cash receipt was compared to supporting documentation.

	Session ID	Receipt Number	Date	Cash/Check Amount	Credit Card Amount
I.	CR 4901	152609	February 6, 2009	\$	\$ 1,104.00
2.	CR 4904	152665	February 9, 2009		503.00
3.	CR 5009	154039	March 30, 2009		85.00
4.	CR 5008	154038	March 30, 2009	619.00	
5.	CR 5003	153948	March 26, 2009		741.00
6.	CR 4945	153249	February 27, 2009	1,310.00	
7.	CR 4895	152551	February 4, 2009		1,298.00
8.	CR 4846	151792	January 12, 2009	1,605.00	
9.	CR 4832	151591	January 5, 2009		346.50
10.	CR4787	150973	December 1, 2008		242.00
11.	CR 4772	150748	November 20, 2008		6,876.00
12.	CR 4733	150227	November 3, 2008		773.00
13.	CR 4757	<i>1504921150493</i>	November 13, 2008		9,663.50
14.	CR 4745	150346	November 7, 2008		3,015.00
15.	CR 5078	154917	May 1, 2009		53.50
16.	CR 5051	154573	April 20, 2009		25.00
17.	CR 4691	149714	October 14, 2008		1,776.00
18.	CR 4673	149521	October 6, 2008		3,636.00
19.	CR 4823	151477	December 17, 2008		154.00
20.	CR4781	150831	November 25, 2008		3,113.50
21.	CR4796	151074	December 4, 2008		2,020.00
22.	CR 4703	149815	October 20, 2008		218.00
23.	CR 5075	154867	April 30, 2009		25.00
24.	CR 4748	150386	November 10, 2008		1,505.50
25.	CR 4867	152113	January 22, 2009	1,605.00	

We found the amounts of the transactions were in agreement with supporting documentation.

10. We obtained from management a listing of athletic department staff employed during the year. We haphazardly selected three men and three women coaches and agreed the financial terms and conditions of each employee to the related salaries and benefits recorded by the College. We verified such salaries were properly included in the personal services expenditure for applicable program and proper amount on the Statement.

John Kresse
Frederick Dupree
Troy Wilson

Nancy Wilson
Amy Seago
Lindsey Gray

We found no exceptions as a result of this procedure.

11. We obtained from management a listing of athletic department staff employed during the year. We haphazardly selected three support/administrative staff members and agreed the financial terms and conditions of each employee to the related salaries and benefits recorded by the College. We verified such salaries were properly included in the Personal Services expenditure for applicable program and proper amount on the Statement.

Simon Whitaker
Jonathan Evans
Kelly Lee

We found no exceptions as a result of this procedure.

12. Twenty-six cash disbursements for the Intercollegiate Athletic Program for the year ended June 30, 2009 were haphazardly selected. For each of these twenty-six disbursements, we compared the disbursed amount and payee information to supporting documentation (e.g. invoice, check).

	<u>Description</u>	<u>Voucher Number</u>	<u>Disbursement Amount</u>
1.	David Kite	0000169	\$ 881.50
2.	Cable Sports Southeast, LLC	0013592	28,000.00
3.	ESPN Regional Television	0017526	106,003.04
4.	Professional Printers	0009659	12,091.06
5.	Lancaster Tours	0013947	8,377.70
6.	Devan & Associates	0000317	800.00
7.	XOS Technologies	0010456	7,000.00
8.	Shelly Hoerner	0016685	10,236.00
9.	Dabney & Sons Landscaping, LLC	0010961	6,980.00
10.	Sportsman Shop (The)	0010606	21,360.93
11.	Morris Nissan	0011386	2,116.00
12.	T&TSports	0006278	8,336.36
13.	Frances Fletcher	0011457	850.00
14.	Follett Edu Group Store #638	0003845	30,342.42
15.	Alvarado Manufacturing, Inc.	0009877	17,040.00
16.	Warren Place Joint Venture	0008324	242,008.32
17.	Bruce Zimmerman	0009264	27,916.80
18.	Dissinger Insurance Svc. LLC	0006392	104,400.00
19.	Dell Marketing Lp	0002099	2,681.97
20.	Ralph D. Lundy, Jr.	0007411	1,479.62
21.	Southern Conference	0002378	3,000.00
22.	Wg Sports Photos	004521	14,600.00
23.	Kiawah Island Golf Resort	0017234	86,697.76
24.	Anthony Jordan	0007918	1,452.00
25.	Giuseppis Pizza & Pasta	0020205	1,078.79
26.	Event Partners, LLC	0008706	14,297.88

We found the disbursed amounts and disbursement description to be in agreement with the supporting documentation.

13. We obtained from management the squad list which detailed scholarships provided for each sports team. We haphazardly selected three students from the squad list and traced the awarded scholarship(s) for each student to each student's account.

Thomas David Battle - Men's Basketball
 Andrew Goudelock - Men's Baseball
 Tonia Gerty - Women's Basketball

We found no exceptions as a result of this procedure.

14. We obtained from management the name of each outside organization not under the College's accounting control that has as its principal purpose of generating resources on behalf of the College's Intercollegiate Athletics Program. We were informed the College had one such organization, the College of Charleston Cougar Club. We obtained an understanding of the College's methods for gathering information of the College of Charleston's Cougar Club's financial contribution to the College's Intercollegiate Athletics Program. No additional procedures were performed.

We found no exceptions as a result of this procedure.

15. We confirmed with the College of Charleston Cougar Club the amount of ticket sale revenue of \$315,013 remitted to the College during and for the year ended June 30, 2009. We compared the amount of ticket sale revenue per the Cougar Club to the amount recorded on the College's general ledger. We found the total amount was in agreement.

We found no exceptions as a result of this procedure.

16. We obtained from management the method for allocating indirect costs to the athletic department as discussed in Note 1 on page 7. We found the amount was in agreement.

We found no exceptions as a result of this procedure.

17. We obtained the royalties revenue detail and compared the total amount per the detail to the corresponding amount in the Statement. We compared royalty payments received to details supporting each receipt. We found the amounts were in agreement.

We found no exceptions as a result of this procedure.

We were not engaged to, and we did not, perform an audit, the objective of which would be the expression of an opinion on the specified areas, accounts, or items and on the effectiveness of internal control over financial reporting described in paragraph one and procedures 1 through 17 of this report. Accordingly, we do not express such an opinion. Had we performed additional procedures or had we conducted an audit or review of the financial statements of the College's intercollegiate athletics program or any part thereof, other matters might have come to our attention that would have been reported to you.

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

Ellistt Davis, LLC

Greenwood, South Carolina
November 30, 2009

COLLEGE OF CHARLESTON
INTERCOLLEGIATE ATHLETIC PROGRAM

STATEMENT OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2009

(UNAUDITED AND PREPARED BY MANAGEMENT)

Categories	Men's		Women's		Coed	Non-program Specific	Total
	Basketball	Other Sports	Basketball	Other Sports			
Revenues:							
Student Activity Fees	\$	\$	\$ -	\$	\$	\$ 8,088,051	\$ 8,088,051
Commissions			-		-	26,760	26,760
Ticket Sales	596,262	23,736	1,958	4,279	-		626,235
Donations and Memberships			-		-	400,000	400,000
NCAA Distribution	-		-		-	166,535	166,535
SOCON Distribution	-	2,917	-		-	250	3,167
Rental Income			-		-	4,075	4,075
Royalties	-	-	-			66,033	66,033
Guarantees	75,000	2,000	12,000		-		89,000
Other	4,021	320	19	154,199		43,105	201,664
Total Revenues	\$ 675,283	\$ 28,973	\$ 13,977	\$ 158,478	\$	\$ 8,794,809	\$ 9,671,520
Expenditures:							
Personal Services	\$ 459,504	\$ 537,555	\$ 262,180	\$ 573,781	\$ 34,463	\$ 649,831	\$ 2,517,314
Fringe Benefits	113,761	151,824	69,620	167,455	14,275	153,226	670,161
Contractual Services	215,723	313,528	129,110	476,516	137,047	526,871	1,798,795
Supplies	43,739	118,805	19,793	141,867	4,439	196,146	524,789
Scholarship	399,911	780,695	325,790	1,523,642	-	5,071	3,035,109
Fixed Charges	11,543	106,403	19,803	126,278	1,020	111,119	376,166
Travel	77,340	41,643	32,232	41,407	-	19,466	212,088
Total Expenditures	\$ 1,321,521	\$ 2,050,453	\$ 858,528	\$ 3,050,946	\$ 191,244	\$ 1,661,730	\$ 9,134,422
Excess (Deficiency) of							
Revenues over Expenditures	\$ (646,238)	\$ (2,021,480)	\$ (844,551)	\$ (2,892,468)	\$ (191,244)	\$ 7,133,079	\$ 537,098

THE COLLEGE OF CHARLESTON
INTERCOLLEGIATE ATHLETIC PROGRAM

Notes to Statement of Revenues and Expenditures
June 30, 2009
(Unaudited)

Note 1 - Summary of Significant Accounting Policies

The Department of Athletics is an auxiliary enterprise of the College of Charleston (the College) and as such is responsible for the intercollegiate athletic programs of the College of Charleston. The Department of Athletics' transactions are reported in the College's unrestricted current funds in the auxiliary enterprises subgroup. The College's NCAA Division I membership became effective September 1, 1991.

Basis of Presentation - The accompanying statement presents the recorded amounts of revenues and expenditures of the College of Charleston's Intercollegiate Athletic Program. It is not intended to be a complete presentation of the revenues and expenditures of the College of Charleston or the College of Charleston's Intercollegiate Athletic Program. The statement of revenues and expenditures has been prepared using the accrual basis of accounting. However, no provision has been made for depreciation of capital assets. Revenue is recognized when earned and expenditures when supplies or services are received. Indirect costs, including general administrative costs, maintenance, and other related costs, are allocated to the Department of Athletics as a percentage of Athletics' salaries to total College salaries. These costs of \$257,107 were recorded as and are part of contractual services non-program specific in the Statement.

Contributions - All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts that are restricted by the donor are reported as deferred revenue until such time as the restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished).

Athletic Student Aid - Attachment A includes athletic financial assistance awards for students participating in athletic programs. Financial assistance awarded to athletic participants on the basis of other criteria, such as need or academic excellence, is not reflected in the Statement.

Student Activity Fees - For the year ended June 30, 2009, the Board of Trustees of the College of Charleston approved a student fee of \$424 per full time student to support intercollegiate athletics. The fee is prorated for part-time students. The Department of Athletics recognized \$8,088,051 in student athletic fees for the year ended June 30, 2009.

Fund Accounting - In order to ensure observance of limitations and restrictions placed on the use of resources available to the College's Department of Athletics, the accounts are maintained in accordance with fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with specified activities or objectives. Separate accounts are maintained for each auxiliary enterprise.

Note 2 - NCAA Legislation

In June 1985, the National Collegiate Athletic Association (NCAA) adopted legislation that required all expenditures for, or on behalf of, an institution's intercollegiate athletics program, including those by outside organizations, to be included in the statement of revenues and expenditures.

In January 1987, the NCAA constitution was amended to exempt from the audit requirement those with operating budgets for intercollegiate athletics of less than \$300,000.

(Continued)

Note 2 - NCAA Legislation, Continued

In January 1988 and effective January 14, 1988, the constitution was again amended. This amendment removed the audit requirement from the NCAA constitution and incorporated its provision into three separate bylaws, which contain revisions specific to each membership division. In August 2004, the NCAA replaced the financial audit guidelines with a set of agreed-upon procedures.

As a Division I member of the NCAA, the College of Charleston is required to have agreed-upon procedures performed on the Department's annual statement of revenues and expenditures completed by the end of the subsequent fiscal year. NCAA bylaws require all expenditures for, or on behalf of the College's intercollegiate athletics program, including those by outside organizations, to be included on the Department's statement of revenues and expenditures.

Note 3 - Outside Organizations

The College of Charleston Cougar Club is a 501(c)(3) organization with its own charter and Board. The primary mission of the Cougar Club is to promote intercollegiate athletics at the College of Charleston. Season tickets to athletic games are available only through membership in the Cougar Club and entitle the purchaser entrance at many athletic events. Net revenues from ticket sales, after the deduction of certain expenditures, are remitted to the College annually. During the fiscal year 2009, \$315,013 was remitted to the College and is included in ticket sales revenue. Subsequent to June 30, 2009, the College is responsible and collects ticket sales at athletic events.

For the year ended June 30, 2009 contributions from the College of Charleston Cougar Club to the Intercollegiate Athletic Program were as follows:

<u>Donor</u>	<u>Purpose</u>	<u>Amount</u>
College of Charleston Cougar Club	Athletic Scholarships	\$350,000
College of Charleston Cougar Club	Athletic - Unrestricted	<u>50,000</u>
Donations and Memberships		<u>\$400,000</u>

In addition to the amounts above, the College of Charleston Cougar Club paid \$1,604,533 in expenditures on behalf of the College of Charleston's Intercollegiate Athletic Program. This amount has not been included in the Statement.