

COASTAL CAROLINA UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
June 30, 2004

Georgetown County Advisory Board for Coastal Carolina University

Georgetown County annually appropriates funds to support the mission of Coastal Carolina University in Georgetown County. 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, 2004, the University recorded no revenue from the Advisory Board. Expenditures made on behalf of the University for scholarships and the development of facilities in Georgetown County were approximately \$128,000.

Coastal Carolina Booster Club, Inc.

The Booster Club, also known as the Chanticleer Club, was organized solely to raise funds for Coastal Carolina University's athletics programs. During the year ended June 30, 2004, the Club donated \$501,560 to University athletics programs, of which, \$240,000 was payable at year end. The Club receives management and accounting services from the University. At June 30, 2004, the Club had assets of \$464,850.

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 2004 are not readily available. At June 30, 2004, accounts receivable included \$100,159 due from other State agencies for Federal and State sponsored projects, and accounts payable included \$23,228 due to other State agencies, primarily for the purchase of vehicles, fleet maintenance and communications services.

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:

- 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.