

THE COLLEGE OF CHARLESTON

CHARLESTON, SOUTH CAROLINA

OMB CIRCULAR A-133 REPORTS

(With Independent Auditors' Report Thereon)

YEAR ENDED JUNE 30, 2005

State of South Carolina



Office of the State Auditor

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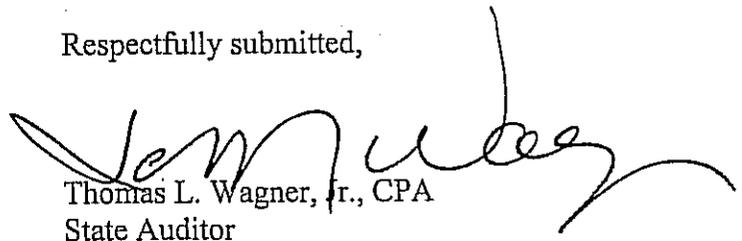
January 4, 2006

The Honorable Mark Sanford, Governor
and
Members of the Board of Trustees
College of Charleston
Charleston, South Carolina

The report on compliance and on internal control over financial reporting and on compliance and other matters based on an audit of basic financial statements performed in accordance with *Government Auditing Standards* and the report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with OMB Circular A-133 and on the schedule of expenditures of federal awards of the College of Charleston for the fiscal year ended June 30, 2005, were issued by Cherry, Bekaert & Holland, L.L.P., Certified Public Accountants, under contract with the South Carolina Office of State Auditor. These reports are an integral part of an audit performed in accordance with *Government Auditing Standards*, and should be read in conjunction with the basic financial statements of the College of Charleston for the fiscal year-ended June 30, 2005, issued by Cherry, Bekaert & Holland, L.L.P., Certified Public Accountants, dated September 30, 2005.

If you have any questions regarding this report, please let us know.

Respectfully submitted,



Thomas L. Wagner, Jr., CPA
State Auditor

TLWjr/cwc

THE COLLEGE OF CHARLESTON

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THE COLLEGE OF CHARLESTON
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Federal Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
U.S Department of Agriculture			
Evaluation of Resistance to Root-Knot Nematodes In Pepper Pls and Rhizoctonia In Vigna Pls	10.001	58-6659-1-211	\$ 6,454
New Isoxazoles and Pyrazoles with Agricultural Biological Potential	10.206	2003-35504-12853	18,708
Hydrology of Depressional and Dendritic Drainage Patterns in Lower Coastal Plain Landscapes	10.652	SRS 01-CA-11330135513	8,110
Characterization of Soil Gas Emissions and Soil Properties in Managed Forested Wetland of the Southeastern United States	10.652	SRS 02-CA-11330135-286	6,986
Effects of Bedding, Weed Control and Fertilization on Soil Carbon and Nitrogen Cycling in Intensively Managed Coastal Plain Loblolly Pine Plantations	10.652	SRS 03-DG-11330137-274	13,941
Monitoring Runoff in a First-order Intensively Managed Forested Watershed, Sumter County, South Carolina	10.652	SRS 04-CA-11330135-198	5,379
Development of Computer Algorithms in C++ and FORTRAN to Conduct Uncertainty Analysis of Ecological Models	10.652	SRS 04-CA-11330135-223	14,437
Stream Flow Monitoring and Dynamics of Turkey Creek Watershed, Santee Experimental Forest	10.652	SRS 04-CA-11330135-204	16,261
Development of a Windows-Based Watershed-Scale Forest Hydrologic Model: DRAINWAT	10.652	SRS 03-CA-11330135-284	8,188
An Integrated Assessment of Prescribed Fire Effects and Monitoring - Sumter and Francis Marion National Forests, SC	10.652	03-PA-11081209-070	50,742
Total U.S. Department of Agriculture			<u>149,206</u>
National Oceanic Atmospheric Administration			
Interdisciplinary Synthesis of Information About the ACE Basin to Create a Land Use Management Plan Tool	11.420	NA04NOS4200154	20,087
Management of National Marine Fisheries Charleston Laboratory Library, Yr 8	11.426	V674P-3094	177,343
Marine Organisms as Vectors of Human Disease Pathogens	11.xxx	MOA-2004-167/1258	52,721
Total National Oceanic Atmospheric Administration			<u>250,131</u>
U.S Department of Defense			
Critical Infrastructure Protection Center (CIPC) Analytical and Engineering Technical Support	12.xxx	N65236-05-P-2254	12,291
Relative Abelian Extensions Over Real Quadratic Fields and Stark's Conjecture	12.901	H98230-05-1-0249	4,273
Total U.S. Department of Defense			<u>16,564</u>
U.S Department of Housing and Urban Development			
Student and Faculty Housing	14.506	SC97D30205260	6,731
Passed through North Charleston Housing Authority			
Evaluation of HOPE VI	14.866	SC16URD0571101	24,801
Case Management Services for North Park Village HOPE VI Development	14.866	SC16URD0571101	102,491
Total U.S. Department of Housing and Urban Development			<u>133,823</u>
U.S Department of Justice			
Passed through the City of North Charleston			
Evaluation of North Charleston Weed and Seed Program	16.595	2001-WS-QX0164	7,827
Passed through South Carolina Department of Public Safety			
Bullet-Proof Vest program 2004	16.607	None	2,863
Passed through Greenville County Commission on Alcohol and Drug Abuse			
C of C Coalition for Change, 2004-2005	16.727	2001-AH-FX-0045	19,975
Total U.S. Department of Justice			<u>30,665</u>
U.S Department of the Interior			
Health of Amaranthus Pumilus Populations: Range-wide Surveys and Webworm Control	15.615	1448-40181-02-J-031	5,336
Shallow Shear Wave Velocity Structure of the Charleston Historical District, SC: Comparison of Surficial and Borehole Results	15.807	05HQGR0072	9,748
Passed through University of Memphis			
Maintenance and Site Characteristics of ANSS Strong Motion Stations in Charleston, South Carolina	15.808	04HQAG0009 Rev 0001	4,000

(Continued)

THE COLLEGE OF CHARLESTON
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Federal Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
Passed through University of South Carolina Native Plant and Butterfly Habitat Garden on the College of Charleston Campus Highlighting Species Important to African-American Culture	15.XXX	2002-0273-000	1,056
Total U.S. Department of the Interior			<u>20,140</u>
National Aeronautics Space Administration			
S.C Space Grant Consortium, Year 9 - Year 12	43.001	NGT5-40099	260,049
S.C Space Grant Consortium, Year 13	43.001	NNG05G168G	58,630
South Carolina NASA EPSCoR Program, Year 1 - Year 3	43.001	NCC5-575	315,024
Southeast Regional Clearing House:			
A Coalition of Space Grant Consortia (SERCH)	43.001	NCC5-607	269,642
Line Profiles and Variability In Ultra Rapid Rotators	43.001	NNG04GC79G	2,101
FUUSE Observation of the "Standard Star" VEGA	43.001	NNG04GE58G	903
Circumstellar Gas of Nearby A-Type Stars	43.001	NNG04GK80G	6,935
Passed through Space Telescope Science Institute			
Projected Rotational Velocities of O-Type Stars at Low Metallicity	43.001	HST-AR-0994501-A	9,709
Are Dust Disks and Circumstellar Gas Around Young A Stars Unrelated Phenomena?	43.001	HST-GO-10219.01-A	8,500
Passed through the Jet Propulsion Laboratory			
Moonrise Phase A E/PO	43.001	NM0710902	19,446
Passed through American Astronomical Society			
Long Term Photometric Observing Program of the Slowing Pulsating B Stars	43.001	None	2,700
Total National Aeronautics Space Administration			<u>953,639</u>
National Foundation on the Arts and the Humanities			
Passed through the Lowcountry Arts Commission/City of Charleston Saint of Fresh Kills	45.025	05/02/2006	750
Passed through SC Humanities Council			
Haiti 201: Slavery, Struggle, and Survival	45.129	4-1050-2	500
Charleston Jazz Initiative	45.129	SO-50048-04	142
The Fruits of Exile	45.129	SO-50048-04	600
For Every Person There is a Name (DVD Production and Distribution)	45.129	SO-50048-04	1,839
Total National Foundation on the Arts and Humanities			<u>3,831</u>
National Science Foundation			
Regioselective Syntheses of Heterocycles and their Applications	47.049	CHE-0212699	46,924
Guiding Gamma-Ray Burst Classification with the KDD Process	47.049	AST-0098499	31,093
Integrable Dynamics of Knotted Vortex Filaments	47.049	DMS-0204557	39,391
Collaborative Proposal: Southeastern Applied Mathematics Days	47.049	DMS-0407843	7,111
A Gamma-Ray Burst Counterpart and Afterglow Observing Campaign at the College of Charleston	47.049	AST-0407320	37,429
Four College Photoelectric Telescope for Astronomical Research, Year 2	47.049	AST-007-1260	5,116
In-Situ Determination of Iron Limitation in The Peruvian Upwelling	47.050	OCE-9907931	4,530
Collaborative Research: US/EC Collaboration on Potential Climate Change Impacts on Algal Community Structure and Biogeochemistry During the North Atlantic Spring Bloom	47.050	OCE-0422890	80,991
SGER: DMSP-Lyase Activity and CO2 Limitation in Marine Phytoplankton	47.050	OCE-0236500	14,603
Collaborative Research: Potential Climate Change Impacts on Algal Dynamics and Biogeochemistry in the Bering Sea	47.050	OCE-0327620	32,859
The Transects Program: Pathways to Ocean Research Using a Collaborative Team Approach	47.050	GEO-0331155	84,752
Nonequilibrium Determinants of Microbial Community Structure in Intertidal Sediments: Role of Deposit Feeding	47.074	DEB-0108615	22,066
Molecular Biology Core Facility For Grace Marine Laboratory	47.074	DBI-0122336	(3,156)
Hypercapnic Hypoxia Impacts Shrimp Immune Defenses Against Bacteria Pathogens	47.074	IBN-0212921	114,843
Research Experience In Physiology, Cell and Molecular Biology of Marine Organisms	47.074	DBI-0244007	71,642

(Continued)

THE COLLEGE OF CHARLESTON
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Federal Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
Incorporating HCI into the Undergraduate Curriculum:			
A Community Building Initiative	47.076	DUE-0226080	4,735
Workforce Scholarship Project in Computer Sciences and Mathematics	47.076	DUE-0123032	65,873
Civic Engagement in Non-Majors Introductory Biology: Connecting Problem-Based Learning and Scientific Inquiry	47.076	DUE-0410720	7,988
Collaborative Research: Iron and Light Effects on Phaeocystis Antarctica Isolates from the Ross Sea	47.078	OPP-0230513	24,188
Passed through SC Sea Grant Consortium			
Southeast Center for Ocean Science Education Excellence (COSEE) Curriculum, Year 1 - Year 2	47.050	OCE-0215402	5,887
Passed through University of Alabama - Tuscaloosa			
Phylogeny of Physid Snails and (Basommatophora: Physidae) Evolution of Reproductive Isolation	47.074	DEB-0128964	27,597
Passed through Davidson College			
Drosophila as a Model for Batten Disease	47.076	DUE-0426266	4,381
Passed through Franklin and Marshall College			
Process Oriented Guided Inquiry Learning	47.076	DUE-0231120	24,739
Passed through Medical University of South Carolina			
GK-12 Lowcountry Science Partners for Inquiry Teaching and Learning	47.076	DGE-0139313	189,206
Passed through South Carolina State University			
SCAMP Phase 1, Year 2 & Year 3	47.076	HRD-0217602	36,156
Passed through Bigelow Laboratory for Ocean Sciences			
Complex Molecular to Global Interactions and Feedbacks in the Marine DMS Cycle	47.078	OPP-0221748	95,216
Total National Science Foundation			<u>1,075,860</u>
U.S. Department of Energy			
Passed through Duke University			
Root Dynamics in a CO2-Enriched Temperate Forest	81.xxx	DE-FG02-95ER62083	57,167
Total U.S. Department of Energy			<u>57,167</u>
U.S Department of Education			
Supplemental Educational Opportunity Grant 2004-2005	84.007	P007A043774	311,556
Federal College Workstudy Program	84.033	P033A043774	353,260
Federal Perkins Loan Program	84.038	P038A043774	2,319,189
Pell Grant Program	84.063	P063P040378	4,324,355
William D. Ford Direct Loan Program	84.268		38,152,711
Total Federal Student Aid Cluster			<u>45,461,071</u>
Upward Bound	84.047A	P047A030218-05	413,343
Improvement of Science Equipment Infrastructure	84.116Z	P116Z040150	99,410
Engaging Students and Faculty in International Business Education	84.153A	P153A030012	83,313
English Language Acquisition: National Professional Development Program	84.195N	T195N020087	133,342
Passed through the University of North Carolina at Wilmington			
U.S. - Brazil Business School Consortium	84.116M	P116M04003	3,188
Passed through the University of Central Arkansas			
Alliance for International Management and Trade: Customs, Tariffs, Ethics and Governance	84.118N	P118N040001	1,585
Passed through Charleston County School District			
Data Collection on Performance Measures for Cornerstone Grant Project	84.184	PR-S184L020058	4,149

(Continued)

THE COLLEGE OF CHARLESTON
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Federal Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
Passed through South Carolina Department of Education			
South Carolina State Improvement Grant	84.323A	H323A020005	51
South Carolina State Improvement Grant, Year 2	84.323A	H323A020005	12,626
Middle Level Enhancement	84.367A	S367A040038A	5,797
Passed through SC Commission on Higher Education			
GEAR UP - Saturday Academic & Summer Institute 2003-2004	84.334A	P334A990172-01	13,716
GEAR UP - Saturday Academic & Summer Institute 2004-2005	84.334A	P334A990172-01	125,150
Passed through the University of South Carolina			
Diverse Pathways in Teacher Preparation: A Collaborative Approach for South Carolina 2 and 4 Year Colleges	84.336B	P336B040014	8,629
Total U. S. Department of Education			<u>46,365,380</u>
National Oceanic Atmospheric Administration			
Passed through SC Sea Grant Consortium			
COASTeam Aquatic Workshops - A School-Wide Approach to Integrating Marine and Aquatic Concepts into the K-5 Curriculum	11.417	NA16RG2250, Am 3	3,889
Creation of a Long Term Hydrology and Geochemistry Education and Research Site: Dixie Plantation	11.417	NA16RG2250, Am 3	499
Geologic Framework of the Grand Strand Region	11.417	00HQAG028 Am 3	22,845
Tidal Creek Water Quality, Freshwater Inflow and Benthic Community Studies for the SC-GA-LU-CES Program	11.417	NA98OP0113 Am 4	55,236
Tidal Creek Water Quality, Freshwater Inflow and Benthic Community Studies for the SC-GA-LU-CES Program, Year 2	11.417	NA04NOS4260210	45,820
Maintaining a SC Sea Grant Marine Education Program	11.417	NA16RG2250	869
Using Diamondback Terrapins as Surrogate and Sentinel Species for Monitoring Mercury Contaminants in Coastal and Estuarine Systems	11.417	NA16RG2250 Am7	36,056
Using Diamondback Terrapins as Surrogate and Sentinel Species for Monitoring Mercury Contaminants in Coastal and Estuarine Systems, Year 2	11.417	NA16RG2250	22,379
Developing & Implementing a Southeast Marine Science Curriculum and Leadership Training Program: COASTeam Leadership Institute	11.417	NA16RG2250 Am 7	31,944
Developing & Implementing a Southeast Marine Science Curriculum and Leadership Training Program: COASTeam Leadership Institute, Year 2	11.417	NA16RG2250	33,342
Sustainable Cultivation of Sweetgrass for Local Basket-Maker Use In Neighborhood Plots: A Community Involvement Approach in LowCountry South Carolina	11.417	NA16RG2250	9,941
Behavioral Ecology of Spotted Seatrout (cynoscion nebulosus) at Spawning Aggregations in Charleston Harbor	11.417	NA16RG2250	7,061
Study of a Newly Reorted Parasitic Nematode of the Southern Flounder Paralichthys lethostigma in South Carolina Estuarine Systems	11.417	NA16RG2250	1,767
Passed through Coastal Carolina University			
Expanding the Rising Tide Project: Changing How Researchers, Educators and Students Work Together, Year 1 & 2	11.417	NA16RG2250,AM.7	17,523
Passed through the University of South Carolina			
Urbanization and Southeastern Estuarine Systems Public Outreach and Information Dissemination	11.417	NA03NOS4260163	8,248
Urbanization and Southeastern Estuarine Systems Public Outreach and Information Dissemination	11.417	NA04NOS4260209	32,834
Passed through South Carolina Department of Health and Environmental Control			
Promoting Wetland Buffers and Native Species Restoration and Use	11.419	NA03NOS4190101	36,280
Promoting Wetland Buffers and Native Secles Restoration and Use, Year 2	11.419	NA04NOS4190057	13,580
Passed through the University of Central Florida			
Southeast Florida Coral Biomarker Local Action Study	11.419	NA03NOS4190209	18,233
Passed through SC Department of Natural Resources			
Atlantic Croaker, Micropogonias Undulatus, Along the Middle Atlantic Coast and Southeast of the United States	11.433	NA17FF2885	23,313
Charleston Bump 2003 - Science Resource Development	11.460	NA030AR4600097	100
Edisto Beach Causeway Removal Sedimentation Study	11.463	NA03NOS4630167	9,954

(Continued)

THE COLLEGE OF CHARLESTON
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Federal Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
Passed through the University Corporation of Atmospheric Research Interactive Hurrican Surge Warnings	11.467	NA17WD2383	530
Passed through SC Department of Natural Resources Southeastern Regional Taxonomic Center (SERTC), Year 2	11.472	NA16FL1490	51,070
Hormone Analyses for the 2004 Samples	11.472	NA03NMF4720281	380
Educational Module Development from Charleston Bump Research	11.472	NA03NMF4720321	132
South Atlantic Bight Regional Exploration: Education Through Exploration	11.473	NA17OC1482	2,645
Physiological and Genomic Approaches to Understanding Responses in the Florida Red Tide Dinoflagellate, <i>Karenia Brevis</i> , to Iron Limitation and Oxidative Stress	11.478	NA03NOS4780198	30,879
North Carolina Sea Turtle Blood Analyses for Sex Determination	11.999	WC1330-03-SE-0678	3,152
Total National Oceanic Atmospheric Administration			<u>520,401</u>
U.S. Department of Health and Human Services Contextual Control of Second-Learned Associations	93.242	7 R15 MH065249-02	33,717
Is There Class IV Ribonucleotide Reductase	93.390	1 R15 GM067690-01	91,534
Passed Through the University of South Carolina South Carolina Biomedical Research Infrastructure Network, Year 3	93.389	5 P20RR18461-04	4,668
Resolution of Structural Anomalies An Undergraduate Research Project	93.389	5 P20RR18461-03	(48)
The Pre-Invention of Flowers by Splachnaceae Mosses: Odor Driven Shifts in Spore Dispersal by Distinct Fly Guilds	93.389	5 P20 RR18461	4,610
Passed Through the Medical University of South Carolina Protein-Protein Interactions Among the Vaccinia Virus Late Transcription Factors	93.389	5 P20 RR18461-03	740
Molecular Mechanism of Heavy Metal Accumulation by Acanthocephala	93.389	5 P20RR18461-03	(108)
Total U.S. Department of Health and Human Services			<u>135,113</u>
Corporation for National and Community Service Passed through Campus Compact/Brown University South Carolina Campus Compact	94.005	03LHHR001	584
			<u>584</u>
 Total Federal Assistance Expended			 <u>\$ 49,712,604</u>

(Concluded)

See accompanying notes to the schedule of expenditures of federal awards

THE COLLEGE of CHARLESTON
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of The College of Charleston and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 - Summary of Significant Accounting Policies for Federal Award Expenditures

Expenditures for student financial aid programs include the federal share of student's Federal Supplemental Educational Opportunity Grant program grants and Federal Work Study program earnings, certain other federal financial aid for students and administrative costs allowances, where applicable.

Note 3 - Federal Perkins Loan Program (CFDA Number 84.038)

The Federal Perkins Loan Program is administered directly by the College of Charleston and balances and transactions are included in the loan fund of the College of Charleston's financial statements. The balance of loans outstanding under the Federal Perkins Loan program was \$2,266,346 as of June 30, 2005.

Note 4 - Matching

Under the Federal Work Study program, the College of Charleston matched \$63,128 for the year ended June 30, 2005 in addition to the federal share of expenditures in the accompanying schedule of expenditures of federal awards.

Under the Federal Supplemental Education Opportunity Grant program, the College of Charleston matched \$133,426 in funds awarded to students for the year ended June 30, 2005 in addition to the federal share of expenditures in the accompanying schedule of expenditures of federal awards.

THE COLLEGE of CHARLESTON
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Note 5 - Subrecipients

Of the federal expenditures presented in the schedule of expenditures of federal awards, the College of Charleston provided federal awards to sub recipients as follows:

<u>Federal granting agency</u>	<u>Federal CFDA number</u>	<u>Amount provided to subrecipients</u>
National Oceanic Atmospheric Administration	11.417	\$ 30,341
National Aeronautics and Space Administration	43.001	489,655
National Science Foundation	47.049	24,182
National Science Foundation	47.074	<u>7,844</u>
		<u>\$ 552,022</u>



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

The Office of the State Auditor
and
Members of the Board of Trustees
The College of Charleston
Charleston, South Carolina

We have audited the financial statements of the business type activity and the discretely presented component units of The College of Charleston, as of and for the year ended June 30, 2005, which collectively comprise The College of Charleston's basic financial statements and have issued our report thereon dated September 30, 2005. Our opinion on the financial statements insofar as it relates to the amounts for the discretely presented component units is based solely on the reports of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of The Cougar Club and The College of Charleston Foundation were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The College of Charleston's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether The College of Charleston's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of

financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of the State Auditor, Board of Trustees, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Bebaent + Holland, L.C.P.

Beaufort, South Carolina
September 30, 2005



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The Office of the State Auditor
and
Members of the Board of Trustees
The College of Charleston
Charleston, South Carolina

Compliance

We have audited the compliance of The College of Charleston with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2005. The College of Charleston's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of The College of Charleston's management. Our responsibility is to express an opinion on The College of Charleston's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The College of Charleston's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on The College of Charleston's compliance with those requirements.

In our opinion, The College of Charleston complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of The College of Charleston is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered The College of Charleston's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the business type activity and the discreetly presented component units of The College of Charleston as of and for the year ended June 30, 2005, which collectively comprise The College of Charleston's basic financial statements and have issued our report thereon dated September 30, 2005. Our audit was performed for the purpose of forming an opinion on the basic financial statements of The College of Charleston, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

This report is intended for the information and use of the State Auditor, the Board of Trustees, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Cherry, Behant + Holland, L.L.P.

Beaufort, South Carolina
September 30, 2005

THE COLLEGE OF CHARLESTON
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2005

I. Summary of auditor's results

- A. An unqualified opinion was issued on the basic financial statements of The College of Charleston.
- B. No reportable conditions relating to the audit of the financial statements are reported on internal control over financial reporting.
- C. Our audit of the financial statements disclosed no instances of noncompliance with laws, regulations and the provisions of contracts and grant agreements that are material to the financial statements.
- D. No reportable conditions relating to the audit of major federal award programs are reported in the report on compliance with requirements applicable to each major program and on internal control over compliance.
- E. The auditor's report on compliance for the major federal award programs for The College of Charleston expresses an unqualified opinion on all major federal programs.
- F. There are no findings related to internal control over major programs required to be reported under Section .510(a) of OMB Circular A-133.
- G. Major federal programs for The College of Charleston for the fiscal year ended June 30, 2005 are:

<u>CFDA Number</u>	<u>Program Title</u>
43.001	S.C. Space Grant
84.195N	English Language Acquisition
47.049	National Science Foundation
84.063	Pell Grant Program
84.007	Supplemental Educational Opportunity Grant
84.033	Federal Work-Study Program
84.268	Federal Direct Student Loans
84.038	Federal Perkins Loan Program
84.047A	TRIO - Upward Bound

- H. The threshold for determining major federal programs for The College of Charleston was \$300,000.
- I. The College of Charleston was assessed as a low risk auditee under Circular No. A-133

II. Findings related to the audit of the financial statements of The College of Charleston

There were no findings related to the audit of the financial statements that are required to be reported.

III. Findings and questioned costs related to the audit of federal awards

No findings and questioned costs for federal awards were noted that are required to be reported under Section .510 (a) of OMB Circular A-133.