



ANNUAL COMPREHENSIVE **FINANCIAL REPORT**

A component unit of the State of South Carolina for the fiscal year ended June 30, 2023.

COASTAL CAROLINA UNIVERSITY®

2023





Annual Comprehensive Financial Report

A component unit of the State of South Carolina

For the year ended June 30, 2023

**Prepared by the
Office of Financial Services**



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Introductory Section



COASTAL CAROLINA UNIVERSITY®

Office of the President

September 30, 2023

Dear Friends of Carolina University University:

As I reflect on the past year, I am filled with gratitude for the continuing support the University receives from local and state government, as well as the surrounding community. The investment in Coastal Carolina University in the form of appropriations, scholarships, gifts and grants demonstrates the importance that is placed on higher education in our state. The support allows the University to provide high-quality, career-relevant education at a reasonable cost to meet South Carolina's workforce demand.

The Fall 2023 semester continues to be filled with energy and excitement as a record number of new freshmen are welcomed to Teal Nation for the third year in a row. Student enrollment and retention are at an all-time high, attesting that CCU's reach is expanding and our devotion to student success is paramount. I am extremely proud of our university and the commitment of its faculty and staff to make this a welcoming and inclusive campus with a common goal to help our students be successful and achieve their academic and personal endeavors. It is my sincere belief that Coastal Carolina University—with the enduring support of the community, Horry County and the State of South Carolina—will continue to prosper and thrive.

Reflective of the growing breadth of academic programs, Coastal Carolina University now offers over 100 undergraduate and over 30 graduate-level major fields of study, including specialized concentrations. Among CCU's graduate-level programs are the Ph.D. in marine science: coastal and marine systems science and the Ph.D. in education. Continuous effort is placed on improving the value of the Coastal Carolina degree. The 2023-2024 U.S. News rankings validate our efforts as we continually work to enhance the reach, rigor, and reputation of the University.

- #36 in Regional Universities South
- #7 in Most Innovative Schools (Regional Universities South)
- #9 Best Undergraduate Teaching (Regional Universities South)
- #14 in Best Colleges for Veterans (Regional Universities South)
- #16 in Top Public Schools (Regional Universities South)

This past year was filled with exciting accomplishments, and I look forward to the year ahead as we put the finishing touches on a new strategic plan that will chart a bold and productive future for Coastal Carolina University - a university where tradition, integrity and excellence guide our progress.

As evidence of our fundamental commitment to our students and their success and our ongoing efforts to positively impact our community and beyond, I am pleased to submit Coastal Carolina University's 2023 Annual Comprehensive Financial Report.

Sincerely,



Michael T. Benson, D.Phil.
President and Professor of History

Enclosure



COASTAL CAROLINA
UNIVERSITY®

Vice President of
Finance and Administration
And Chief Financial Officer

Letter Of Transmittal

September 30, 2023

To President Benson and Members of the Board of Trustees:

We are pleased to present to you the Annual Comprehensive Financial Report of Coastal Carolina University for the fiscal year ended June 30, 2023. This report contains the financial statements as well as other information that helps ensure the University's accountability to the public.

This report consists of management's representations concerning the finances of Coastal Carolina University (the University). Consequently, management accepts full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the University has established a comprehensive internal control framework that is designed to both protect the University's assets from loss, theft or misuse, and compile sufficient reliable information for the preparation of the University's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the University's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements will be free from material misstatement. Management asserts that this financial report is complete and reliable in all material respects to the best of our knowledge and belief.

The University's financial statements have been audited by Cline Brandt Kochenower & Co., P.A., certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the University for the fiscal year ended June 30, 2023 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. Based upon the audit, the independent auditor concluded that there was a reasonable basis for rendering an unmodified opinion that the University's financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

As a component unit of the State of South Carolina, the University is required to provide a complete set of audited financial statements by October of each year for incorporation into the statewide Annual Comprehensive Financial Report. This report fulfills that requirement for the fiscal year ending June 30, 2023. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's

report and provides a narrative overview and analysis of the basic financial statements. This letter of transmittal complements the MD&A and should be read in conjunction with it.

Profile of the University

Coastal Carolina Junior College was founded in 1954 by a group of Horry County citizens who lent their vision and support to bringing higher education to the local area. Initially a two-year college, the new school was supported by private funds and was operated under the auspices of the College of Charleston. A referendum in 1958 resulted in a county property tax millage being made available for the support of the College, and Coastal Carolina entered into an agreement in 1959 with the University of South Carolina to become a campus of their University System. In 1963, with the support of the Coastal Educational Foundation, Inc. and the Horry County Higher Education Commission, the college moved to its current location upon completion of the Edward M. Singleton Administration Building.

Coastal Carolina College became a four-year institution in 1974, awarding baccalaureate degrees in several areas. During the 1980s, Coastal Carolina College experienced dramatic growth with enrollment doubling in size from approximately 2,000 to 4,000 students.

In 1991, the Coastal Educational Foundation, Inc. and the Horry County Higher Education Commission voted to seek legislative approval to establish an independent Coastal Carolina University. The University of South Carolina president and Board of Trustees agreed to the proposed independence of Coastal Carolina University. During the 1993 session, the South Carolina legislature established Coastal Carolina University as an independent state-supported institution effective July 1, 1993. The University, for the first time, acquired its own Board of Trustees, which met on July 1, 1993 and named Ronald R. Ingle as the University's first president. David A. DeCenzo became the second president of Coastal Carolina University on May 7, 2007. And on October 1, 2020, the Board of Trustees selected Michael T. Benson to be the third president of Coastal Carolina University, and he began his tenure on January 2, 2021.

Today, the University comprises 115 main buildings on approximately 621 acres, including the Coastal Science Center and the Burroughs & Chapin Center for Marine and Wetland Studies located on the East Campus. The Professional Golf Management major is served by the General James Hackler Golf Course, which is a public 18-hole golf facility located adjacent to the campus core. In addition, 1,105 acres of pristine barrier island on the Atlantic coast, named Waties Island, provides a natural laboratory for extensive study in marine science and wetlands biology. The University maintains residence halls to accommodate 5,363 students in two general locations: main campus (2,863 beds) and at University Place (2,500 beds).

New Programs and Initiatives

The University is committed to providing students with the programs, tools and experiences to achieve their academic and personal goals. Academic programs are continuously evaluated to ensure the right mix of programs are offered that strategically align student and labor-market demand.

During the 2022-2023 academic year, five new certificate programs were offered to undergraduate students:

- Financial Planning
- Foundations of Data Analysis
- Law Enforcement
- Legal Studies
- Geospatial Technologies

The University also broadened its academic offerings by adding concentrations to the B.S. in Applied Physics program - General, Environmental, Engineering, Computational, Nuclear Security and Non-Proliferation, and Astronomy.

Opportunities to improve the student experience and recruitment and retention efforts are an ongoing priority for the University, which include the following:

- Enhanced efforts to recruit students from underrepresented populations by participating in statewide college application day programs, providing application fee waivers to student with demonstrated financial need, and enacting a test optional admissions program to broaden access for underrepresented students who don't have the ability to test or who perform below average on standardized tests.
- Expansion and refinement of the Coastal Student Success Center which provides invaluable assistance in helping students transition to and through college successfully. The student-centered staff aims to support students in developing skills and strategies to enhance their academic performance, and prepares them for success in their personal and professional lives.
- Increased use and reliability of the early alert system which provides a platform for individuals across campus – including faculty, academic advisors, athletic advisors, academic coaches, and staff in support offices – to communicate information regarding a student's academic. This allows individuals who frequently interact with a student the ability to identify trends inside and outside of the classroom. Being able to identify these trends is valuable in many instances, such as planning a course schedule and guiding a student to campus resources.
- Providing mental and medical health wellness support and nutrition consulting through LiveWell. LiveWell is a resource that provides campus-wide wellness initiatives, educational events and presentations, and services that promoted well-being. Additionally, students now have free and immediate access to medical and mental health support through TimelyCare, the leading telehealth company specializing in higher education.

Economic Environment

Coastal Carolina University is supported largely by student tuition and fees, making up 56 percent of total revenues. In spite of the fact that non-capital state appropriations only contribute approximately 10 percent to our total budget, Coastal Carolina University's in-state tuition rate is 5 percent below the average amount charged by other South Carolina four-year public universities with a similar mission. The University's administration and the Board of Trustees are mindful of the financial impact of college costs on families and closely monitor inflation before approving tuition rates each year. The Board of Trustees made the commitment to hold in-state tuition flat for the 2023-2024 academic year, as well as the prior three academic years. The overall estimated cost of attending Coastal Carolina University increased 2.5 percent and 4.3 percent for an in-state and out-of-state undergraduate student, respectively, for fiscal year 2024.

	FY 2022-2023		FY 2023-2024		\$ change		% change	
	FT		FT		FT		FT	
	In-State	Out-of-State	In-State	Out-of-State	In-State	Out-of-State	In-State	Out-of-State
Rate Comparison per Semester								
Total Undergraduate Tuition Fees	\$ 5,820	\$ 14,245	\$ 5,820	\$ 14,814	\$ -	\$ 569	0.0%	4.0%
Housing Double Occupancy	\$ 3,360	\$ 3,360	\$ 3,535	\$ 3,535	\$ 175	\$ 175	5.2%	5.2%
Basic Unlimited Meal Plan	\$ 1,900	\$ 1,900	\$ 2,000	\$ 2,000	\$ 100	\$ 100	5.3%	5.3%
Average Tuition, Room & Board	\$ 11,080	\$ 19,505	\$ 11,355	\$ 20,349	\$ 275	\$ 844	2.5%	4.3%

The chart below provides a snapshot of the University's enrollment over the last ten years. Fall 2022 semester headcount enrollment was 10,337, representing a 11 percent increase from fall 2012 to 2022.

	Fall 2012	Fall 2022	# change	% change
New Freshmen	2,206	2,662	456	20.7%
Undergraduate Headcount	8,746	9,794	1,048	12.0%
Graduate Headcount	589	543	(46)	(7.8%)
Total Headcount	9,335	10,337	1,002	10.7%
Undergraduate FTE	8,568	9,625	1,057	12.3%
Graduate FTE	291	303	12	4.1%
Total FTE	8,859	9,928	1,069	12.1%

Coastal Carolina University operates auxiliary enterprises as a means of supporting and supplementing University operations. University operated auxiliaries include University Housing, Transportation Services, Mail Services, Custodial Services, Grounds, Sustain Coastal, the CCU Arboretum, and the CINO Card. Outsourced auxiliary functions consist of Campus Dining, the Chanticleer Store, Vending, and the Early Childhood Development and Literacy Center. The outsourced auxiliary functions are operated with oversight from the Office of Auxiliary Enterprises.

The University is fortunate to receive appropriations from the South Carolina General Assembly and Horry County. In addition to offsetting tuition increases for in-state students, appropriations also provide funding for facilities maintenance and construction projects. Coastal Carolina University is also appreciative of the support received from Horry County citizens for voting to renew the one-cent local option sales tax. The sales tax was initially passed in 2008, and voter support extended it in November 2022 for another 15 years. Revenue collected from the one-cent sales tax is restricted to capital improvements, technology acquisition or repayment of debt service.

Long-Term Financial Planning

The University is in the process of creating a new comprehensive strategic plan as well as a new campus masterplan. All University constituents, including students, alumni, teachers, staff, the board of trustees, benefactors, and the general public, have been invited to participate in the process. Proper planning will ensure that resources are conserved and that projects are handled in a way that meets the needs and wishes of stakeholders. As these plans are formalized and published in the following months, the finance team will implement a strategy to achieve the strategic goals over the next five to 10 years.

Capital Initiatives

The University updates its five-year Comprehensive Permanent Improvement Plan annually. The plan outlines the anticipated permanent improvement projects that the University plans to initiate over a five-year period. It includes projected budgets for each project and anticipated funding sources. Capital improvement projects that are scheduled in fiscal year 2024 include:

- Thompson Library – This new 66,000 square foot academic building will create an environment that encourages experiential learning endeavors. The Center will feature computer labs, maker space, tutoring and academic coaching areas, and study lounges, virtual reality and visualization labs, as well as traditional classrooms and office space. This project is currently in Phase II (construction) with anticipated completion by May, 2024.

- **Kimbel Library Renovation** – This project includes renovating the building’s interior to provide dedicated areas for special collections, reading room, curriculum center, meeting rooms, offices, quiet study and student collaboration. The scope includes mechanical, electrical and plumbing upgrades, a new HVAC system and a new fire protection system, new openings for exterior storefront to enhance visual and physical connection to adjacent buildings, envelope repairs to improve humidity control, and structural seismic upgrades. This project is currently in Phase II (construction). Renovations will begin upon completion of the Thompson Library.
- **Soccer Complex Construction** – The project is being completed in a phased approach beginning with new field lighting and supporting utilities for a future building and scoreboard. Bleachers and a new press box will also be constructed. This project is currently in Phase II (construction) with anticipated completion by May, 2024.
- **Indoor Football Practice Facility** – This new approximately 90,000 square foot indoor practice facility will include a full-sized synthetic turf football field, a coach’s tower, a training room, video recording platforms, lighting and sound systems, restrooms and storage space. This project is currently in Phase II (construction) with anticipated completion by March, 2025.
- **Shift Western End of University Boulevard** – The project entails shifting approximately 0.4 miles of the western end of University Boulevard southward to the edge of campus. Brooks Stadium is currently located immediately adjacent to University Boulevard. High fan volume on game days combined with the close proximity to the roadway creates potential hazards and safety concerns. Relocating University Boulevard southward would alleviate the concentration of pedestrians on/near this main campus thoroughfare and will permit future expansion of the intercollegiate athletic complex. This project is currently in Phase II (construction) with anticipated completion by December, 2025.
- **Professional Golf Management Program Academic Learning Lab** – This new PGA Golf Management Program Academic Learning Lab will be located at Hackler Golf Course. Within the PGA Golf Management Program Academic Learning Lab, there will be a simulator which will serve as an indoor teaching/coaching lab where students can prepare for the program’s Playing Ability Test. There will be a meeting room for seminars, workshops, player development classes and academic course review for PGA testing. The facility will also include a sand putt lab, golf club alteration and repair lab, academic classrooms, food service and a pro shop. The current clubhouse at Hackler Golf Course will be demolished once this facility is complete. This project is currently in Phase II (construction) with anticipated completion by February, 2025.
- **Eaglin Residence Hall Renovation** – The project will consist of renovating the HVAC system to provide a 4-pipe system in the place of the existing 2-pipe system, allowing temperatures to be balanced throughout the building. The life safety system will also be renovated to provide mass notification to the existing fire alarm system, improving communication between fire and life safety and the resident students in emergency situations. This project is currently in Phase II (construction) and is substantially complete.

Acknowledgements

The preparation of this report is the result of dedicated teamwork by the staff in the departments of Finance and Administration, Institutional Research and Assessment, Information Technology Services, and Printing Services. A good report depends as much on data integrity at the level of each transaction as it does on statistical analysis and spreadsheet preparation. We appreciate the hard work and good humor of staff members and their adherence to quality professional standards. Significant credit is also due to the

President, the Provost and the Board of Trustees for their leadership, dedication and vision, and for their encouragement of each member of the University community to strive for excellence. The staff especially appreciates the breadth of experience and thorough review completed by the University's external auditors, Cline Brandt Kochenower & Co., P.A.

Respectfully submitted,



Alan M. West, DBA
Vice President for Finance and Administration and
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Coastal Carolina University
South Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

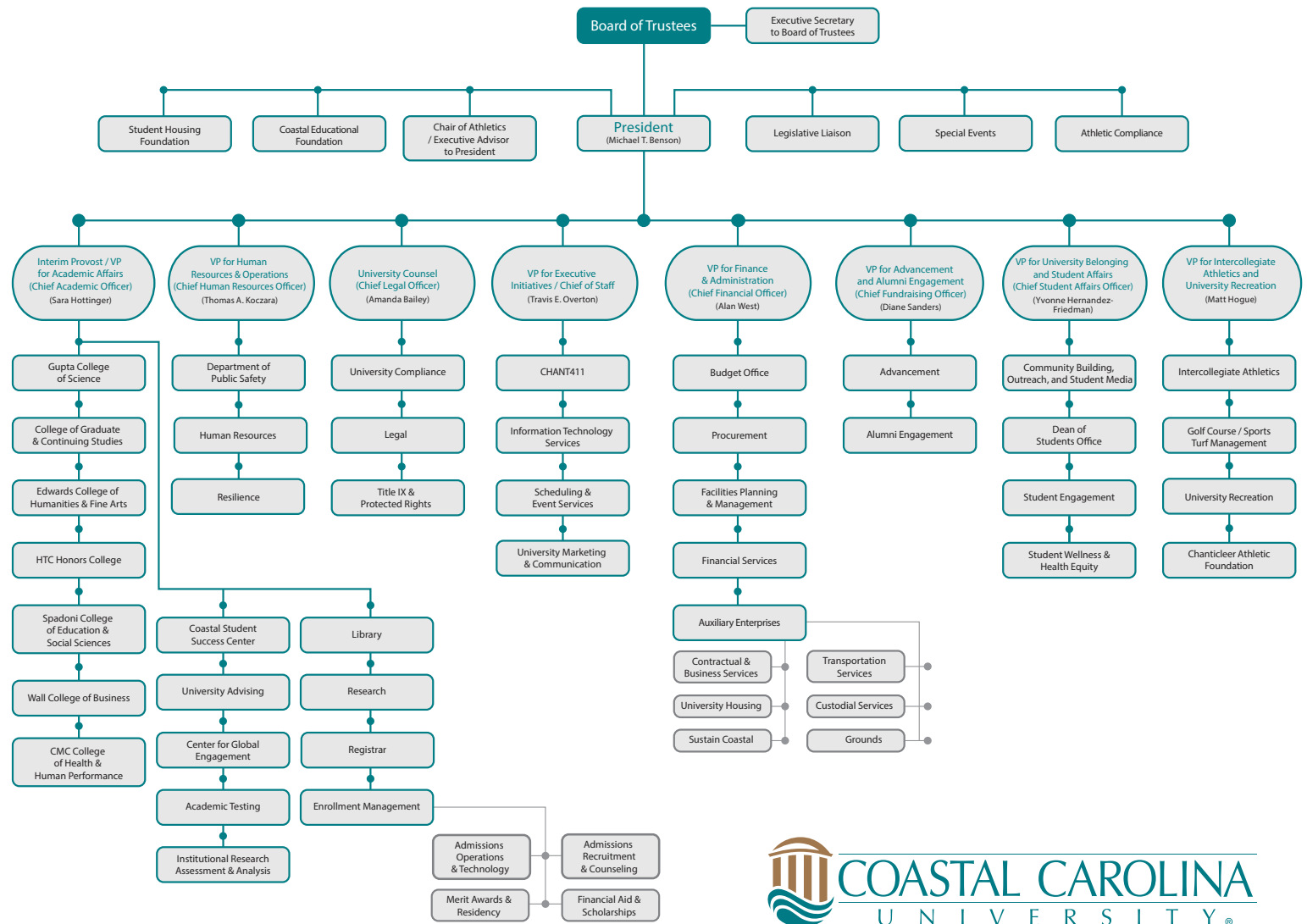
Board of Trustees 2022-2023

Henry McMaster, Governor	Ex Officio Chairperson
George E. Mullen	Congressional District 1 - Seat 1
Oran P. Smith	Congressional District 2 - Seat 2
William S. Biggs	Congressional District 3 - Seat 3
Bradley J. Poston	Congressional District 4 - Seat 4
Lisa M. Davis	Congressional District 5 - Seat 5
John H. Bartell, Jr.	Congressional District 6 - Seat 6
Natasha M. Hanna, Vice Chairman	Congressional District 7 - Seat 7
Jason M. Repak	At-Large - Seat 8
Eugene C. Spivey	At-Large - Seat 9
Mark S. Kelley	At-Large - Seat 10
William E. Turner III	At-Large - Seat 11
H. Delan Stevens, Chairman	At-Large - Seat 12
Lee A. Belcher	At-Large - Seat 13
Joe N. Jarrett, Jr.	At-Large - Seat 14
Patrick S. Sparks, Secretary/Treasurer	At-Large - Seat 15
Sherry I. Johnson	Gubernatorial Designee
Dalton B. Floyd Jr.	Gubernatorial Appointee

Finance And Administration

Employees Contributing To Financial Report 2022-2023

Alan West	Vice President and Chief Financial Officer, effective August 2023
David Frost	Former Sr. Vice President and Chief Financial Officer, retired July 2023
Julianne Cooke	Director of Budget & Capital Projects
Tammy Holt	Facilities Accountant
Olga Shabeka	Associate Vice President of University Budget & Financial Planning
Kasey Ward	Budget Analyst
Gregory Thompson	Associate Vice President of Finance and Controller
Bruce Dawson	Disbursements Manager
Daniel Hucks	Financial Services Business Analyst
Michael Wallace	Assistant Controller
Lila Taylor	Accounting Manager
Brenda Rabon	Accounts Payable Technician
Laura Signorile	Travel Card Coordinator
Tammy Parker	Accounts Payable Technician
Jennifer Watkins	Manager of Grants/Tax Accounting
Wanda Cannon-Bridges	University Receivables Accountant
Carolyn Bender	Treasury Director
Tracy Jones	Capital Assets Accountant/Internal Controls Manager
Jackie Park	Director of Student Accounts
Kale Harrelson	Cash Auditing & Student Accounts Disbursement Manager
Tukonya Vereen	Assistant Director of Student Accounts
Amanda Hanford	Student Accounts Specialist
Amber Holland	Student Accounts Specialist
Amy Angel	Student Accounts Specialist
Sherrell Richardson	Client Services Specialist
Amy Ritter	Director of Payroll
Joshua Mahaffey	Payroll Specialist
Bailey Frye	Senior Payroll Accounting Analyst
Vicky Gore	Payroll Operations Manager
Dean Hudson	Chief Procurement Officer
Jennifer West	Procurement Specialist
Casey Keck	Procurement Systems Administrator
Trenny Neff	Procurement Card Administrator
June Barfield	Procurement Card Field Auditor
Toni Richardson	Procurement Manager
Steven Glenn	Procurement Manager
Thomas Brown	Manager of Central Receiving
Jack McKee	Supply Specialist
Lauren Barker	Associate Athletic Director for Finance
Paige Dickerson	Director of Finance, Coastal Educational Foundation
Elizabeth Hinkle	Accountant, Coastal Educational Foundation
Robyn Diven	Donor Relations and Gift Coordinator



Functional Organizational Chart
(as of 09/05/2023)





Financial Section

David A. & Theresa M. DeCenzo Hall

Independent Auditor's Report

To the Members of the Board of Trustees
of Coastal Carolina University
Conway, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Coastal Carolina University (the "University"), a component unit of the State of South Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the University, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Coastal Educational Foundation, Coastal Carolina University Student Housing Foundation, and Chanticleer Athletic Foundation, which represent 100 percent of the aggregate discretely presented component units presented in the financial statements as of June 30, 2023. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for these aggregate discretely presented component units is based solely on the report of the other auditors.

Basis for Opinions

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 Coastal Educational Foundation, Coastal Carolina University Student Housing Foundation, and Chanticleer Athletic Foundation were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principles

As described in Note 1 to the financial statements, in 2023, the University adopted new accounting guidance GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment (PPP) Arrangements* and GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the University's proportionate share of the net pension liability and contributions, and the schedule of the University's proportionate share of the net OPEB liability and contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the University's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

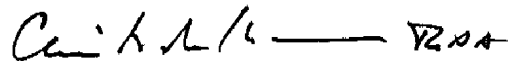
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023, on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering University's internal control over financial reporting and compliance.



Gaffney, SC
September 29, 2023



Management's Discussion and Analysis

Introduction

Coastal Carolina University (the University) is pleased to present its financial report for the year ending June 30, 2023. The Management's Discussion and Analysis is intended to be read in conjunction with the accompanying financial statements and notes and offers an overview of the University's financial activities and condition for the year. Comparative information is included but current year data and material changes are the emphasis. This section includes presently known facts, decisions and conditions affecting the financial affairs of the University.

Using the Annual Financial Report

The University's financial statements are prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). In accordance with GASB Statement No. 35, *Basic Financial Statements - and Management's Discussion and Analysis - for Public Colleges and Universities*, the University presents its financial statements in a business-type activity single column format. Furthermore, the University is a component unit of the State of South Carolina and an integral part of the State's Annual Comprehensive Financial Report.

The University's financial statements include:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows

These statements are prepared under the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged.

Following the financial statements will be the discrete presentation of the University's component units, including the Coastal Education Foundation, the CCU Student Housing Foundation, and the Chanticleer Athletic Foundation. Each component unit is a legally separate, tax-exempt entity created to support the University.

After the component unit financial statements are the notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the statements, including the details, the risks, and the underlying assumptions associated with the amounts in the financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding the University's proportionate share and contributions to South Carolina's multi-employer pension and other postemployment benefit plans.

Financial Highlights

- The prime reserve ratio is a measure of how poised an institution is to handle uncertainty and is derived by dividing expendable net position by total expenses. Typically, a good benchmark for a prime reserve ratio is 40 percent. The University ended fiscal year 2023 with a prime reserve ratio of 72 percent, which indicates the University is in a strong financial position.
- The return on net position ratio assesses an institution's ability to generate a return on its resources by dividing current year change in net position by the previous year's net position balance. At the end of fiscal year 2023, the University's net position grew by \$50 million, an increase of 54 percent. The majority of the growth falls in the categories of net investment in capital assets and restricted funds available for future capital projects. As will be discussed later, Coastal Carolina University is investing heavily in infrastructure to meet the needs of current and future students.
- The current ratio evaluates an entity's ability to pay for short-term obligations and is calculated by dividing current assets by current liabilities. The ratio is a good indicator of financial success over the next year. The University has maintained a strong current ratio of 5.01:1 and 4.98:1 in fiscal year 2023 and 2022, respectively.

Statement of Net Position

The Statement of Net Position presents the assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the University as of the end of the fiscal year. The Statement of Net Position is a point in time financial statement. The purpose of the Statement of Net Position is to present, to the readers of the financial statement, a fiscal snapshot of the University. The Statement of Net Position presents end-of-year data concerning assets (property that the University owns and amounts owed to the University), deferred outflows of resources (consumption of net position by the University that is applicable to a future reporting period), liabilities (amounts owed to third parties and amounts collected before services have been provided), deferred inflows of resources (acquisition of net position by the University that is applicable to a future reporting period), and net position (assets and deferred outflows of resources, less liabilities and deferred inflows of resources). It is prepared under the accrual basis of accounting, where revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service to the University, regardless of when cash is exchanged.

From the data presented, readers are able to determine the assets available to continue the operation of the University. They are also able to determine sums owed to vendors, investors, and lending institutions. Finally, the Statement of Net Position provides a picture of the net position and the availability for expenditure.

Net position is divided into three sections. The first section, net investment in capital assets, provides the University's equity in property, plant, and equipment owned by the University. The second section is restricted net position, which is divided into two sub-sections, nonexpendable and expendable. Restricted nonexpendable net position consists solely of the University's permanent endowment funds and is only available for investment purposes. Expendable restricted net position is available for expenditure by the University, however the monies must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on the use of the assets. The final section is unrestricted net position, which is available to the University for any lawful purpose of the University. Although unrestricted net position is not subject to externally imposed stipulations, substantially all of the University's unrestricted net position has been designated for various academic and research programs and initiatives.

As compared with last year, total assets increased by \$50 million. Of that amount, current assets grew by \$19 million. The driving force of this surge stems from an additional \$22 million in current receivables as compared to last year. The bulk of the current receivables growth is due to an \$11 million capital

contribution from the Horry County Higher Education Commission (HCHCEC), component unit capital gifts of \$4 million, the recording of public-private partnership contracts of \$4 million, state deferred maintenance funds of \$2 million, and \$1 million of interest due from investments. Many of these factors will be discussed later in the narrative and footnotes. The increase in current receivables was offset by a reduction in cash of \$3 million. Overall, capital assets experienced a \$14 million uptick in fiscal year 2023 as compared with the previous year. The growth is due to new construction in progress, equipment, vehicles, leases, and information technology (IT) subscriptions of \$35 million offset by depreciation expense and retirement of assets of \$21 million. Other assets, consisting of noncurrent receivables and restricted cash and investments, rose by \$17 million, primarily due to a long-term \$14 million capital appropriation receivable plus \$3 million for the long-term portion of a public-private partnership receivable. Please see Notes 2, 3, 4, 5, 6, and 7 for more information regarding cash, investments, receivables, loans, capital assets and public-private partnerships.

Deferred outflows rose by \$8 million from the prior year. This is the effect of increasing measurement adjustments and deferred contributions to the net pension liability (NPL) and other postemployment employee benefits liability (OPEBL). Please see Note 8 for more information related to deferred outflows of resources.

Liabilities in total dropped by roughly \$18 million from the prior year. Current liabilities climbed by 10 percent, or \$3.6 million, due to the addition of IT subscription agreements of \$1.4 million, added accounts payable of \$1.4 million, and the increased current portion of bonds payable totaling \$200 thousand. Noncurrent liabilities experienced a 4 percent decline of \$22 million, which is the net effect of a reduction in OPEBL by \$42 million and long-term bonds payable by \$9 million offset by additions to the NPL, long-term IT subscriptions, and other liabilities of \$25 million, \$2 million, \$2 million, respectively. For more information on the University's liabilities, please see Notes 11, 12, 13, 14, 16, and 17.

Deferred inflows realized a \$27 million upswing from the prior year. The NPL and OPEBL accounted for nearly all of the increase. Please see Note 8 for more information related to deferred inflows of resources.

Total net position realized an increase of \$50 million as compared with the prior year. The most notable improvement was in restricted-expendable net position, which accounted for \$36 million of the overall growth. This is due to the collection of the Horry County one-cent sales tax and capital contributions from the HCHCEC and component units. Meanwhile, net investment in capital assets grew by \$19 million, representing the fact that the University is investing in capital projects and paying down related debt at a faster rate than it is depreciating capital assets. Finally, unrestricted net position deducted \$5 million from total net position stemming from inflationary costs related to labor, services, and supplies.

Condensed Summary of Net Position

	2023	2022	Increase/ (Decrease)	Percent Change
Assets				
Current assets	\$ 205,248,759	\$ 186,109,583	\$ 19,139,176	10%
Capital assets, net	454,596,371	440,602,625	13,993,746	3%
Other assets	27,647,654	10,541,097	17,106,557	162%
Total Assets	687,492,784	637,253,305	50,239,479	8%
Deferred Outflows of Resources	84,323,466	76,084,916	8,238,550	11%
Liabilities				
Current liabilities	41,002,078	37,398,514	3,603,564	10%
Noncurrent liabilities	492,210,128	513,807,337	(21,597,209)	(4%)
Total Liabilities	533,212,206	551,205,851	(17,993,645)	(3%)
Deferred Inflows of Resources	97,575,792	70,664,374	26,911,418	38%
Net Position				
Net investment in capital assets	277,883,883	259,355,561	18,528,322	7%
Restricted - nonexpendable	165,639	166,482	(843)	(1%)
Restricted - expendable	111,966,625	76,284,014	35,682,611	47%
Unrestricted	(248,987,895)	(244,338,061)	(4,649,834)	(2%)
Total Net Position	\$ 141,028,252	\$ 91,467,996	\$ 49,560,256	54%

Statement of Revenues, Expenses and Changes in Net Position

The Statement of Revenues, Expenses and Changes in Net Position presents the activities of the University during the year. Those activities are reported as either operating or non-operating. Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the University. Operating expenses are those expenses paid to acquire or produce the goods and services needed to carry out the mission of the University. Most often, operating activities will result in a deficit because the GASB requires state appropriations, Pell grants, and gifts to be classified as non-operating revenues. The utilization of long-lived assets, referred to as Capital Assets, is reflected in the financial statements as depreciation or amortization, which depreciates or amortizes the cost of an asset over its expected useful life.

Non-operating revenues are revenues received for which goods and services are not provided. Capital appropriations, grants, and gifts are considered neither operating nor non-operating revenues and are reported after "Income before other revenues, expenses, gains or losses." Changes in total net position as presented on the Statement of Net Position is based on the activity presented in the Statement of Revenues, Expenses, and Changes in Net Position. The purpose of the statement is to present the revenues received by the University, both operating and non-operating, and the expenses paid by the University, both operating and non-operating, and any other revenues, expenses, gains and losses received or spent by the University.

There was a \$6 million increase of total revenue from the preceding year. In the fall of 2022, the University enrolled its largest freshman class in history, over 2,700 students, which had a trickledown effect on all operating revenues and represented an \$18 million improvement over the prior year. Tuition and fees rose by \$12 million as a result of a 5 percent augmented student freshman class coupled with a 4 percent increase in out-of-state tuition. As was the case with tuition and fees, sales and services experienced a \$6 million uptick in revenue as the University scrambled to find housing for all the new Chanticleers. Non-operating revenues fell by 20 percent year over year, or \$12 million. In fiscal year 2022, the University

received a large amount of Higher Education Emergency Relief Funds (HEERF). As this grant ended in the previous fiscal year, the fiscal year 2023 result was a \$27 million reduction in gifts and grants. The decrease was offset by investment income of \$9 experienced as a result of higher interest rates, \$5 million more in state appropriations, and \$1 million in growth of miscellaneous income.

In fiscal year 2023, total operating expenses rose slightly by \$2 million. Due to inflation, strong enrollment, and legislative increases to employer pension plan contributions, personnel costs and benefits, services and supplies, and utilities grew by a combined \$13.5 million. Additionally, with several capital projects placed into service during the fiscal year, depreciation climbed by 11 percent, or \$2 million. Most of the increases were offset by a drastic reduction in scholarship expense of nearly \$14 million. As discussed earlier, the University received and administered a significant amount of HEERF, of which over half was awarded to students through emergency scholarships. As was the case with the revenue, this entire abatement of expense is attributable to the conclusion of the grant.

Capital appropriations, gifts, and grants totaled more than \$43 million for fiscal year 2023, representing a 26 percent improvement, or \$9 million, as compared with fiscal year 2022. Of the total revenue, the Horry County one-cent sales tax accounts for \$16.7 million, which is restricted to capital projects or repayment of debt service and represents 39 percent of the capital revenue. Other factors contributing to the growth are: HCHEC capital contribution of \$11 million for the construction of a new professional golf management academic building and the renovation of the Kimbel Library, State deferred maintenance funds of \$12 million, and a \$3.5 million gift from the Student Housing Foundation for the construction of a new soccer stadium.

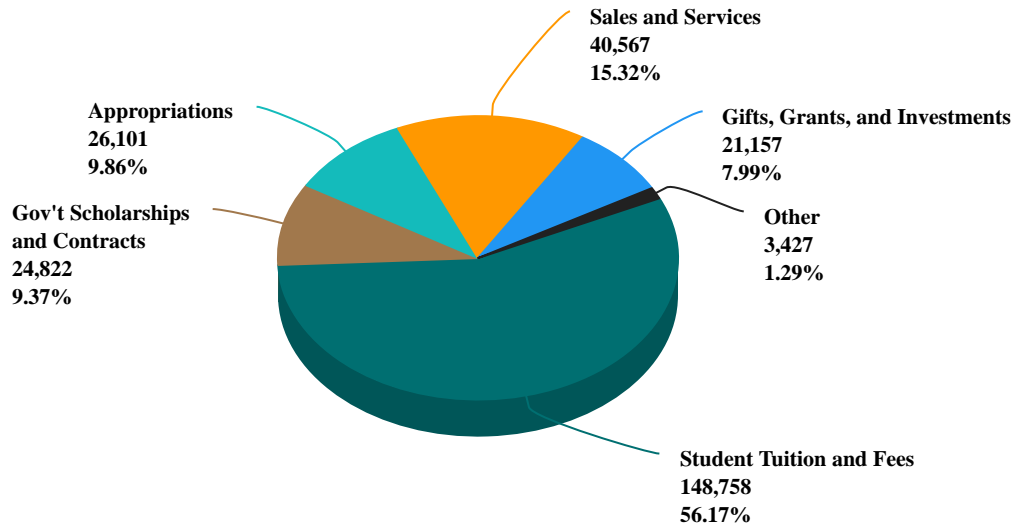
Condensed Summary of Revenues, Expenses and Changes in Net Position

	2023	2022	Increase/ (Decrease)	Percent Change
Revenues:				
Student tuition and fees	\$ 148,758,210	\$ 137,178,155	\$ 11,580,055	8%
Scholarships, contracts, and grants	24,821,526	24,634,508	187,018	1%
Sales and services	40,566,539	34,134,208	6,432,331	19%
Other operating revenues	1,812,600	1,721,867	90,733	5%
Total operating revenues	215,958,875	197,668,738	18,290,137	9%
State appropriations	25,610,589	20,186,081	5,424,508	27%
Local appropriations	490,321	485,904	4,417	1%
Gifts and grants	17,964,690	45,098,378	(27,133,688)	(60%)
Investment income	3,192,262	(5,371,959)	8,564,221	(159%)
Other miscellaneous	1,614,610	625,888	988,722	158%
Total non-operating revenues	48,872,472	61,024,292	(12,151,820)	(20%)
Total Revenues	264,831,347	258,693,030	6,138,317	2%
Expenses:				
Personnel costs and benefits	158,920,642	149,109,854	9,810,788	7%
Services and supplies	51,210,572	47,575,136	3,635,436	8%
Utilities	8,652,114	8,613,063	39,051	0%
Scholarships	12,872,364	26,570,160	(13,697,796)	(52%)
Depreciation	21,379,519	19,345,635	2,033,884	11%
Total operating expenses	253,035,211	251,213,848	1,821,363	1%
Interest & bond defeasance cost	5,675,230	5,938,898	(263,668)	(4%)
Total Expenses	258,710,441	257,152,746	1,557,695	1%
Income before other revenues, expenses, gains/losses	6,120,906	1,540,284	4,580,622	297%
Other Revenues, Expenses, Gains/Losses:				
Capital appropriations	39,921,346	29,428,283	10,493,063	36%
Capital gifts and grants	3,518,004	4,970,544	(1,452,540)	(29%)
Change in Net Position	49,560,256	35,939,111	13,621,145	38%
Net Position, beginning of year	91,467,996	55,528,885	35,939,111	65%
Net Position, end of year	\$ 141,028,252	\$ 91,467,996	\$ 49,560,256	54%

Total Revenues by Source

(thousands of dollars)

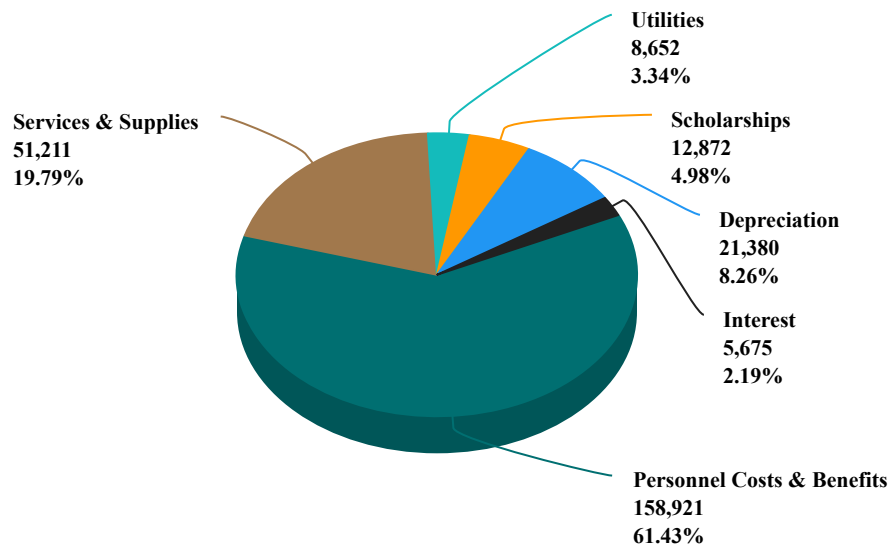
\$264,832



Total Expenses by Classification

(thousands of dollars)

\$258,711



Capital Assets and Debt

Capital assets as of June 30, 2023, consisted of \$37.5 million in land, \$31.9 million in construction in progress, and \$385.1 million in land improvements, buildings, equipment, vehicles, capital leases and subscriptions, net of accumulated depreciation and amortization.

Construction in progress increased by \$23.8 million from the prior year. New construction of \$26.3 million was added. The most notable drivers of the upsurge include the commencement of the Thompson Library construction and the Eaglin Residents Hall renovation. Meanwhile projects totaling \$2.5 million were completed and transferred into buildings and improvements during fiscal year 2023. The major assets placed into service during the year included the Hackler Cart Paths and Curbing renovation, the Library Compact Shelving project, and the Chick-fil-A renovation. For additional information on capital asset activity, please refer to Note 6.

The University anticipates needing approximately \$73 million over the next 10 years to maintain and repair buildings, roads, and other land improvements and intends to address these maintenance needs through its yearly operating budget and continued efforts to obtain gifts, grants and capital appropriations.

Debt relating to the University's capital assets totals approximately \$171.7 million for the year ending June 30, 2023. Of that amount, \$8 million is due in fiscal year 2024 with the remaining \$163.7 million due in subsequent years. Details of bonds payable and long-term liabilities of the University are found in Notes 13 and 14.

Economic Outlook

In December 2022, Moody's downgraded its U.S. higher education outlook from 'stable' to 'negative', citing "high inflation, a tight labor market and the return to more normal operations will drive sector expenses materially higher". Meanwhile, according to the agency's analysis, net tuition and other operating revenues will lag behind inflation rates at an estimated 1 to 3 percent industry wide causing institutions to tap into reserves. When one considers this economic data coupled with the demographic challenges presented by declining high school graduates in certain pockets of the United States, it becomes apparent as to why Moody's changed its sector-wide outlook. The University shares many of these concerns and is taking the steps necessary to combat these challenges focusing on recruiting and retaining high quality students and building out the campus infrastructure.

For example, several years ago, the University implemented two admissions strategies designed to attract a broader base of diverse students; 'the common app' and test optional admissions. The common app is a voluntary member organization designed to simplify the college admissions process by creating a standardized application with the goals of lowering logistical and systemic barriers, while serving and supporting a diverse group of students. The test optional approach sets a threshold of high school performance that, if met, exempts the applicant from needing to present additional standardized tests like the SAT and ACT. This is a philosophical shift in the traditional college and university admissions landscape and aims to reduce barriers to higher education.

Both of these strategies have paid off for Coastal Carolina University. Over the past three years, the University has welcomed its largest freshman classes in history, with over 2,500, 2,600, 2,700 in the fall of 2021, 2022, and 2023, respectively. And while the University is thrilled with the growth, further confirmation of the strategy can be found in the student retention rates. Five years ago, the University reported a Fall 2018 retention rate of 68.4 percent, for Fall 2022 the rate has increased to 75.7 percent. The University is well positioned to continue on the trajectory of significant growth for several reasons including its geographic location, capital improvement projects planned over the next decade, and the diversification and strengthening of South Carolina's economy.

The University's obvious advantage of being located 8 miles from the Atlantic Ocean and directly next to Myrtle Beach, a top 10 U.S. tourist destination, is uniquely appealing to students and their families. However, more importantly, and perhaps less apparent, is the population growth patterns in this region of the country. As a state, South Carolina's residents grew by 1.7 percent during fiscal year 2022, ranking it the 3th fastest growing state in the country according to the US Census Bureau. Moreover, within South Carolina, Horry County increased 30.4 percent between 2010 and 2020 making it the fastest-growing county in South Carolina. These demographic changes present an immediate opportunity for the University, provided it can lay the infrastructure needed to meet demand. Fortunately, capital improvement projects are a unique strength of Coastal Carolina University that distinguishes it from other academic institutions. This is largely due to the support of the Horry County residents through the one-cent (or penny) sales tax and the Horry County Higher Education Commission. The penny tax is a one-cent sales tax placed on goods sold in Horry County and restricts those funds for education capital improvements for the K-12 School District, Horry-Georgetown Technical College, and Coastal Carolina University. This past fall, residents voted to keep this tax in place for another 15 years, which is estimated to provide over \$300 million in funding to the University. Similarly, the HCHEC is a group of Horry County residents that are charged with allocation of funds collected through property taxes for higher educational institutions. With these funding mechanisms in place, the University is well positioned to execute large capital projects needed to meet the demands of a larger student population.

The University focuses on constructing buildings that will enhance the campus, which has proven successful by the increase in student enrollment and retention. The PGA Golf Management Program Academic Learning Lab is one notable example. Coastal Carolina University is one of only sixteen schools

in the country with a professional golf management program. Participants of this program graduate with a Bachelor of Science degree in business administration and complete the PGA of America's membership requirements. As it stands, students take their courses in the Wall College of Business on one side of the campus and walk across campus to the Hackler golf course for training requirements. For students, the new building will house academic classrooms, meeting rooms, workshop areas, and labs, allowing students to immerse themselves in their studies. For the public, this addition will provide food services, a lounge, and a pro shop. Construction will be funded through a combination of HCHEC contributions and the penny sales tax. The improvements are more than brick and mortar buildings; they have created a new energy that is attractive to all stakeholders, including, most significantly, the students.

These proactive measures will build on the momentum created by the improvements, quality programs, and the enthusiasm of students, staff, and faculty led by the President and will usher Coastal Carolina University into a period of growth and larger economic impact.

Statement of Net Position

June 30, 2023

ASSETS	
CURRENT ASSETS	
Cash and cash equivalents	\$ 92,335,978
Accounts receivable, net of provision for doubtful accounts	31,609,034
Due from component units	6,268,734
Inventories	1,277,029
Prepaid expenses	2,639,523
RESTRICTED CURRENT ASSETS	
Cash and cash equivalents	71,118,461
Total current assets	205,248,759
NONCURRENT ASSETS	
Capital assets, net of accumulated depreciation	
Land	37,527,369
Construction in progress	31,932,673
Building and improvements	374,590,178
Equipment and vehicles	5,289,103
Leases	1,646,364
Subscriptions	3,610,684
Accounts receivable	25,987,037
Due from component units	550,000
RESTRICTED NONCURRENT ASSETS	
Cash and cash equivalents	207,867
Investments	807,611
Loans to students, net	95,139
Total noncurrent assets	482,244,025
TOTAL ASSETS	687,492,784
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on debt refunding	108,192
Deferred outflows related to net pension liability	28,094,586
Deferred outflows related to net OPEB liability	56,120,688
TOTAL DEFERRED OUTFLOWS OF RESOURCES	84,323,466
LIABILITIES	
CURRENT LIABILITIES	
Accounts and retainage payable	9,893,669
Due to component units	26,201
Accrued payroll and related liabilities	14,257,995
Unearned revenue and deposits	4,420,625
Funds held for others	434,938
Accrued compensated absences	705,656
Bonds payable	8,750,310
Leases payable	509,704
Subscriptions payable	1,389,200
Interest payable	613,780
Total current liabilities	41,002,078
NONCURRENT LIABILITIES	
Accrued compensated absences	5,541,590
Federal Perkins loan funds	137,367
Bonds payable	162,939,717
Leases payable	1,172,765
Subscriptions payable	1,999,555
Net pension liability	168,906,607
Net OPEB liability	149,615,744
Other liabilities	1,896,783
Total noncurrent liabilities	492,210,128
TOTAL LIABILITIES	533,212,206
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to public-private partnerships	5,876,590
Deferred inflows related to net pension liability	11,230,114
Deferred inflows related to net OPEB liability	80,469,088
TOTAL DEFERRED INFLOWS OF RESOURCES	97,575,792
NET POSITION	
Net investment in capital assets	277,883,883
Restricted for:	
Endowment - nonexpendable	165,639
Capital Projects - expendable	109,868,540
Debt Service - expendable	2,098,085
Unrestricted	(248,987,895)
TOTAL NET POSITION	141,028,252

See Accompanying Notes to the Financial Statements.

Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2023

OPERATING REVENUES

Student tuition and fees (\$4,420,724 is pledged for debt service), net of scholarship allowance of \$57,238,616	\$ 148,758,210
Scholarships, contracts and grants	24,821,526
Sales and services of educational departments	9,034,585
Sales and commissions of auxiliary enterprises, net of scholarship allowance of \$12,132,744	31,531,954
Other fees	1,812,600
Total Operating Revenues	215,958,875

OPERATING EXPENSES

Personnel costs and benefits	158,920,642
Services and supplies	51,210,572
Utilities	8,652,114
Scholarships	12,872,364
Depreciation	21,379,519
Total Operating Expenses	253,035,211

OPERATING LOSS **(37,076,336)**

NON-OPERATING REVENUES (EXPENSES)

Non-capital state appropriations	25,610,589
Federal grants	13,576,988
Local appropriations	490,321
Grants and contracts	23,350
Gifts	4,364,352
Investment and endowment income	3,192,262
Interest on capital asset related debt	(5,675,230)
Other miscellaneous revenue	1,614,610
Net Non-Operating Revenues	43,197,242

**INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS
AND LOSSES** **6,120,906**

State capital appropriations	12,000,000
Local capital appropriations	27,921,346
Capital grants and gifts	3,518,004
Increase in Net Position	49,560,256

NET POSITION

Net Position, beginning of year	91,467,996
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NET POSITION, END OF YEAR **\$ 141,028,252**

Statement of Cash Flows

For the Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 169,357,366
Grants and contracts	26,506,044
Other operating cash receipts	867,636
Payments to employees and benefits	(161,503,502)
Payments to suppliers	(57,111,651)
Loans to students	(77,966)
Funds held for others	237,310
Net cash used by operating activities	(21,724,763)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
State, county, and local appropriations	9,430,358
Gifts and grants	4,497,661
Pell Grants	13,576,987
Net cash flow provided by noncapital financing activities	27,505,006
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
State and local capital appropriations	28,758,346
Gifts and grants for capital purposes	6,124,260
Purchase of capital assets	(29,790,958)
Principal and interest paid on capital debt and leases	(15,790,473)
Net cash used by capital activities	(10,698,825)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	1,918,154
Net cash flows provided by investing activities	1,918,154
Net change in cash	(3,000,428)
Cash beginning of year	166,662,734
Cash end of year	\$ 163,662,306
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES	
Operating loss	\$ (37,076,336)
Adjustments for noncash items provided by operating activities:	
Depreciation expense	21,379,519
Bad debt expense	1,931,008
Donated goods and services	719,490
CHANGE IN ASSETS AND LIABILITIES	
Receivables, net	(9,345,935)
Grants and contracts receivable	(4,541,500)
Student loans receivable	144,832
Prepaid expenses	116,743
Inventories	(273,577)
Accounts and retainages payable	1,487,353
Accrued salaries, absences, and related liabilities	(2,652,111)
Unearned revenue	6,371,239
Deposits held for others	237,310
Perkins loan federal share	(222,798)
Net cash used by operating activities	\$ (21,724,763)
NONCASH TRANSACTIONS	
Decrease in fair value of investments	\$ (446,311)
Capital grants and gifts receivable	3,518,004
Capital assets acquired through leases and subscriptions	5,550,143

See Accompanying Notes to the Financial Statements.

Nongovernmental Component Unit
Coastal Educational Foundation
Statement of Financial Position
June 30, 2023

ASSETS

Cash and cash equivalents	\$ 2,635,511
Accounts receivable and promises to give, net	5,013,447
Investments	61,151,770
Real estate held for investment	270,000
Cash value of life insurance	56,547
Property and equipment, net	5,286,441
TOTAL ASSETS	\$ 74,413,716

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable - related party	\$ 2,104,652
Accounts payable	34,741
Deferred revenue	28,333
Total liabilities	2,167,726
Net Assets	
Without donor restrictions	9,411,175
With donor restrictions	62,834,815
Total net assets	72,245,990
TOTAL LIABILITIES AND NET ASSETS	\$ 74,413,716

Nongovernmental Component Unit
Coastal Educational Foundation
Statement of Activities
For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	\$ 1,915	\$ 4,526,342	\$ 4,528,257
Contributions - nonfinancial assets	530,346	-	530,346
Endowed and other investment income, net:			
Interest income	6,021	-	6,021
Net appreciation in fair value of investments	951,726	4,851,667	5,803,393
Change in cash value of life insurance	5,778	9,005	14,783
Lease income	351,510	-	351,510
Royalty income	-	18,412	18,412
Fundraising income	-	84,447	84,447
Gain on land donation	-	-	-
Miscellaneous income	1,877	150,000	151,877
Net assets released from restrictions	2,775,636	(2,775,636)	-
Total revenues, gains, and other support	4,624,809	6,864,237	11,489,046
EXPENSES			
Program services:			
Scholarships	880,039	-	880,039
University support	777,583	-	777,583
Facilities development and physical plant	32,072	-	32,072
Individual college support	1,072,207	-	1,072,207
Supporting services:			
Management and general	910,077	-	910,077
Fundraising expenses	221,513	-	221,513
Total expenses	3,893,491	-	3,893,491
Change in net assets	731,318	6,864,237	7,595,555
Net assets, beginning of year	8,679,857	55,970,578	64,650,435
NET ASSETS, END OF YEAR	\$ 9,411,175	\$ 62,834,815	\$ 72,245,990

Nongovernmental Component Unit
CCU Student Housing Foundation
Consolidated Statement of Financial Position
June 30, 2023

ASSETS

Cash and cash equivalents	\$ 112,974
Investments	4,299,333
Prepaid insurance	4,553
Land held for development	1,875,036
TOTAL ASSETS	<u>\$ 6,291,896</u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable	\$ 17,211
Accounts payable - related party, current portion	3,531,090
Accounts payable - related party, noncurrent portion	135,000
Total liabilities	<u>3,683,301</u>
Net Assets	
Without donor restrictions	<u>2,608,595</u>
Total net assets	<u>2,608,595</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,291,896</u>

**Nongovernmental Component Unit
CCU Student Housing Foundation
Consolidated Statement of Activities
For the Year Ended June 30, 2023**

	Without Donor Restrictions
REVENUES, GAINS, AND OTHER SUPPORT	
Interest income	\$ 96,826
Unrealized loss, net	53,213
Realized gain	256
Other revenues	53,446
Total revenues, gains and other support	203,741
EXPENSES	
Program services - support of Coastal Carolina University	3,701,991
Management and general	80,305
Total Expenses	3,782,296
Change in net assets	(3,578,555)
Net assets, beginning of year	6,187,150
NET ASSETS, END OF YEAR	\$ 2,608,595

Nongovernmental Component Unit
Chanticleer Athletic Foundation
Statement of Financial Position
June 30, 2023

ASSETS

Cash and cash equivalents	\$ 3,394,582
Promises to give, net	3,619,357
Accounts receivable	82,500
Accounts receivable - related parties	24,434
Investments	13,018,925
Prepaid expenses	86,660
TOTAL ASSETS	\$ 20,226,458

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable - related party	\$ 167,692
Accounts payable	51,798
Deferred revenue	2,107,900
Contributions payable - related parties	1,045,300
Note payable	330,429
Total liabilities	3,703,119
Net Assets	
Without donor restrictions	2,608,612
With donor restrictions	13,914,727
Total net assets	16,523,339
TOTAL LIABILITIES AND NET ASSETS	\$ 20,226,458

Nongovernmental Component Unit
Chanticleer Athletic Foundation
Statement of Activities
For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	\$ 1,822,012	\$ 731,740	\$ 2,553,752
Contributions - nonfinancial assets	1,066,230	-	1,066,230
Investment income, net	335,205	-	335,205
Fundraising proceeds	221,709	75,296	297,005
Miscellaneous income	409,667	84,404	494,071
Net assets released from restrictions	553,047	(553,047)	-
Total revenues, gains, and other support	4,407,870	338,393	4,746,263
EXPENSES			
Program service			
Support of Coastal Carolina University Athletics Program	1,644,047	-	1,644,047
Supporting services			
Management and general	1,195,224	-	1,195,224
Fundraising	333,929	-	333,929
Total expenses	3,173,200	-	3,173,200
Change in net assets	1,234,670	338,393	1,573,063
Net assets, beginning of year	1,373,942	13,576,334	14,950,276
NET ASSETS, END OF YEAR	\$ 2,608,612	\$ 13,914,727	\$ 16,523,339

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations: Coastal Carolina University is a State-supported, coeducational institution of higher education. The primary mission of the University is to develop students who are both knowledgeable in their chosen fields and prepared to be productive, responsible, healthy citizens with a global perspective. The University offers bachelors, masters, and terminal degrees accredited by the Southern Association of Colleges and Schools Commission of Colleges.

Reporting Entity: The financial reporting entity, as defined by GASB Statement No. 14, *The Financial Reporting Entity*, and amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus, consists of the primary government and all of its component units*. Component units are legally separate organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the financial statements to be misleading or incomplete. Accordingly, the financial statements present the University as the primary government with three discretely presented component units, the Coastal Educational Foundation, the CCU Student Housing Foundation, and the Chanticleer Athletic Foundation.

The Coastal Educational Foundation (the CEF) is a legally separate, tax-exempt entity that was chartered by the State of South Carolina in October 1954 for the purpose of soliciting, receiving, managing and distributing gifts for educational purposes in support of Coastal Carolina University. The CEF's activities are governed by its board of directors. The CEF's support comes primarily from contributions from alumni, local individuals and businesses. Although the University does not control the timing or amount of receipts from the CEF, the majority of resources and income thereon that it holds and invests are restricted to the activities of the University by donors. Because these restricted resources can only be used by, or for the benefit of, the University, the CEF is considered a component unit of the University.

The CCU Student Housing Foundation (SHF) is also a legally separate, tax-exempt entity that was chartered in 2002 to provide housing for Coastal students and to provide support for various other University programs. The Coastal Housing Foundation, LLC (CHF), a not-for-profit corporation, was organized in 2005. The SHF is the owner and sole member of the CHF. For the purposes of the University's ACFR note disclosures, the SHF and the CHF will be referred to hereafter as one entity, SHF. Moreover, for the purposes of financial presentations, both the SHF and the CHF are reported as one consolidated entity. The activities of the SHF are governed by its board of directors. The SHF is considered a component unit because its economic resources are held entirely for the benefit of the University.

The Chanticleer Athletic Foundation (the CAF) is another legally separate, tax-exempt, not-for-profit organization incorporated under the laws of South Carolina as the University's athletic fund-raising organization. Contributions to CAF are used for athletic scholarships, facilities and program development. The CAF's support comes primarily through individual donor contributions, annual fundraising campaigns and special events.

The CEF, the SHF, and the CAF are not deemed to be governmental entities because a controlling majority of the membership is not appointed by the University and there is no potential for unilateral dissolution by the University, with the net assets reverting to the University. In addition, these components do not have the power to enact and enforce a tax levy, nor the ability to directly issue debt that pays interest exempt from federal taxation. Also, the foundations report their financial results under Financial Accounting Standards Board (FASB) statements, the most significant of which are FASB ASC 958-605, Revenue Recognition and FASB ASC 958, Presentation of Financial Statements of Not-for-Profit Entities. As such, certain revenue recognition criteria and presentation features are different from GASB. Because the foundations are deemed not to be governmental entities and because they use a different reporting model, their balances and transactions are reported on separate financial statements. Copies of the separately issued financial statements for the CEF, the SHF, and the CAF can be obtained by sending a request to the executive director of each foundation at the following address: P.O. Box 261954, Conway, SC, 29528-6054.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Financial Statement Presentation: The financial statement presentation for the University meets the requirements of GASB Codification Sections 2100- 2900, Financial Reporting Entity, and Co5, Colleges and Universities. The financial statement presentation provides a comprehensive, entity-wide perspective of the University’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, expenses, changes in net position, and cash flows.

Basis of Accounting: For financial reporting purposes, the University is considered a special-purpose government engaged only in business-type activities. Accordingly, the University’s financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned and expenses are recorded when an obligation has been incurred. Student tuition and auxiliary enterprise fees are presented net of scholarships and fellowships applied to student accounts, while stipends and other payments made directly are presented as scholarship and fellowship expenses. All significant intra-agency transactions have been eliminated.

Cash and Cash Equivalents: For purposes of the statement of cash flows, the University and its component units consider all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the State of South Carolina State Treasurer’s Office are considered cash equivalents.

Accounts Receivable: Accounts receivable consists of tuition and fee charges to students, gift pledges, and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also include amounts due from the federal government, state and local governments, component units, and private sources in connection with reimbursement of allowable expenditures made pursuant to the University’s grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

Inventories and Prepaid Items: Inventories for internal use are valued at cost. Inventories for resale are carried at the lower of cost or market.

Investments: The University accounts for its investments at fair value in accordance with GASB Statement No.31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB Statement No. 72, *Fair Value Measurement and Application*. Changes in unrealized gain (loss) on the carrying value of investments are reported as a component of investment income in the statement of revenues, expenses, and changes in net position.

Capital Assets: Capital assets are recorded at cost on the date of acquisition. Donated capital assets, donated works of art, historical treasures and similar assets are recorded at acquisition value. The 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, renovations and other improvements that add to 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. In addition, depreciable land improvements, buildings and improvements, and intangible assets costing in excess of \$100,000 are capitalized. Routine repairs, maintenance and library materials are charged to operating expenses in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets. The estimated useful life for buildings and improvements is 10 to 50 years; 10 to 15 years for land improvements; 3 to 25 years for vehicles, equipment and machines; 3 years for intangible assets externally acquired – internally generated not capitalized. A full month of depreciation is taken the month the asset is placed in service and no depreciation is taken the month of disposition.

Deferred Outflows of Resources: Deferred outflows of resources are defined as a consumption of net assets by the University that is applicable to a future reporting period. These deferred outflows of resources have a positive effect on net position that is similar to assets but are not assets. The following types of

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

transactions will be reported as deferred outflow of resources: deferred debit amounts resulting from the refunding of debt, employer retirement contributions subsequent to the measurement date, and changes in assumptions regarding the net pension liability or net other postretirement benefit liability.

Unearned Revenues and Deposits: Unearned revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Student deposits are recognized as revenue during the semester for which the fee is applicable and earned when the deposit is nonrefundable to the student under the forfeit terms of the agreement. Also included in unearned revenue are grant funds received but not yet expended for their restricted purpose and amounts paid in advance for football tickets.

Funds Held for Others: Funds held for others result from the University acting as an agent, or fiduciary, for entities which have a relationship with the University's activities or from the University acting as an agent for certain student loans.

Compensated Absences: Employee vacation pay expense is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as accrued vacation payable in the statement of net position, and as a component of compensation and benefit expense in the statement of revenues, expenses and changes in net position.

Federal Perkins Loans Receivable and Related Liability: The loans receivable on the balance sheet are due to the University under the Federal Perkins Loan program. This program is funded primarily by the federal government with the University providing a required match. The amount reported as federal loan liability is the amount of cumulative federal contributions and a pro-rata share of net earnings on the loans under this program.

Net Pension Liability: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS), and additions to/deductions from SCRS' and PORS' fiduciary net position, have been determined on the same basis as they are reported by the South Carolina Public Employee Benefit Authority. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits: For purposes of measuring the net other postemployment benefits, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, and benefit expense, information about the fiduciary net position of the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the Long-term Disability Insurance Trust Fund (SCLTDITF), and additions to/deductions from SCRHITF' and SCLTDITF' fiduciary net position, have been determined on the same basis as they are reported by the South Carolina Public Employee Benefit Authority. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources: Deferred inflows of resources are defined as an acquisition of net assets by the University that is applicable to a future reporting period. These deferred inflows of resources have a negative effect on net position, but are not considered liabilities. The following types of transactions will be reported as deferred inflows of resources: amortization of any service concession arrangement such as the third-party vendor who manages the University's bookstore and changes in assumptions regarding the net pension liability or net other postretirement benefit liability.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Net Position: The University's net position includes the following categories:

Net investment in capital assets: This represents the University's total investment in capital assets, net of related debt. To the extent debt has been incurred but not yet expended for capital assets, such amounts are excluded as a component of net invested in capital assets.

Restricted – expendable: Restricted expendable component of net position includes resources which the University is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.

Restricted – nonexpendable: Nonexpendable restricted component of net position consists of endowment and similar type funds for which donors or other outside sources have stipulated as a condition of the gift instrument that the principal is to be maintained inviolate and in perpetuity and invested for the purpose of producing present and future income which may either be expended or added to principal.

Unrestricted: The unrestricted component of net position represents resources derived from student tuition and fees, appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the University, as well as for repair and renovations to the physical plant, and may be used at the discretion of the governing board to meet current expenses for any purpose.

The University policy for applying expenses that can use both restricted and unrestricted resources is delegated to the departmental administrative level. General practice is to first apply the expense to restricted resources, then to unrestricted resources.

Classification of Revenue and Expense: The University classifies its revenues and expenses as either operating or non-operating. Operating revenues generally result from exchange transactions arising from the University's principal ongoing activity, which is the provision of higher education. Operating revenues include: (1) student tuition and fees received in exchange for providing educational services, housing and other related services to students; (2) receipts for scholarships where the provider has identified the student recipients or eligibility criteria; (3) fees received from organizations and individuals in exchange for miscellaneous goods and services provided by the University; and (4) grants and contracts that are essentially the same as contracts for services that finance programs the University would not otherwise undertake. In past years, higher education institutions have treated Pell Grants as federal operating grants. In accordance with Question 7.72.10 of GASB's Comprehensive Implementation Guide, the South Carolina Comptroller General's Office requires Pell Grant activity to be reported as non-operating revenues. Operating expenses result from providing the goods and services exchanged for the respective revenues.

All revenues and expenses not meeting the definition of operating revenues are reported as non-operating revenues and expenses. Such transactions generally arise from activities that have characteristics of non-exchange transactions. Examples include gifts and contributions, government appropriations, investment income, and any grants and contracts that are not classified as operating revenue or that are restricted by the grantor to be used exclusively for capital purposes.

Scholarship Discounts and Allowances: Student tuition and fee revenues, and certain other revenues from students, are reported net of scholarship discounts and allowances in the statement of revenue, expenses and changes in net position. Scholarship discounts and allowances are the difference between the stated charge for goods and services provided by the University and the amount that is paid by students and/or third parties making payments on the students' behalf. Certain governmental grants, such as Pell Grants, and other federal, state or nongovernmental programs, are recorded as either operating or non-operating revenues in the University's financial statements. To the extent that revenues from such programs are used to satisfy tuition and fees and other student charges, the University has recorded a scholarship discount and allowance.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Sales and Services of Educational and Other Activities: Revenues from sales and services of educational and other activities generally consist of amounts received from instructional, laboratory, research and public service activities that incidentally create goods and services which may be sold to students, faculty, staff and the general public. The University receives such revenues primarily from grant-related activities, rental of University space, travel-study courses, research and public service centers, and the physical education center.

Auxiliary Enterprises and Internal Service Activities: Auxiliary enterprise revenues primarily represent revenues generated by housing, bookstore, vending/canteen and food service. Transactions between the University and its auxiliary enterprises activities have been eliminated.

Rebatable Arbitrage: Arbitrage involves the investment of proceeds from the sale of tax-exempt securities in a taxable investment that yields a higher rate of return, resulting in income in excess of interest costs. Federal law requires entities to rebate to the government such income on tax-exempt debt if the yield from these earnings exceeds the effective yield on the related tax-exempt debt issued.

Governments are exempt from the rebate requirement if they meet these investment tests: if their bond proceeds are “available construction proceeds” or if they issue no more than \$5 million in total of all such debt in a calendar year. For this purpose, tax-exempt indebtedness includes bonds and installment purchases. Potential rebate liability must be calculated annually, and the actual liability must be paid every five years or at maturity of the debt, whichever is earlier. An outside bond consulting company calculates the total arbitrage obligation for a group of South Carolina state agencies, one of which is Coastal Carolina University. No arbitrage obligation has been reported for Coastal Carolina University as of June 30, 2023.

Income Taxes: The University, as a political subdivision of the State of South Carolina, is excluded from federal income taxes under Section 115(1) of the Internal Revenue Code, as amended. The Foundations are exempt from income tax under the provisions of Internal Revenue Code Section 501(c)(3). No provision for income taxes has been made.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures and affect disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Change in Accounting Principles: For the year ended June 30, 2023, the University implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment (PPP) Arrangements*. The standard enhances financial reporting by addressing issues related to situations where a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction.

The University also implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). Under this statement, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. Both the asset and the liability are amortized systematically over the period of the subscription term.

These changes were incorporated in the University’s June 30, 2023 financial statements but had no effect on the beginning net position.

NOTE 2 – CASH AND CASH EQUIVALENTS, OTHER DEPOSITS AND INVESTMENTS

All deposits of the University are under the control of the state treasurer, who by state law has sole authority for investing state funds.

The following schedule reconciles Deposits to the Statement of Net Position amounts:

Statement Of Net Position	
Cash and Cash Equivalents - Current	\$ 92,335,978
Cash and Cash Equivalents - Restricted	
Debt Service	1,828,894
Capital Projects	69,289,567
Other	42,228
Cash and Cash Equivalents - Endowments	165,639
Investments	807,611
Total	\$ 164,469,917
Deposits	
Cash on Hand	\$ 19,270
Deposits Held by State Treasurer	163,643,036
Investments	807,611
Total	\$ 164,469,917

Cash On Hand: At June 30, 2023, the University had \$19,270 of cash on hand in the form of petty cash and change funds for operational needs.

Deposits Held by State Treasurer: State law requires full collateralization of all State Treasurer bank balances; therefore, University deposits held by the State Treasurer totaling \$163,643,036 as of June 30, 2023 are fully collateralized. The state treasurer must correct any deficiencies in collateral within seven days. 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 deposits are disclosed in the Annual Comprehensive Financial Report of the State of South Carolina.

Investments: The University holds investments to pay benefits above the Section 415 limit under section 415(m) of the Internal Revenue Code of 1986 (26 U.S.C.). Contributions to this arrangement are made from the University. These contributions are invested separately by a financial firm, American International Group, Inc., and may not be commingled with other funds of the University.

Moreover, the University categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

All of the University investments are in mutual funds with readily determinable fair values in an active markets and therefore are categorized as Level 1. At June 30, 2023, the fair value of investments, which include unrealized appreciation, totaled \$807,6111.

NOTE 3 – RESTRICTED ASSETS

The purposes and amounts of University restricted assets at June 30, 2023, are as follows:

Current

Cash and Cash Equivalents		
Satisfaction of Debt Covenants	\$	1,828,894
Capital Projects		69,289,567
Total Restricted Current Assets	\$	71,118,461

Noncurrent

Cash and Cash Equivalents		
Endowments	\$	165,639
Federal Perkins Loan Program		42,228
Investments		807,611
Loans to Students, net of allowance		95,139
Total Restricted Noncurrent Assets	\$	1,110,617

NOTE 4 – ACCOUNTS RECEIVABLE

University current and non-current receivables for June 30, 2023 are as follows:

Current Accounts Receivable	
Student Accounts	\$ 6,786,150
Third Party	439,173
Federal Grants and Contracts	1,473,032
State Grants and Contracts	9,841,954
Other Grants & Contracts	11,068,645
Accrued Interest and Endowment Income	1,686,416
Other	6,368,448
Less Allowance for Uncollectible	(6,054,784)
Total Current Accounts Receivables Net	\$ 31,609,034
Current Due From Component Units	
Coastal Athletic Foundation	\$ 662,993
Coastal Educational Foundation	2,104,651
Student/Coastal Housing Foundation	3,501,090
Total Due from Component Units - Current	\$ 6,268,734
Noncurrent Accounts Receivable	
Vendor Contracts	\$ 4,254,575
State Grants & Contracts	21,263,854
Other	468,608
Total Noncurrent Accounts Receivable	\$ 25,987,037
Noncurrent Due From Component Units	
Coastal Athletic Foundation	\$ 550,000
Total Due from Component Units - Noncurrent	\$ 550,000
Restricted Noncurrent Accounts Receivable	
Loans to Students	\$ 95,528
Less Allowance for Uncollectibles	(389)
Loans to Students, Net	\$ 95,139
Total Restricted Noncurrent Accounts Receivable	\$ 95,139

Allowances for uncollectible accounts receivable are established based upon actual losses experienced in prior year and evaluations of the current account portfolio.

NOTE 5 – LOANS TO STUDENTS AND FEDERAL LIABILITY

Loans to students are composed entirely of loans made through the Federal Perkins Loan Program as of June 30, 2023. The Perkins Loan Program provides various repayment options and interest rates; students have the right to repay the loan over periods up to and including 10 years depending on the amount of the loan and the loan cancellation privileges the student decides to exercise. These federal promissory notes generally do not expire. As the University determines that loans are uncollectible, the loans are written off the books of the University. Depending on compliance with specific loan regulations, these loans can be assigned to the United States Department of Education. The funds contributed by the federal government are refundable in the event the University decides to no longer participate in the program. With the expiration of the Perkins Loan Program in October 2017, the University is no longer permitted to disburse any additional loans. Moreover, during fiscal year 2023, the University assigned 49 past due loans totaling \$141,963 in principal and interest back to the Department of Education. The University has recorded a noncurrent liability in the amount of \$137,367 representing the federal portion of the remaining loan program as of June 30, 2023.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the University for the year ended June 30, 2023 is summarized as follows:

	Beginning Balance July 1, 2022	Additions	Retirements	Adjustments	CIP Transfers	Ending Balance June 30, 2023
Capital Assets Not Being Depreciated:						
Land	\$ 37,573,369	\$ -	\$ (46,000)	\$ -	\$ -	\$ 37,527,369
Construction in Progress	8,100,523	26,567,163	-	(209,924)	(2,525,089)	31,932,673
Total Capital Assets Not Being Depreciated	45,673,892	26,567,163	(46,000)	(209,924)	(2,525,089)	69,460,042
Capital Assets Being Depreciated:						
Buildings and Improvements	540,672,299	-	-	-	1,822,411	542,494,710
Land Improvements	32,706,655	-	-	-	702,678	33,409,333
Equipment	21,190,435	2,401,794	(519,416)	-	-	23,072,813
Vehicles	7,207,906	620,504	(62,388)	-	-	7,766,022
Total Capital Assets Being Depreciated	601,777,295	3,022,298	(581,804)	-	2,525,089	606,742,878
Leases and Subscriptions Being Amortized:						
Real Estate	577,596	500,557	-	-	-	1,078,153
Equipment	960,427	585,137	(48,063)	-	-	1,497,501
Subscriptions	-	4,965,005	-	-	-	4,965,005
Total Leases and Subscriptions Being Amortized	1,538,023	6,050,699	(48,063)	-	-	7,540,659
Less Accumulated Depreciation For Capital Assets:						
Buildings and Improvements	(164,569,284)	(15,503,844)	-	-	-	(180,073,128)
Land Improvements	(18,965,004)	(2,275,733)	-	-	-	(21,240,737)
Equipment	(17,465,073)	(1,597,066)	508,443	-	-	(18,553,696)
Vehicles	(6,901,040)	(157,384)	62,388	-	-	(6,996,036)
Total Accumulated Depreciation	(207,900,401)	(19,534,027)	570,831	-	-	(226,863,597)
Less Accumulated Amortization For Leases and Subscriptions:						
Real Estate	(82,618)	(156,248)	-	-	-	(238,866)
Equipment	(403,566)	(334,921)	48,063	-	-	(690,424)
Subscriptions	-	(1,354,321)	-	-	-	(1,354,321)
Total Accumulated Amortization	(486,184)	(1,845,490)	48,063	-	-	(2,283,611)
Capital Assets Being Depreciated, Net	394,928,733	(12,306,520)	(10,973)	-	2,525,089	385,136,329
Capital Assets and Leases, Net	\$ 440,602,625	\$ 14,260,643	\$ (56,973)	\$ (209,924)	\$ -	\$ 454,596,371

Construction in Progress: Included in the balance of construction in progress as of June 30, 2023, are the Thompson Library, renovations to Eaglin Residence Hall and a Campus-wide WIFI Upgrade. Multiple other renovation projects began during the fiscal year and are also included in the balance at June 30, 2023.

Completed Construction: The main construction projects completed during the 2022-2023 fiscal year were renovations to both the Hackler Cart Paths and Curbing and Chick-fil-A and the completion of the Library Compact Shelving System.

NOTE 7 – PUBLIC-PRIVATE PARTNERSHIPS

As mentioned in Note 1, in fiscal year 2023, the University implemented GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, during which time it has identified two existing public-private partnerships (PPP). The first PPP is for the operation of its on-campus dining halls and catering services. The present contract will be in effect until fiscal year 2027 and requires annual maintenance fund payments, as well as, significant contributions for dining capital projects. During fiscal year 2023, the University recognized \$1,446,648 in revenue from this contract and recorded deferred inflows of \$5,786,590.

The present value of future PPP payments are as follows:

Year Ending June 30	Total
2024	\$ 4,063,050
2025	486,203
2026	510,513
2027	536,038
Total PPP payments	5,595,804
Less amount representing interest	(249,139)
Present value of PPP payments	\$ 5,346,665

The second PPP identified is for the operation of the University's on campus bookstore. The existing contract will be in effect until fiscal year 2026 and required an upfront payment to the institution. During fiscal year 2023, the University recognized \$30,000 in revenue from this contract and recorded deferred inflows of \$90,000.

The University retains all rights to the facilities and assets used in both public-private partnerships.

NOTE 8 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The statement of net position will sometimes report a separate section for deferred outflows of resources, in addition to assets. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources until that time. As of June 30, 2023, deferred outflows of resources are \$84,323,466. Of that amount, \$28,094,586 is related to pension plans and \$56,120,688 is related to OPEB plans in the following areas; amortizing differences between actual plan results as compared to projected plan results of \$23,284,497, changes to plan assumptions of \$39,192,065, and fiscal year 2023 plan contributions of \$21,738,712. The remaining \$108,192 is the amortization of debt refinancing.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. As of June 30, 2023, deferred inflows of resources are \$97,575,792. Of that amount, \$11,230,114 is related to pension plans and \$80,469,088 is related to OPEB plans comprised of amortizing differences between actual plan results as compared to projected plan results of \$43,619,820 and changes to plan assumptions of \$48,079,382. Lastly, the University implemented GASB 94 in fiscal year 2023 and recognized \$5,876,590 related to public-private partnerships with its bookstore and food service vendors.

Additional information regarding the deferred inflows of resources for public-private partnerships can be found in Note 7. Additional information regarding the deferred outflows and inflows of resources for pension and OPEB plans can be found in Note 16 and Note 17, respectively.

NOTE 9 – ENDOWMENTS

The University manages one permanent endowment with a fair value of \$165,639. The endowment is recorded in noncurrent assets as restricted cash. If a donor has not provided specific instructions otherwise, Section 34-6-20 of the South Carolina Code of Laws, permits the Board of Trustees to authorize for expenditure the net appreciation (realized and unrealized) over historical dollar value of the endowment funds. Policies and procedures related to this endowed professorship state that thirty (30) percent of the income generated by the Palmetto Professorship endowment will be retained in the corpus. Seventy (70) percent of the income will be used to support the teaching and research program of the Palmetto Professor. The University approved a policy to authorize spending of investment income only at a budgeted amount of 5% of the most recent June 30th fair value.

NOTE 10 – UNEARNED REVENUES AND DEPOSITS

Unearned revenue for the University totaled \$4,420,625 for the fiscal year. These monies were collected in advance and not earned by June 30, 2023.

The total amount includes tuition prepayments of \$2,109,421, auxiliary prepayments of \$1,003,724, grant and contract funds of \$799,079 and other unearned revenue of \$508,401.

NOTE 11 – LEASE OBLIGATIONS

Leases

The future minimum lease obligations and the net present value of the minimum capital lease payments are as follows:

Year Ending June 30	Equipment Leases	Real Property Leases	Total
2024	\$ 302,740	\$ 245,552	\$ 548,292
2025	242,080	202,687	444,767
2026	175,327	198,079	373,406
2027	128,409	160,295	288,704
2028	38,289	72,015	110,304
Total minimum lease payments	886,845	878,628	1,765,473
Less amount representing interest	(51,477)	(31,527)	(83,004)
Present value of minimum lease payments	\$ 835,368	\$ 847,101	\$ 1,682,469

Equipment lease obligations consist of seventy-six (76) office copiers in addition to postage equipment, trash compactors and golf carts. Equipment leases have monthly installments ranging from \$96 to \$10,098, with an imputed interest rate ranging from 2.186 percent to 6.76 percent and expiring between July 2023 and May 2028.

The University is also engaged in real property leases consisting of three (3) administrative offices, a storage building and a retail store. Monthly payments increase 2 percent annually with payments ranging from \$1,656 to \$5,817 for administrative offices and \$6,673 to \$7,081 for storage space, and 3 percent annually for our retail store with monthly payments ranging from \$3,109 to \$3,398. Real property leases expire between August 2024 and May 2028 with an imputed interest rate ranging from 0.356 percent to 2.583 percent.

The University is not a party to any lessor-type lease agreements.

Additional information about the right-to-use lease asset and lease liability can be found in Note 6 – Capital Assets and Note 14 – Long-Term Liabilities.

NOTE 11 – LEASE OBLIGATIONS, Continued**Other Lease Arrangements**

The University has determined that it is engaged in real estate leases which do not meet the definition of a lease under GASB Statement No. 87, Leases. These leases are in connection with related parties and are either intended to be in perpetuity on some terms, are not considered exchange-like transactions, or both. Total real property lease payments made to related parties were \$400,960 for fiscal year 2023 and consist of classroom and office facilities, activity fields and a parking lot. The following payment schedule relates to the University's other lease arrangements with related parties having remaining, noncancelable terms of more than one year and expiring in various fiscal years between 2031-2034:

Year Ending June 30	Other Lease Arrangements
2024	\$ 3
2025	3
2026	3
2027	3
2028	3
2029-2033	13
Thereafter	1
Total minimum lease payments	\$ 29

NOTE 12 – SUBSCRIPTION OBLIGATIONS

As mentioned in Note 1, the University adopted GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITAs) in fiscal year 2023. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

The future minimum SBITA payments and the present value of the minimum SBITA payments are as follows:

Year Ending June 30	Total
2024	\$ 1,472,987
2025	1,228,907
2026	404,006
2027	267,257
2028	188,418
Total minimum SBITA payments	3,561,575
Less amount representing interest	(172,820)
Present value of minimum SBITA payments	\$ 3,388,755

SBITA's consist of academic and administrative software with annual payments ranging from \$35,708 to \$563,391, discounted using the University's incremental borrowing rate, and expiring between February 2024 and October 2028.

Additional information about the right-to-use subscription asset and subscription liability can be found in Note 6 – Capital Assets and Note 14 – Long-Term Liabilities.

NOTE 13 – BONDS PAYABLE

For the University, bonds payable consisted of the following at June 30, 2023:

	Balance at Inception	Interest Rates	Maturity Dates	Balance 6/30/2023
Revenue Bonds				
Series 2012 (Direct placement refunding Series 1999)	\$ 6,147,000	2.10%	6/1/2026	\$ 1,476,000
Series 2014	35,480,000	3.0% to 5.0%	6/1/2044	29,705,000
Series 2015	87,020,000	2.0% to 5.0%	6/1/2042	70,495,000
Series 2016	22,415,000	3.0% to 5.0%	6/1/2041	17,805,000
Series 2017 (Direct placement refunding Series 2006)	6,766,591	2.30%	6/1/2026	2,410,773
Series 2022 (refunding Series 2013)	38,810,000	3.0% to 5.0%	6/1/2040	37,300,000
Total Revenue Bonds				159,191,773
State Institution Bonds				
General Obligation Series 2016E	10,025,000	5.00%	4/1/2027	4,495,000
Total State Institution Bonds				4,495,000
Subtotal Bonds Payable				163,686,773
Plus Unamortized Bond Premium				8,003,254
Total Bonds Payable				\$ 171,690,027

Revenue bonds are payable from and secured by the net income of the facilities constructed with the bond proceeds. In addition to the net revenues generated by the facility, most other income can be used to secure the debt obligation. Income that does not secure the revenue bonds include those funds that are (i) otherwise designated or restricted; (ii) derived from state appropriations; and (iii) tuition funds pledged to the repayment of state institution bonds, if any. Certain bonds payable are callable at the option of the University. The outstanding revenue bonds contain provisions requiring the University to make timely payments of principal and interest as noted in the repayment schedule and produce, in net revenues, at least 125 percent of the principal and interest requirements on the annual debt service. In an event of default of either provision the bondholders may, by request of no less than 25 percent of the principal amount of bonds outstanding, declare all outstanding principal and interest accrued immediately due and payable. The University holds revenue bonds issued by way of public offering and direct placement with financial institutions, essentially functioning as corporate loans. Any direct placements are noted next to the series number.

State institution bonds are general obligation bonds backed by the full faith, credit and taxing power of the State. The legal debt margin for state institution general obligation bonds is that the maximum amount of annual debt service shall not exceed 90 percent of the sums received from tuition and fees for the preceding fiscal year. Tuition bonds fees for the preceding year were \$1,420,000 which resulted in a legal annual debt service limit at June 30, 2023, of \$1,278,000.

For fiscal year 2023, tuition revenue is pledged in the amount of \$255 per full-time in-state student, \$255 per full-time out-of-state student per semester in support of both revenue and general obligation bonds and \$10 per graduate credit hour to support general obligation bonds. The total pledge for debt service amounted to \$4,420,724.

NOTE 13 – BONDS PAYABLE, Continued

The scheduled maturities of the bonds payable by type are as follows:

Revenue Bonds	Principle	Interest	Total
2024	\$ 6,917,843	5,977,965	\$ 12,895,808
2025	7,207,802	5,684,296	12,892,098
2026	7,516,128	5,377,425	12,893,553
2027	6,480,000	5,067,162	11,547,162
2028	6,770,000	4,771,519	11,541,519
2029-2033	37,745,000	19,946,806	57,691,806
2034-2038	46,285,000	12,418,769	58,703,769
2039-2043	38,250,000	3,961,863	42,211,863
2044	2,020,000	80,800	2,100,800
	\$ 159,191,773	\$ 63,286,605	\$ 222,478,378

State Institution Bonds	Principle	Interest	Total
2024	\$ 1,035,000	\$ 224,750	\$ 1,259,750
2025	1,095,000	173,000	1,268,000
2026	1,155,000	118,250	1,273,250
2027	1,210,000	60,500	1,270,500
	\$ 4,495,000	\$ 576,500	\$ 5,071,500

NOTE 13 – BONDS PAYABLE

The purposes of all outstanding bond issues are listed below:

- State Institution General Obligation Bond Series 2016E
 - Refund a portion of the previously issued \$8,750,000 State Institution General Obligation Bond Series 2002D.
 - Refund a portion of the previously issued \$11,300,000 State Institution General Obligation Bond Series 2006C.
- Revenue Auxiliary Bond Series 2012 (Direct Placement)
 - Construction of Baxley Hall.
 - Construction of Hicks Dining Hall.
 - Expansion of student housing on main campus with Eaglin Hall.
- Higher Education Revenue Bond Series 2014 and Higher Education Refunding Revenue Bond Series 2022
 - Acquisition of land and construction of first phase of student housing facility (650 beds).
 - Construction of second phase of student housing facility (624 beds).
- Higher Education Revenue Bond Series 2015
 - Acquisition of existing student housing apartment facilities near the University campus known as University Place (2,079 beds) from the CCU Student Housing Foundation.
- Revenue Bond Series 2016
 - Renovation and expansion of Brooks Stadium to seat 20,700 fans.
- Higher Education Refunding Revenue Bond Series 2017 (Direct Placement)
 - Advance refunding of a portion of the previously issued \$13,175,000 Refunding Revenue Bond Series 2006.

NOTE 14 – LONG-TERM LIABILITIES

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year	Due Past One Year
Capital Related Liabilities						
General Obligation Bonds	\$ 5,480,000	\$ -	\$ (985,000)	\$ 4,495,000	\$ 1,035,000	\$ 3,460,000
Revenue Bonds	165,901,096	-	(6,709,323)	159,191,773	6,917,843	152,273,930
Unamortized Bond Premium	8,953,013	-	(949,759)	8,003,254	797,467	7,205,787
Lease Payable	1,080,697	1,085,696	(483,924)	1,682,469	509,704	1,172,765
Subscriptions Payable	-	4,965,005	(1,576,250)	3,388,755	1,389,200	1,999,555
Total Capital Related Liabilities	181,414,806	6,050,701	(10,704,256)	176,761,251	10,649,214	166,112,037
Noncapital Related Liabilities						
Federal Perkins Loans Funds	360,165	-	(222,798)	137,367	-	137,367
Accrued Compensation Absences	5,541,059	1,559,268	(853,081)	6,247,246	705,656	5,541,590
Net Pension Liability	143,442,898	36,955,190	(11,491,481)	168,906,607	-	168,906,607
Net OPEB Liability	191,177,822	-	(41,562,078)	149,615,744	-	149,615,744
Other Liabilities	1,501,669	615,114	(81,000)	2,035,783	139,000	1,896,783
Total Noncapital Related Liabilities	342,023,613	39,129,572	(54,210,438)	326,942,747	844,656	326,098,091
Total Long-Term Liabilities	\$ 523,438,419	\$ 45,180,273	\$ (64,914,694)	\$ 503,703,998	\$ 11,493,870	\$ 492,210,128

NOTE 15 – OPERATING EXPENSES BY FUNCTION

Operating expenses by functional classification for the year ended June 30, 2023, are summarized as follows:

Functional Classification	Personnel Costs and Benefits	Services and Supplies	Utilities	Scholarships	Depreciation	Total
Instruction	\$ 81,259,108	\$ 5,201,910	\$ 364,797	\$ -	\$ -	\$ 86,825,815
Research	1,022,716	926,197	7,149	-	-	1,956,062
Public Service	1,493,442	553,465	1,042	-	-	2,047,949
Academic Support	11,322,558	2,226,361	8,173	-	-	13,557,092
Student Services	27,164,588	16,431,295	132,954	-	-	43,728,837
Institutional Support	12,474,198	4,919,781	387,421	-	-	17,781,400
Plant Operations	15,342,499	9,765,546	4,976,019	-	-	30,084,064
Scholarships	820,904	82,359	-	12,872,364	-	13,775,627
Auxiliary Enterprises	8,020,629	11,103,658	2,774,559	-	-	21,898,846
Depreciation	-	-	-	-	21,379,519	21,379,519
Total Expenses	\$ 158,920,642	\$ 51,210,572	\$ 8,652,114	\$ 12,872,364	\$ 21,379,519	\$ 253,035,211

NOTE 16 – PENSION PLANS

Description of the Entity: The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit programs of the State of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11 member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with generally accepted accounting principles (GAAP). For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Benefit and refund expenses are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is a division of the primary government of the State of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR for the state.

Plan Description: The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers

NOTE 16 – PENSION PLANS, Continued

and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts and participating charter schools, public higher education institutions, other participating local subdivisions of government and first-term individuals elected to the South Carolina General Assembly.

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to newly hired state public higher education institutions and public school district employees, as well as first-term individuals elected to the S.C. General Assembly. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

In addition to the plans described above, PEBA also administers three single-employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

Membership: Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and first-term individuals elected to the South Carolina General Assembly. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- State ORP - As an alternative to membership in SCRS, newly hired state, public higher education institution and public school district employees, as well as first-term individuals first elected to the S.C. General Assembly have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.
- PORS - To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

NOTE 16 – PENSION PLANS, Continued

Benefits: Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of the benefit terms for each system is presented below.

- **SCRS** - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

- **PORS** - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

Contributions: Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. The Retirement Funding and Administration Act of 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each in accordance with state statute. The General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020 in accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS and 21.24 percent for PORS but may be increased further,

NOTE 16 – PENSION PLANS, Continued

if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

Pension reform legislation modified statute such that the employer contribution rates for SCRS and PORS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS and PORS to the maximum amortization period of 20 years from 30 years over a ten-year schedule, as determined by the annual actuarial valuations of the plan. Finally, under the revised statute, the contribution rates for SCRS and PORS may not be decreased until the plans are at least 85 percent funded.

Required employee contribution rates⁽¹⁾ are as follows:

	Fiscal Year 2023 ⁽¹⁾	Fiscal Year 2022 ⁽¹⁾
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
State ORP		
Employee	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

⁽¹⁾ Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

Required employee contribution rates⁽¹⁾ are as follows:

	Fiscal Year 2023 ⁽¹⁾	Fiscal Year 2022 ⁽¹⁾
SCRS		
Employer Class Two	17.41%	16.41%
Employer Class Three	17.41%	16.41%
Employer Incidental Death Benefit	0.15%	0.15%
State ORP		
Employer Contribution ⁽²⁾	17.41%	16.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employer Class Two	19.84%	18.84%
Employer Class Three	19.84%	18.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

⁽¹⁾ Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

⁽²⁾ Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP service provider to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

Actuarial Assumptions and Methods: Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The June 30, 2022, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company (GRS) and are based on an actuarial valuation performed as of July 1, 2021. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2022.

NOTE 16 – PENSION PLANS, Continued

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return ⁽¹⁾	7.0%	7.0%
Projected salary increases	3.0% to 11.0% (varies by service) ⁽¹⁾	3.5% to 10.5% (varies by service) ⁽¹⁾
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

⁽¹⁾Includes inflation at 2.25%

The post-retiree mortality assumption is dependent upon the member’s job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems’ mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2022, TPL are as follows.

Former Job Class	Males	Females
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

Net Pension Liability: The NPL is calculated separately for each system and represents that particular system’s TPL determined in accordance with GASB 67 less that system’s fiduciary net position. NPL totals, as of June 30, 2022, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers’ Net Pension Liability (Asset)	University’s Proportionate Share Of Net Pension Liability (Asset)	University’s Portion of Net Pension Liability (Asset)
SCRS	\$ 56,454,779,872	\$ 32,212,626,932	\$ 24,242,152,940	0.678504%	\$ 164,483,869
PORS	8,937,686,946	5,938,707,767	2,998,979,179	0.147475%	4,422,738

The TPL is calculated by the Systems’ actuary, and each plan’s fiduciary net position is reported in the Systems’ financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems’ notes to the financial statements and required supplementary information. Liability calculations performed by the Systems’ actuary for the purpose of satisfying the requirements of GASB 67 and 68 are not applicable for other purposes, such as determining the plans’ funding requirements.

Long-term Expected Rate of Return: The long-term expected rate of return on pension plan investments is based upon 20 year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

NOTE 16 – PENSION PLANS, Continued

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.00%	6.79%	3.12%
Bonds	26.00%	(0.35%)	(0.09%)
Private Equity ⁽¹⁾	9.00%	8.75%	0.79%
Private Debt ⁽²⁾	7.00%	6.00%	0.42%
Real Assets	12.00%		
Real Estate ⁽¹⁾	9.00%	4.12%	0.37%
Infrastructure ⁽¹⁾	3.00%	5.88%	0.18%
Total Expected Real Return ⁽²⁾	100.00%		4.79%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.04%

⁽¹⁾ RSIC staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Assets exceeds 30 percent of total plan assets.

⁽²⁾ Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 12% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 15% of total assets.

Discount Rate: The discount rate used to measure the TPL was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity Analysis: The following table presents the collective NPL of the University calculated using the discount rate of 7 percent, as well as what the University's NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6 percent) or 1.00 percent higher (8 percent) than the current rate.

	1% Decrease 6%	Discount Rate 7%	1% Increase 8%
SCRS	\$210,888,615	\$164,483,869	\$125,904,350
PORS	\$6,167,242	\$4,422,738	\$2,994,697

Pension Expense: For the year ended June 30, 2023, the University recognized its proportionate share of pension expense of \$11,287,128 and \$204,353 for SCRS and PORS, respectively, for a total pension expense of \$11,491,481.

Non-employer Contributions: Employer's proportionate shares were calculated on the basis of employer contributions remitted to the plan by employers and non-employer contributions appropriated in the State's budget. In an effort to offset a portion of the burden of the increased contribution requirement for employers, the General Assembly funded 1 percent of the SCRS and PORS contribution increases for fiscal year 2022. The State budget appropriated these funds directly to PEBA and a credit was issued for each employer to use when submitting their quarterly remittances to PEBA. For the year ended June 30, 2022 measurement period, PEBA provided nonemployer contributions to the University in the amount of \$819,123 and \$22,327 for SCRS and PORS, respectively, for a total of \$841,450, which is shown as a reduction to net pension liability and non-capital state appropriations revenue in the year ended June 30, 2023.

Deferred Outflows and Inflows of Resources: At June 30, 2023, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 16 – PENSION PLANS, Continued

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	\$ 1,429,058	\$ 716,815
Assumption Changes	5,275,384	-
Investment Experience	253,667	-
Change in Allocated Proportion	5,582,587	10,027,553
Contributions After Measurement Date	14,672,610	-
Total	\$ 27,213,306	\$ 10,744,368

PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	\$ 74,205	\$ 87,430
Assumption Changes	184,170	-
Investment Experience	13,355	-
Change in Allocated Proportion	120,521	398,316
Contributions After Measurement Date	489,029	-
Total	\$ 881,280	\$ 485,746

University contributions of \$14,672,610 and \$489,029 for the SCRS and PORS plans, respectively, made subsequent to the measurement date and during the year ended June 30, 2023 are reported as deferred outflows of resources. These amounts will be recognized as a reduction of the NPLs in the year ending June 30, 2024.

The following schedule reflects the amortization of the balance of remaining deferred outflows/(inflows) of resources at June 30, 2023. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2023, was 3.767 years for SCRS and 3.846 years for PORS.

**Recognition of Existing Deferred Outflows (Inflows) of
Resources for Future Plan Years**

Year ending June 30	SCRS	PORS
2024	\$ 4,449	\$ (60,079)
2025	(148,414)	(64,441)
2026	(2,349,341)	(140,886)
2027	4,289,635	171,911

Additional Financial and Actuarial Information: Information contained in these Notes to the Schedules of Employer and Non-employer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2022, and the accounting and financial reporting actuarial valuation as of June 30, 2022. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the systems' ACFR.

Deferred Compensation Plans: Several optional deferred compensation plans are available to State employees and employers of its political subdivisions. Certain employees of the University have elected to participate. The multiple-employer plans, created under Internal Revenue Code Sections 457, 401(k), and 403(b), are administered by third parties and are not included in the Annual Comprehensive Financial Report of the State of South Carolina. Compensation deferred under the plans is placed in trust for the contributing employee. The State has no liability for losses under the plans. Employees may withdraw the current value of their contributions when they terminate State employment. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

NOTE 16 – PENSION PLANS, Continued

In addition, Code Section 415(m) allows pension plans to create a separate fund, known as a qualified governmental excess benefit arrangement, to pay the benefits above the Section 415 limit. Accordingly, the University established has such a fund, which has assets invested totaling \$807,611 at June 30, 2023 as stated earlier in Note 2.

NOTE 17 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Description of the Entity and Summary of Significant Accounting Policies: The South Carolina Public Employee Benefit Authority (PEBA) was created by the South Carolina General Assembly as part of Act No. 278 effective July 1, 2012. PEBA – Insurance Benefits is a state agency responsible for the administration and management of the state’s employee insurance programs, other postemployment benefits trusts and retirement systems and is part of the State of South Carolina primary government.

The governing board of PEBA is a board of 11 members. The membership composition is three members appointed by the Governor, two members appointed by the President Pro Tempore of the Senate, two members appointed by the Chairman of the Senate Finance Committee, two members appointed by the Speaker of the House of Representatives and two members appointed by the Chairman of the House Ways and Means Committee. Individuals appointed to the PEBA board must possess certain qualifications. Members of the PEBA board serve for terms of two years and until their successors are appointed and qualify. Terms commence on July first of even numbered years. The PEBA board appoints the Executive Director. The laws of the State and the policies and procedures specified by the State for State agencies are applicable to all activities of PEBA. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions in administering the State Health Plan and other postemployment benefits (OPEB).

Plan Descriptions: The Other Postemployment Benefits Trust Funds (OPEB Trusts), collectively refers to the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF), were established by the State of South Carolina as Act 195, which became effective in May 2008. The SCRHITF was created to fund and account for the employer costs of the State’s retiree health and dental plans. The SCLTDITF was created to fund and account for the employer costs of the State’s Basic Long-Term Disability Income Benefit Plan.

In accordance with Act 195, the OPEB Trusts are administered by the PEBA – Insurance Benefits and the State Treasurer is the custodian of the funds held in trust. The Board of Directors of PEBA has been designated as the Trustee.

The OPEB Trusts are cost-sharing multiple-employer defined benefit OPEB plans. Article 5 of the State Code of Laws defines the two plans and authorizes the Trustee to at any time adjust the plans, including its benefits and contributions, as necessary to insure the fiscal stability of the plans. In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides postemployment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents.

Benefits: The SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies, and public school districts. The SCRHITF provides health and dental insurance benefits to eligible retirees. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment May 2, 2008 and after, retirees are eligible for benefits if they have established 25 years of service for 100% employer funding and 15-24 years of service for 50% employer funding.

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public-school districts and all participating local governmental entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability.

NOTE 17 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued

Contributions and Funding Policies: Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the postemployment and long-term disability benefits to be funded through non-employer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits.

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2021 was 6.25 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits' reserves. However, due to the COVID-19 pandemic and the impact it has had on the PEBA - Insurance Benefits reserves, the General Assembly has indefinitely suspended the statutorily required transfer until further notice. The SCRHITF is also funded through investment income.

The SCLTDITF is funded through employer contributions for active employees that elect health insurance coverage. For this group of active employees, PEBA – Insurance Benefits bills and collects premiums charged to State agencies, public school districts and other participating local governments. The monthly premium per active employee was \$3.22 for the fiscal year ended June 30, 2022. The SCLTDITF premium is billed monthly by PEBA – Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

The allocation percentage of the OPEB amounts are calculated differently for each OPEB Trust. For the SCRHITF, the allocation percentage is based on the covered payroll surcharge contribution for each employer. Please note that actual covered payroll contributions received from SCRS for the fiscal year 2022 totaled \$615,405,810. However, the covered payroll contributions total includes prior year covered payroll contribution adjustments and true-ups that net to a total of \$1,094,627.

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the employer's proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities. For the year ended June 30, 2023, the University recognized non-employer contributions of \$23,350 in Non-operating Revenues, Grants and Contracts on the Statement of Revenues, Expenses and Changes in Net Position.

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trusts, and additions to and deductions from the OPEB Trusts fiduciary net position have been determined on the same basis as they were reported by the OPEB Trusts. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

PEBA - Insurance Benefits issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through the PEBA - Insurance Benefits' link on PEBA's website at www.peba.sc.gov or a copy may be obtained by submitting a request to PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the

NOTE 17 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued

primary government of the state of South Carolina and therefore, OPEB Trust fund financial information is also included in the comprehensive annual financial report of the state.

Actuarial Assumptions and Methods: Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plans (as understood by the employer and plan participants) and include the types of benefits provided at the time the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date:	June 30, 2021
Actuarial Cost Method:	Individual Entry - Age Normal
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	3.69% as of June 30, 2022
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Mortality:	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with multipliers based on plan experience; the rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements.
Health Care Trend Rate:	Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years
Aging Factors:	Based on plan specific experience
Retiree Participation:	79% for retirees who are eligible for funded premiums, 59% participation for retirees who are eligible for Partial Funded Premiums, 20% participation for retirees who are eligible for Non-Funded Premiums
Notes:	The discount rate changed from 1.92% as of June 30, 2021 to 3.69% as of June 30, 2022.

NOTE 17 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued

Additional information as of the latest actuarial valuation for SCLTDITF:

Valuation Date:	June 30, 2021
Actuarial Cost Method:	Individual Entry - Age Normal
Inflation:	2.25%
Investment Rate of Return:	3.00%, net of Plan investment expense; including inflation
Single Discount Rate:	3.41% as of June 30, 2022
Salary, Termination, and Retirement Rates:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Disability Incidence:	The disability incidence rates used in the valuation are 165% of the rates developed for the South Carolina Retirement Systems pension plans
Disability Recovery:	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 93% were assumed to recover after the first two years
Offsets:	45% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group
Expenses:	Third party administrative expenses were included in the benefit projections
Notes:	The discount rate changed from 2.48% as of June 30, 2021 to 3.41% as of June 30, 2022.

Roll Forward Disclosures: The actuarial valuations were performed as of June 30, 2021. Update procedures were used to roll forward the total OPEB liabilities to June 30, 2022.

Net OPEB Liability: The Net OPEB Liability (NOL) is calculated separately for each OPEB Trust Fund and represents that particular Trust's Total OPEB Liability (TOL) determined in accordance with GASB No. 74 less that Trust's fiduciary net position. The allocation of each employer's proportionate share of the collective Net OPEB Liability and collective OPEB Expense was determined using the employer's payroll-related contributions over the measurement period. This method is expected to be reflective of the employer's long-term contribution effort as well as be transparent to individual employers and their external auditors.

The following table represents the components of the net OPEB liability as of June 30, 2022 and the University's proportionate share:

OPEB Trust	Total OPEB Liability	Plan Fiduciary Net Position	State Net OPEB Liability	University's Proportionate Share Of Net OPEB Liability	University's Portion of Net OPEB Liability
SCRHITF	\$ 16,835,502,593	\$ 1,623,661,403	\$ 15,211,841,190	0.983036%	\$ 149,537,875
SCLTDITF	46,410,320	34,824,847	11,585,473	0.672130%	77,869

The TOL is calculated by the Trusts' actuary, and each Trust's fiduciary net position is reported in the Trust's financial statements. The NOL is disclosed in accordance with the requirements of GASB No. 74 in the Trusts' notes to the financial statements and required supplementary information. Liability calculations performed by the Trusts' actuary for the purpose of satisfying the requirements of GASB Nos. 74 and 75 and are not applicable for other purposes, such as determining the Trusts' funding requirements.

Single Discount Rate: The Single Discount Rate of 3.69% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

NOTE 17 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued

A Single Discount Rate of 3.41% was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 3.00% and a municipal bond rate of 3.69%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain at \$38.64 per year for each covered active employee. Based on these assumptions, the plan's Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2034. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2034, and the municipal bond rate was applied to all benefit payments after that date.

Long-term Expected Rate of Return: The long-term expected rate of return represents assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2018 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the following table:

South Carolina Retiree Health Insurance Trust Fund

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Allocation-Weighted LongTerm Expected Real Rate of Return
U.S. Domestic Fixed Income	80.00%	0.95%	0.76%
Cash Equivalents	20.00%	0.35%	0.07%
Total	100.00%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Investment Return Assumption			2.75%

South Carolina Long-Term Disability Insurance Trust Fund

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Allocation-Weighted LongTerm Expected Real Rate of Return
U.S. Domestic Fixed Income	80.00%	0.95%	0.76%
Cash Equivalents	20.00%	0.35%	0.07%
Total	100.00%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Investment Return Assumption			3.00%

Sensitivity Analysis: The following table presents the University's proportionate share of the SCRHITF's net OPEB liability calculated using a Single Discount Rate of 3.69%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease 2.69%	Current Discount Rate 3.69%	1% Increase 4.69%
SCRHITF Net OPEB Liability	\$176,794,209	\$149,537,875	\$127,633,702

Regarding the sensitivity of the SCRHITF's net OPEB liability to changes in the healthcare cost trend rates, the following table presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if were calculated using a trend rate that is one percent lower or one percent higher:

NOTE 17 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
SCRHITF Net OPEB Liability	\$122,980,285	\$149,537,875	\$180,545,308

The following table presents the University's proportionate share of the SCLTDITF's net OPEB liability calculated using a Single Discount Rate of 3.41%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease 2.41%	Current Discount Rate 3.41%	1% Increase 4.41%
SCLTDITF Net OPEB Liability	\$90,240	\$77,869	\$65,905

The SCLTDITF's net OPEB liability is not affected by changes in the healthcare cost trend rates due to the method used to calculate benefit payments. Therefore, the sensitivity to changes in the healthcare cost trend rates have not been calculated.

OPEB Expense: For the year ended June 30, 2023, the University recognized its proportionate share of OPEB expense of \$9,060,578 associated with the net OPEB liability. Components of collective OPEB expense reported in the Schedule of OPEB Amounts by Employer for the fiscal year ended June 30, 2022 are presented below.

Description	SCRHITF	SCLTDITF
Service Cost	\$ 8,479,204	\$ 58,743
Interest on the Total OPEB Liability	4,281,157	7,336
Projected Earnings on Plan Investments	(461,765)	(8,106)
OPEB Plan Administrative Expense	7,878	534
Recognition of Outflow (Inflow) of Resources due to Liabilities	(3,614,518)	1,114
Recognition of Outflow (Inflow) of Resources due to Assets	303,752	5,249
Total Aggregate OPEB Expense	\$ 8,995,708	\$ 64,870

Additional items included in Total Employer OPEB Expense are the current period amortized portions of deferred outflows and/or inflows of resources related to changes in employers' proportionate share of the collective NOL and differences between actual employer contributions and proportionate share of total plan employer contributions.

Deferred Outflows and Inflows of Resources: At June 30, 2023, the University reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

SCRHITF	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	\$ 3,209,649	\$ 13,148,585
Assumption Changes	33,716,936	48,068,308
Investment Experience	1,175,803	-
Change in Allocated Proportion	11,378,437	19,223,567
Contributions After Measurement Date	6,524,803	-
Total	\$ 56,005,628	\$ 80,440,460

NOTE 17 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued

SCLTDITF	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	\$ 20,638	\$ 13,852
Assumption Changes	15,575	11,074
Investment Experience	25,722	-
Change in Allocated Proportion	855	3,702
Contributions After Measurement Date	52,270	-
Total	\$ 115,060	\$ 28,628

As discussed in paragraph 86 of GASB Statement No. 75, differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided OPEB through the OPEB plan (active and inactive members) determined as of the beginning of the measurement period. Additionally, differences between projected and actual earnings on OPEB plan investments should be recognized in OPEB expense using a systematic and rational method over a closed five year period. For this purpose, the deferred outflows and inflows of resources are recognized in the OPEB expense as a level dollar amount over the closed period identified above.

Contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. The schedules on the following pages reflect the amortization of the collective deferred outflows/(inflows) of resources at June 30, 2023.

**Recognition of Existing Deferred Outflows (Inflows) of
Resources for Future Plan Years**

Year ending June 30	SCRHITF	SCLTDITF
2024	\$ (5,148,879)	\$ 4,034
2025	(3,576,096)	6,094
2026	(3,325,391)	10,106
2027	(4,559,507)	8,181
2028	(7,428,446)	828
Thereafter	(6,921,316)	4,919

Additional Financial and Actuarial Information: Information contained in these Notes to the Schedules of OPEB Amounts by Employer (the Schedules) were compiled from the OPEB Trust Funds audited financial statements for the fiscal year ended June 30, 2022, and the accounting and financial reporting actuarial valuations as of June 30, 2022. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the OPEB Trust Funds audited financial statements.

NOTE 18 – RELATED PARTIES

There are several separately chartered legal entities which do not meet the criteria established by GASB Statement No. 14, *The Financial Reporting Entity*, GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, to be treated as component units of the University. These entities include the Coastal Carolina University Research Foundation, Inc., the Horry County Higher Education Commission, and the Georgetown County Advisory Board for Coastal Carolina University. While they are not financially accountable to the University, these organizations exist primarily to provide financial assistance and other support to the University and its educational programs. The activities of these entities are not included in the University's financial statements. However, the University's statements for the year ended June 30, 2023, include significant transactions between them and the University, which are as follows:

NOTE 18 – RELATED PARTIES, Continued

Coastal Carolina University Research Foundation, Inc.: The Coastal Carolina University Board of Trustees approved a Memorandum of Understanding between the Coastal Carolina University Research Foundation, Inc. (Research Foundation) and the University on May 8, 2015. The Research Foundation has been established as a 501(c)(3) corporation to raise and manage public and private grant resources that support the mission and priorities of the University, provide educational opportunities for students and enhance institutional excellence in ways that would not be possible with state funds. During fiscal year 2023, the University contracted the Research Foundation to provide \$27,907 to assist its educational and research initiatives. At fiscal year end June 30, 2023, there are payables of \$140 due to the Research Foundation.

Horry County Higher Education Commission: The Horry County Higher Education Commission (the Commission) was created by Act No. 114 in the 1959 session of the South Carolina General Assembly. The Commission is composed of sixteen members who are appointed by the Horry County Legislative Delegation and are responsible for providing resources to meet the goals and carry out the mission of the University and to expend funds, including proceeds of bonds issued by Horry County, to provide buildings and equipment for the University. The Commission receives an annual appropriation from Horry County to accomplish these objectives.

During the year ended June 30, 2023, the Commission made grants to the University totaling \$665,733 and had payables to the University totaling \$699,409. In addition, the Commission also donated a gift of \$11,163,000 towards the renovation of the Kimbel Library and PGM academic building. The Commission leases its land and buildings to the University at a below-market rental rate under terms of annual leases. Rent paid by the University during the fiscal year 2023 was \$4, none of which was payable at year end. Also, as required by the leases, the University insures the Commission's buildings and improvements. The University provides accounting and cash management services to the Commission at no charge, including management of the operating portion of its cash.

Georgetown County Advisory Board for Coastal Carolina University: The Georgetown County Advisory Board supports the mission of the University within that county and provided office space valued at \$147,000 in downtown Georgetown during the fiscal year ending June 30, 2023.

NOTE 19 – TRANSACTIONS WITH STATE ENTITIES

The University is granted an annual appropriation for operating purposes as authorized by the General Assembly of the State of South Carolina. State appropriations are recognized as revenue when received and available. Amounts that are not expended by fiscal year-end are required to be returned to the General Fund of the State unless the University receives authorization from the General Assembly to carry the funds over to the next year.

The following is a reconciliation of the original base budget amount presented in the General Funds Column of Section 16 of the 2021-2022 Appropriations Bill H. 4000 enacted by the South Carolina General Assembly to State Appropriations revenue reported in the financial statements for the year ended June 30, 2023.

Non-Capital State Appropriations	
Approved Appropriation	\$ 22,779,609
Supplement Appropriation - Pay Plan and Benefits	1,270,714
PEBA Credit to Participating Employers	841,450
Technology Grant Program	699,630
Nursing Initiative Program	12,891
South Carolina Endowment Incentive Act of 1997	6,295
Total Non-Capital State Appropriations	\$ 25,610,589

NOTE 19 – TRANSACTIONS WITH STATE ENTITIES, Continued

The General Assembly also designated capital funds to the University during the fiscal year.

Capital State Appropriations

Capital Reserve Fund Bill H. 5151 For Maintenance, Renovation, and Replacement	\$ 8,000,000
Proviso 118.19 of Appropriations Bill H. 5150 For Maintenance, Renovation, and Replacement	4,000,000
Total Capital State Appropriations	\$ 12,000,000

The University received substantial funding from the Commission on Higher Education (CHE) for scholarships on behalf of students that are accounted for as operating state grants and contracts. Additionally, the University receives operating funds from various other State agencies for sponsored programs, research, and public service projects. The following is a summary of amounts received from State agencies.

Other Amounts Recognized from State Agencies

Received from CHE:	
LIFE Scholarships	\$ 8,004,160
Need Based Grants	4,963,211
Palmetto Fellowship	1,214,032
HOPE Scholarships	972,300
SC National Guard	237,872
Received from various other State agencies	1,274,413
Total Other Amounts Recognized from State Agencies	\$ 16,665,988

The University receives various other services from the State and other State agencies including business, banking, accounting, human resources, investment, and legal services at no cost. The amounts of such assistance are not readily available for fiscal year 2023.

NOTE 20 – 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 substantially assumes all the risk for the following claims of covered employees: unemployment compensation benefits; workers' 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, which issues policies, accumulates assets to cover the risk of loss, and pays claims incurred for covered losses relating to: theft; damage to or destruction of assets real property, personal property; business interruption; equipment, motor vehicles, watercraft, torts (liability) and professional medical services. The South Carolina Office of Insurance Reserve Fund is a self-insurer and purchases reinsurance to obtain certain services and to limit losses in certain areas. The South Carolina Office of Insurance Reserve Fund rates are determined actuarially.

The University obtains coverage through a commercial insurer for fidelity bond insurance for all employees for losses arising from theft or misappropriation, for officers' and directors' errors and omissions and for cyber liability. Additional lines of coverage procured include: Coastal Carolina University Research Foundation Insurance, International Liability Coverage, Student Accident Policy, International Travel Insurance, Aviation Liability, Herbicide & Pesticide Liability, Sports Camp Insurance, Special Event Insurance, and Student Clubs and Organization Liability.

NOTE 21 – COMPONENT UNITS

The Coastal Educational Foundation: The Coastal Educational Foundation is a separately chartered not-for-profit corporation organized exclusively to support the University. As discussed in Note 1, the CEF has been included in the reporting entity as a component unit. Because the CEF is deemed not to be a government entity and, therefore, uses a different reporting model, its balances and transactions are reported on separate financial statements.

The CEF provides support directly to the University through funds raised from private contributions to support University scholarship and various academic programs. The CEF has provided \$2,352,314 in direct support, and \$539,148 in indirect support. On June 30, 2023, CEF had receivables from the University of \$1,766 and payables to the University totaling \$2,104,651.

In support of the University, the CEF owns parcels of real property on which portions of the University's campus is located. At June 30, 2023, the carrying value of said property was \$5,286,441 net of \$219,958 in accumulated depreciation. The University leases this land annually from the CEF at a rate below market value.

The University, in turn, provides operational and fundraising staff and other support services. The CEF and University valued these services for their financial reporting purposes at \$530,346 for the fiscal year ending June 30, 2023. The University paid total rent of \$351,510 in fiscal year 2023 to the CEF for seven parcels of land, a house located on Hackler Golf Course and use of Waties Island. The seven parcels are: a former independent bookstore on Highway 544, student parking lot, an athletic parcel, a Wheelwright Auditorium parcel, an academic parcel, a Founders Drive parcel and a University Housing parcel. The University provided \$8,519 of indirect services to CEF for which it did not charge the foundation.

The CEF held investments that consist of privately managed funds and closely held investments. As of June 30, 2023, investments as shown on the accompanying statements of financial position are comprised of the following:

Fixed income mutual funds	\$	14,013,272
Money market funds		5,855,706
US Treasury obligations		595,998
Equities		37,338,244
Total privately managed funds	\$	57,803,220
Closely held investments		
Common Stock		3,348,550
Total investments	\$	61,151,770

The CEF is required to present its financial instruments using a framework that measures fair value under accounting principles generally accepted in the United States of America. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement requires fair value measurements be classified and disclosed in one of the following three categories (i.e., the fair value hierarchy):

- Level 1: Financial instruments with unadjusted, quoted prices listed on active market exchanges.
- Level 2: Financial instruments valued using inputs that include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3: Financial instruments that are not actively traded on a market exchange and require using significant unobservable inputs in determining fair value.

NOTE 21 – COMPONENT UNITS, Continued

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for the CEF's assets measured at fair value at June 30, 2023:

Equities	Valued at the closing price reported on the active market on which the individual securities are traded.
Closely held stock	Investments in non-publicly traded closely held companies with no readily determinable market value are carried on the books at their established fair value at the date of donation or distribution to the Foundation except for certain liquidating distributions which reduce the value of the investment and certain events which trigger a valuation from which fair value can be derived.
Fixed income mutual funds	Valued at the closing price reported on the active market on which the funds are traded.
Money market funds	Valued at the closing price reported on the active market on which the funds are traded.
US Treasury obligations	Valued at the closing price reported on the active market on which the funds are traded.
Real estate held for investment	The Real Estate Land Use Committee of the Foundation's Board (the "Committee") monitors the value of real estate held for investment and considers the best course of action for disposal. The Committee has members knowledgeable about real estate in the area and considers, among other things, comparable property, the overall real estate market, and the best use of the property. When considered necessary, the Committee obtains appraisals on its real estate investments.

The following table sets forth by level, within the fair value hierarchy, the CEF's assets measured at fair value as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
Fixed income mutual fund	\$ 14,013,272	\$ -	\$ -	\$ 14,013,272
Money market funds	5,855,706	-	-	5,855,706
US Treasury obligations	595,998	-	-	595,998
Equities	37,338,244	-	-	37,338,244
Closely held stock	-	-	3,348,550	3,348,550
Total investments	\$ 57,803,220	\$ -	\$ 3,348,550	\$ 61,151,770
Real estate held closely for investment	-	-	270,000	270,000
Total investments held at fair value	\$ 57,803,220	\$ -	\$ 3,618,550	\$ 61,421,770

Donor imposed restrictions limit the use of proceeds from the disposition of real estate held for investment to funding of scholarships, developing a mentoring program, and the ongoing maintenance of Waities Island.

NOTE 21 – COMPONENT UNITS, Continued

The tables below set forth a summary of changes in the fair value of the CEF's Level 3 assets for the years ended June 30, 2023:

	Closely held stock	Real estate held for investment
Balance, beginning of year	\$ 3,244,450	\$ 270,000
Market appreciation (depreciation)	104,100	-
Total	\$ 3,348,550	\$ 270,000

The CEF did not hold any investments reported at NAV as a practical expedient to estimate fair value as of June 30, 2023.

During the year ended June 30, 2023, the University President served as an ex-officio member of the Coastal Educational Foundation board.

The CCU Student Housing Foundation: The CCU Student Housing Foundation is a separately chartered not-for-profit corporation organized in 2002 to provide housing for students at the University, as well as to provide support for the various programs of the University. The SHF is governed by a seven-member Board of Directors, two of whom are appointed by the University and the remainder by the Board. The CCU Housing Foundation, LLC, (CHF), a not-for-profit corporation, was organized in 2005. The SHF is the owner and sole member of CHF. As discussed in Note 1, the SHF and the CHF have been included in the reporting entity as a consolidated unit with significant intercompany accounts and transactions eliminated.

During the year ended June 30, 2016, CHF acquired land at a cost of \$1,875,036 to be used and developed by the University. CHF entered into an agreement to lease the land to CCU for 5 years effective July 1, 2018. At the expiration of that lease both parties agreed to a new 1-year lease effective July, 2023.

The Housing Foundation received \$3,446 of donated administrative services from the University during the year ended.

In May, 2017 the Board of Directors of SHF approved a \$3.5 million gift to CCU to be used for “student purposes at the discretion of the CCU President”. The University has requested that the gift be fulfilled during the fiscal year ending June 30, 2024. SHF also has a payable to CCU at June 30, 2023 of \$1,090 for office supplies.

In August, 2022 SHF pledged an unrestricted gift to the Coastal Educational Foundation in the amount of \$195,000 to be paid over 6 1/2 years. A payment of \$30,000 was made during the year ended June 30, 2023.

The Chanticleer Athletic Foundation: The Chanticleer Athletic Foundation is a separately chartered not-for-profit corporation organized in 1987 exclusively to support Coastal Carolina University Athletics. The CAF is comprised of no less than 15 board members and an executive director, who manages the operations of the CAF. The board of directors oversees the actions of the executive director and provides strategic goals which the executive director carries out. During the year ended June 30, 2023, the University President served as an ex-officio member of the Chanticleer Athletic Foundation board. As discussed in Note 1, the CAF has been included in the reporting entity as a component unit. Because the CAF is deemed not to be a government entity and, therefore, uses a different reporting model, its balances and transactions are reported on separate financial statements.

The CAF provides support directly to the University through funds raised from private contributions to support University athletic scholarships and programs. These transfers for fiscal year 2023 were recorded by the University as non-operating gift revenues totaling \$1,609,598 and capital gifts totaling \$18,004. The University, in turn, provides operational and fundraising staff for which it does not charge the foundation.

NOTE 21 – COMPONENT UNITS, Continued

The CAF and University valued these services for financial reporting purposes at \$762,087. The CAF ended fiscal year 2023 with net assets of \$16,523,339, receivables from the University of \$24,434 and payables to the University totaled \$1,212,992 (short-term \$167,692 and long-term \$1,045,300).

As of June 30, 2023, investments as shown on the accompanying statements of financial position are comprised of the following:

US Treasury bills	\$	11,487,955
US Treasury note		759,750
Money market funds		251,720
Annuity		519,500
Total investments	\$	13,018,925

The CAF can hold and intends to hold investments in order to handle market fluctuations.

The CAF is required to present its financial instruments using a framework that measures fair value under accounting principles generally accepted in the United States of America. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement requires fair value measurements be classified and disclosed in one of the following three categories (i.e., the fair value hierarchy):

- Level 1: Financial instruments with unadjusted, quoted prices listed on active market exchanges.
- Level 2: Financial instruments valued using inputs that include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3: Financial instruments that are not actively traded on a market exchange and require using significant unobservable inputs in determining fair value.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for the CAF's assets measured at fair value at June 30, 2023:

US Treasury securities	Valued at the closing price reported on the active market on which the funds are traded.
Annuity	Valued at cost which approximates fair value

The following table sets forth by level, within the fair value hierarchy, the CAF's assets measured at fair value as of June 30, 2023:

	Level 1	Level 2	Level 3	Total
US Treasury bills	\$ 11,487,955	\$ -	\$ -	\$ 11,487,955
US Treasury note	759,750	-	-	759,750
Money market funds	251,720	-	-	251,720
Annuity	-	519,500	-	519,500
Total investments	\$ 12,499,425	\$ 519,500	\$ -	\$ 13,018,925

The CAF did not hold any investments reported at NAV as a practical expedient to estimate fair value as of June 30, 2023.

NOTE 22 – CONTINGENCIES AND LITIGATION

Federal Programs: The diverse federal programs administered by the University are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Currently disallowances, if any, which may be due to federal grantors have not been determined, but University's management believe that any such amounts in the aggregate would not have an adverse effect with administering future federal programs or the financial position for the University.

Legal Matters: The University is involved in various legal actions which arose from the normal course of business, some of which are uninsured. The final outcomes of these legal proceedings and claims cannot be determined at this time. For litigation and claims wherein it is not possible to predict the ultimate outcome, no provision for any liability has been made in the financial statements.

NOTE 23 – COMMITMENTS

Horry County One-Cent Sales Tax: In March 2009, Horry County began charging an additional one-cent sales tax on many taxable goods and services to fund facilities for education. The one-cent sales tax provides funding for Horry County Schools, Coastal Carolina University and Horry Georgetown Technical College, and will continue until February 28, 2039. For the fiscal year ended June 30, 2023, Coastal Carolina University received approximately \$16.7 million in revenue from this tax. Since the inception of the one-cent sales tax, the University has received approximately \$150.8 million in revenue. The University has used this revenue to fund construction and purchase several buildings throughout campus. The Thompson Library, Kimbel Library Renovation, PGA Golf Management Academic Lab and University Boulevard Relocation, which are all currently in process at fiscal year end June 30, 2023, are all partially funded by the one-cent sales tax.

Open Constructions and Renovation Contracts: As of June 30, 2023, the University had 85 open contracts for construction and on-going renovation projects, which totaled \$47.8 million. Of this total, \$14.0 million remained unspent at fiscal year ended 2023. The largest contracts are connected to the construction of the Thompson Library which totaled \$21.9 million, approximately 54% of the total outstanding contracts. The remaining open contracts relate to various services rendered for construction, architectural work, engineering, testing, interior refurbishments, such as flooring, wiring, and painting and HVAC system control.

Subsequent Events: The University evaluated subsequent events through September 30, 2023, the date the financial statements were issued, and concluded that no events have occurred that would require disclosure.

NOTE 24 – CORRECTION OF AN ERROR IN PREVIOUSLY ISSUED FINANCIAL STATEMENTS

During fiscal year 2023, the State of South Carolina reported a \$3.5 billion overstatement of cash in its fiscal year 2022 ACFR. The misstatement was in part caused by double counting cash held by its component units, such as colleges and universities. In fiscal year 2022, Coastal Carolina University was appropriated \$7,899,283 in maintenance, renovation, and replacement funds, and reported that amount as cash in its ACFR. The University has since received guidance from the State that this amount should be reported as a receivable until such time when the funds are needed for a specific capital project and accordingly has made an adjustment to its fiscal year 2023 Statement of Cash Flows.

Required Supplementary Information

Required Supplemental Information For the Year Ended June 30, 2023 South Carolina Retirement System (SCRS)

Schedule of the University's Proportionate Share of the Net Pension Liability

Year	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll During the Measurement Period	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.678504%	\$ 164,483,869	\$ 49,594,278	331.7%	57.1%
2022	0.645961%	139,794,111	45,095,539	310.0%	60.7%
2021	0.725460%	185,367,802	50,894,509	364.2%	50.7%
2020	0.742019%	169,433,774	50,045,187	338.6%	54.4%
2019	0.722064%	161,791,535	48,390,581	334.3%	54.1%
2018	0.690523%	155,447,832	47,081,045	330.2%	53.3%
2017	0.660394%	141,059,184	43,897,115	321.3%	52.9%
2016	0.622015%	117,968,144	40,118,128	294.1%	57.0%
2015	0.592708%	102,044,668	37,461,349	272.4%	59.9%

Schedule of Employer Contributions

Year	Statutorily Required Contribution	Contributions Recognized by the Plan	Contributions Excess (Deficiency)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 14,672,610	\$ 14,672,610	\$ -	\$ 54,789,511	26.8%
2022	12,560,014	12,560,014	-	49,594,278	25.3%
2021	10,542,775	10,542,775	-	45,095,539	23.4%
2020	11,774,347	11,774,347	-	50,894,509	23.1%
2019	10,589,397	10,589,397	-	50,045,187	21.2%
2018	9,324,989	9,324,989	-	48,390,581	19.3%
2017	8,054,020	8,054,020	-	47,081,045	17.1%
2016	7,072,907	7,072,907	-	43,897,115	16.1%
2015	6,357,033	6,357,033	-	40,118,128	15.8%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Required Supplemental Information For the Year Ended June 30, 2023 Police Officers Retirement System (PORS)

Schedule of the University's Proportionate Share of the Net Pension Liability

Year	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll During the Measurement Period	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2023	0.147475%	\$ 4,422,738	\$ 2,333,929	189.5%	66.4%
2022	0.141815%	3,648,787	2,132,463	171.1%	70.4%
2021	0.166391%	5,517,891	2,502,413	220.5%	58.8%
2020	0.168625%	4,832,684	2,457,655	196.6%	62.7%
2019	0.180881%	5,125,340	2,503,668	204.7%	61.7%
2018	0.186150%	5,099,610	2,506,274	203.5%	60.9%
2017	0.170340%	4,320,682	2,168,437	199.3%	60.4%
2016	0.176170%	3,839,553	2,126,787	180.5%	64.6%
2015	0.155274%	2,972,608	1,852,946	160.4%	67.5%

Schedule of Employer Contributions

Year	Statutorily Required Contribution	Contributions Recognized by the Plan	Contributions Excess (Deficiency)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 489,029	\$ 489,029	-	\$ 2,526,465	19.4%
2022	426,721	426,721	-	2,333,929	18.3%
2021	366,634	366,634	-	2,132,463	17.2%
2020	436,151	436,151	-	2,502,413	17.4%
2019	399,334	399,334	-	2,457,655	16.2%
2018	384,268	384,268	-	2,503,668	15.3%
2017	356,968	356,968	-	2,506,274	14.2%
2016	298,383	298,383	-	2,168,437	13.8%
2015	292,668	292,668	-	2,126,787	13.8%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Required Supplemental Information
For the Year Ended June 30, 2023
South Carolina Retiree Health Insurance Trust Fund (SCRHITF)

Schedule of the University's Proportionate Share of the Net OPEB Liability

Year	Proportion of the Net OPEB Liability (Asset)	Proportionate of the Net OPEB Liability (Asset)	Covered Payroll During the Measurement Period	Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2023	0.983036%	\$ 149,537,875	\$ 96,622,416	154.8%	9.6%
2022	0.918002%	191,157,218	88,391,200	216.3%	7.5%
2021	1.059389%	191,235,038	97,652,768	195.8%	8.4%
2020	1.093945%	165,421,162	95,674,606	172.9%	8.4%
2019	1.075099%	152,347,817	92,695,778	164.4%	7.9%
2018	1.062580%	143,924,721	89,603,115	160.6%	7.6%

Schedule of Employer Contributions

Year	Statutorily Required Contribution	Contributions Recognized by the Plan	Contributions Excess (Deficiency)	University's Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 6,524,803	\$ 6,524,803	\$ -	\$ 104,396,853	6.2%
2022	6,038,901	6,038,901	-	96,622,416	6.3%
2021	5,524,500	5,524,500	-	88,391,200	6.3%
2020	6,103,298	6,103,298	-	97,652,768	6.3%
2019	5,788,314	5,788,314	-	95,674,606	6.1%
2018	5,099,242	5,099,242	-	92,695,778	5.5%

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.

Required Supplemental Information
For the Year Ended June 30, 2023
South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF)

Schedule of the University's Proportionate Share of the Net OPEB Liability

Year	Proportion of the Net OPEB Liability (Asset)	Proportionate of the Net OPEB Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2023	0.672130%	\$ 77,869	75.0%
2022	0.648397%	20,604	92.8%
2021	0.730659%	2,215	99.3%
2020	0.747173%	14,706	95.2%
2019	0.731892%	22,405	92.2%
2018	0.725488%	13,153	95.3%

Schedule of Employer Contributions

Year	Statutorily Required Contribution	Contributions Recognized by the Plan	Contributions Excess (Deficiency)
2023	\$ 52,270	\$ 52,270	\$ -
2022	50,889	50,889	-
2021	49,121	49,121	-
2020	55,223	55,223	-
2019	55,062	55,062	-
2018	53,294	53,294	-

Note: This schedule is intended to show information for ten years. Additional years will be displayed as they become available.





Statistical Section

This part of the University's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the University's overall financial health. Unless otherwise noted, the information in this section is derived from the annual comprehensive financial report of the relevant year.

Financial Trends

These schedules contain trend information to help the reader understand how the University's financial performance and well-being has changed over time.

Schedule 1

Net Position by Component Fiscal Years 2014-2023

For the year ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net Financial Position										
Net Investment in Capital Assets	\$ 277,883,883	\$ 259,355,561	\$ 255,542,716	\$ 263,570,933	\$ 234,030,705	\$ 232,727,461	\$ 229,608,138	\$ 210,872,540	\$ 193,226,321	\$ 154,687,499
Restricted - Nonexpendable	165,639	166,482	166,482	156,821	156,821	156,608	154,802	105,128	100,000	100,000
Restricted - Expendable	111,966,625	76,284,014	59,498,081	48,290,950	56,512,131	39,875,079	29,010,490	36,098,025	43,397,489	48,326,727
Unrestricted	(248,987,895)	(244,338,061)	(259,678,394)	(275,833,767)	(253,012,860)	(238,484,701)	(75,401,191)	(68,490,862)	(74,743,043)	40,955,904
Total Net Position	\$ 141,028,252	\$ 91,467,996	\$ 55,528,885	\$ 36,184,937	\$ 37,686,797	\$ 34,274,447	\$ 183,372,239	\$ 178,584,831	\$ 161,980,767	\$ 244,070,130

Source: Coastal Carolina University Annual Financial Reports

Notes: Implemented GASB Statement No. 68 in fiscal year ended 2015

Implemented GASB Statement No. 75 in fiscal year ended 2018

Schedule 2

Major Revenue Sources Fiscal Years 2014-2023

	For the year ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Tuition, net of allowance	\$ 148,758,210	\$ 137,178,155	\$ 132,026,784	\$ 137,826,176	\$ 135,614,138	\$ 135,821,794	\$ 133,229,383	\$ 128,382,842	\$ 117,216,607	\$ 104,646,848
State grants to students	16,665,989	16,952,472	14,173,662	14,017,834	13,360,947	13,021,528	12,607,539	11,233,292	11,042,191	10,394,517
Federal grants to students	3,319,166	3,384,486	2,568,181	3,547,136	2,598,791	2,018,280	2,270,650	2,493,903	2,205,506	2,237,119
Other operating grants	4,836,371	4,297,550	3,828,883	2,621,483	3,785,022	3,560,257	3,564,825	2,486,261	2,462,641	2,337,375
Sales and services of educ activities	9,034,585	6,711,655	3,341,628	5,355,025	7,502,229	7,421,906	5,662,884	5,627,219	5,315,361	4,914,266
Auxiliary enterprises, net of allowance	31,531,954	27,422,553	22,298,030	21,272,738	27,473,380	28,787,596	27,928,522	25,543,690	21,996,660	20,135,805
Other fees	1,812,600	1,721,867	1,539,826	1,535,403	1,569,680	1,669,194	2,641,853	2,812,828	2,891,160	2,670,049
Total operating revenue	215,958,875	197,668,738	179,776,994	186,175,795	191,904,187	192,300,555	187,905,656	178,580,035	163,130,126	147,335,979
State appropriations	25,610,589	20,186,081	17,922,248	17,965,623	15,305,083	13,301,750	12,897,108	12,211,610	10,851,710	10,264,739
Local appropriations	490,321	485,904	1,516,280	371,557	332,144	380,413	404,759	407,773	393,324	376,875
Gifts, Grants, Contracts, and Other	19,579,300	45,724,266	48,587,622	30,296,825	21,827,338	21,995,269	18,078,774	18,593,631	18,213,105	17,416,576
Investment income	3,192,262	(5,371,959)	1,006,699	2,630,058	3,587,958	622,869	987,691	610,471	414,206	1,338,907
Total non-operating revenue	48,872,472	61,024,292	69,032,849	51,264,063	41,052,523	36,300,301	32,368,332	31,823,485	29,872,345	29,397,097
Total non-capital revenue	\$ 264,831,347	\$ 258,693,030	\$ 248,809,843	\$ 237,439,858	\$ 232,956,710	\$ 228,600,856	\$ 220,273,988	\$ 210,403,520	\$ 193,002,471	\$ 176,733,076
Tuition, net of allowance	56.2%	53.0%	53.1%	58.0%	58.2%	59.4%	60.5%	61.0%	60.7%	59.2%
State grants to students	6.3%	6.6%	5.7%	5.9%	5.7%	5.7%	5.7%	5.3%	5.7%	5.9%
Federal grants to students	1.3%	1.3%	1.0%	1.5%	1.1%	0.9%	1.0%	1.2%	1.1%	1.3%
Other operating grants	1.8%	1.7%	1.5%	1.1%	1.6%	1.6%	1.6%	1.2%	1.3%	1.3%
Sales and services of educ activities	3.4%	2.6%	1.3%	2.3%	3.2%	3.2%	2.6%	2.7%	2.8%	2.8%
Auxiliary enterprises, net of allowance	11.9%	10.6%	9.0%	9.0%	11.8%	12.6%	12.7%	12.1%	11.4%	11.4%
Other fees	0.7%	0.7%	0.6%	0.6%	0.7%	0.7%	1.2%	1.3%	1.5%	1.5%
Total operating revenue	81.5%	76.4%	72.3%	78.4%	82.4%	84.1%	85.3%	84.9%	84.5%	83.4%
State appropriations	9.7%	7.8%	7.2%	7.6%	6.6%	5.8%	5.9%	5.8%	5.6%	5.8%
Local appropriations	0.2%	0.2%	0.6%	0.2%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%
Gifts	7.4%	17.7%	19.5%	12.8%	9.4%	9.6%	8.2%	8.8%	9.4%	9.9%
Investment income	1.2%	-2.1%	0.4%	1.1%	1.5%	0.3%	0.4%	0.3%	0.2%	0.8%
Total non-operating revenue	18.5%	23.6%	27.7%	21.6%	17.6%	15.9%	14.7%	15.1%	15.5%	16.6%
Total non-capital revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Coastal Carolina University Annual Financial Reports

Schedule 3

Expenses by Function Fiscal Years 2014-2023

For the year ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction	\$ 86,825,815	\$ 80,385,911	\$ 79,041,050	\$ 87,242,075	\$ 85,483,481	\$ 85,686,351	\$ 78,671,337	\$ 72,656,605	\$ 63,711,233	\$ 58,415,046
Research	1,956,062	1,310,672	1,215,166	1,542,809	1,834,631	1,146,817	892,293	1,977,867	1,810,122	2,211,588
Public Service	2,047,949	5,727,326	12,443,407	2,314,922	2,290,501	1,758,758	1,780,693	1,456,450	1,380,007	1,366,901
Academic Support	13,557,092	12,650,851	12,679,348	15,448,199	14,820,963	13,559,584	12,335,623	11,239,341	10,743,962	9,601,338
Student Services	43,728,837	42,489,252	34,814,736	37,901,884	37,367,184	36,842,037	35,991,083	29,608,665	26,624,936	25,572,728
Institutional Support	17,781,400	16,120,590	17,080,464	20,669,640	20,210,167	18,693,519	16,553,757	16,241,157	15,718,295	13,675,847
Plant Operation	30,084,064	25,843,133	25,533,398	28,766,482	29,536,223	29,290,511	28,192,082	25,408,965	25,412,161	23,945,222
Scholarships	13,775,627	27,423,419	18,250,141	19,273,470	11,058,668	11,955,588	11,500,733	11,320,124	12,531,727	11,866,581
Auxiliary Enterprises	21,898,846	19,917,059	15,873,934	17,503,781	17,676,795	16,226,552	13,853,774	12,936,339	11,397,453	9,996,530
Depreciation	21,379,519	19,345,635	18,813,162	18,753,658	18,017,245	17,842,630	17,379,154	15,184,395	13,614,618	13,355,479
Total operating expenses	253,035,211	251,213,848	235,744,806	249,416,920	238,295,858	233,002,347	217,150,529	198,029,908	182,944,514	170,007,260
Interest and bond issuance costs	5,675,230	5,938,898	6,385,278	7,175,602	8,239,236	8,603,879	9,017,676	5,643,957	7,286,798	6,587,313
Other non-operating expenses	-	-	-	-	-	98,080	7,842	86,743	16,326	424,468
Total non-operating expenses	5,675,230	5,938,898	6,385,278	7,175,602	8,239,236	8,701,959	9,025,518	5,730,700	7,303,124	7,011,781
Total expenses	\$ 258,710,441	\$ 257,152,746	\$ 242,130,084	\$ 256,592,522	\$ 246,535,094	\$ 241,704,306	\$ 226,176,047	\$ 203,760,608	\$ 190,247,638	\$ 177,019,041
Instruction	33.6%	31.3%	32.6%	36.0%	34.7%	35.5%	34.8%	35.7%	33.5%	33.0%
Research	0.8%	0.5%	0.5%	0.6%	0.7%	0.5%	0.4%	1.0%	1.0%	1.2%
Public Service	0.8%	2.2%	5.1%	0.9%	0.9%	0.7%	0.8%	0.7%	0.7%	0.8%
Academic Support	5.2%	4.9%	5.2%	6.0%	6.0%	5.6%	5.5%	5.5%	5.6%	5.4%
Student Services	16.9%	16.5%	14.4%	14.8%	15.2%	15.2%	15.9%	14.5%	14.0%	14.4%
Institutional Support	6.9%	6.3%	7.1%	8.1%	8.2%	7.7%	7.3%	8.0%	8.3%	7.7%
Plant Operation	11.6%	10.0%	10.6%	11.2%	12.0%	12.1%	12.5%	12.5%	13.4%	13.5%
Scholarships	5.3%	10.7%	7.5%	7.5%	4.5%	4.9%	5.1%	5.6%	6.6%	6.7%
Auxiliary Enterprises	8.5%	7.8%	6.6%	6.8%	7.2%	6.7%	6.1%	6.3%	6.0%	5.6%
Depreciation	8.3%	7.5%	7.8%	7.3%	7.3%	7.4%	7.7%	7.5%	7.2%	7.5%
Total operating expenses	97.8%	97.7%	97.4%	97.2%	96.7%	96.4%	96.0%	97.2%	96.2%	96.0%
Interest and bond issuance costs	2.2%	2.3%	2.6%	2.8%	3.3%	3.6%	4.0%	2.8%	3.8%	3.7%
Other non-operating expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
Total non-operating expenses	2.2%	2.3%	2.6%	2.8%	3.3%	3.6%	4.0%	2.8%	3.8%	4.0%
Total expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Coastal Carolina University Annual Financial Reports

Expenses by Use Fiscal Years 2014-2023

	For the year ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Personnel costs and benefits	\$ 158,920,642	\$ 149,109,854	\$ 152,455,342	\$ 164,806,883	\$ 156,482,206	\$ 151,607,372	\$ 137,654,967	\$ 125,408,050	\$ 113,684,278	\$ 104,710,936
Services and supplies	51,210,572	47,575,136	39,133,672	39,452,720	45,025,345	43,394,573	42,885,990	39,235,872	38,346,205	35,237,806
Utilities	8,652,114	8,613,063	7,939,041	8,094,674	8,563,298	8,958,781	8,463,833	7,552,309	7,024,154	6,843,404
Scholarships	13,693,268	26,570,160	17,403,589	18,308,985	10,207,764	11,198,991	10,766,585	10,649,282	10,275,259	9,859,635
Depreciation	21,379,519	19,345,635	18,813,162	18,753,658	18,017,245	17,842,630	17,379,154	15,184,395	13,614,618	13,355,479
Total operating expenses	253,856,115	251,213,848	235,744,806	249,416,920	238,295,858	233,002,347	217,150,529	198,029,908	182,944,514	170,007,260
Interest & bond issuance cost	5,675,230	5,938,898	6,385,278	7,175,602	8,239,236	8,603,879	9,017,676	5,643,957	7,286,798	6,587,313
Other non-operating expenses	-	-	-	-	-	98,080	7,842	86,743	16,326	424,468
Total non-operating expenses	5,675,230	5,938,898	6,385,278	7,175,602	8,239,236	8,701,959	9,025,518	5,730,700	7,303,124	7,011,781
Total expenses	\$ 259,531,345	\$ 257,152,746	\$ 242,130,084	\$ 256,592,522	\$ 246,535,094	\$ 241,704,306	\$ 226,176,047	\$ 203,760,608	\$ 190,247,638	\$ 177,019,041
Personnel costs and benefits	61.2%	58.0%	63.0%	64.2%	63.5%	62.7%	60.9%	61.5%	59.8%	59.2%
Services and supplies	19.7%	18.5%	16.2%	15.4%	18.3%	18.0%	19.0%	19.3%	20.2%	19.9%
Utilities	3.3%	3.3%	3.3%	3.2%	3.5%	3.7%	3.7%	3.7%	3.7%	3.9%
Scholarships	5.3%	10.3%	7.2%	7.1%	4.1%	4.6%	4.8%	5.2%	5.4%	5.6%
Depreciation	8.2%	7.5%	7.8%	7.3%	7.3%	7.4%	7.7%	7.5%	7.2%	7.5%
Total operating expenses	97.8%	97.5%	97.5%	97.2%	96.7%	96.4%	96.0%	97.2%	96.2%	96.0%
Interest & bond issuance cost	2.2%	2.5%	2.5%	2.8%	3.3%	3.6%	4.0%	2.8%	3.8%	3.7%
Other non-operating expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
Total non-operating expenses	2.2%	2.3%	2.6%	2.8%	3.3%	3.6%	4.0%	2.8%	3.8%	4.0%
Total expenses	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Coastal Carolina University Annual Financial Reports

Schedule 5

Other Changes in Net Position Fiscal Years 2014-2023

	For the year ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Income before other changes in net assets	\$ 6,120,906	\$ 1,540,284	\$ 6,679,759	\$ (19,152,664)	\$ (13,578,384)	\$ (13,103,450)	\$ (5,902,059)	\$ 6,642,912	\$ 2,754,833	\$ (285,965)
Capital appropriations	39,921,346	29,428,283	12,640,661	16,432,689	13,878,025	10,441,312	10,340,951	9,703,620	12,602,044	9,989,149
Capital grants and gifts	3,518,004	4,970,544	23,528	1,218,115	3,112,709	2,038,739	348,516	257,532	6,139,548	10,299,984
Total change in net position	\$ 49,560,256	\$ 35,939,111	\$ 19,343,948	\$ (1,501,860)	\$ 3,412,350	\$ (623,399)	\$ 4,787,408	\$ 16,604,064	\$ 21,496,425	\$ 20,003,168

Source: Coastal Carolina University Annual Financial Reports

Revenue Capacity

These schedules and charts contain information to help the reader assess the factors affecting the University's ability to generate its operating revenue.

Schedule 6

Applications, Enrollment and Degrees Awarded Academic Years 2013-14 through 2022-23

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Admissions - Freshmen										
Applications	17,161	15,481	14,152	15,061	14,057	18,563	17,768	17,252	14,799	14,050
Applications accepted	13,493	12,251	9,970	10,373	9,777	11,359	10,871	10,291	9,412	9,014
Accepted as a percentage of applications	79%	79%	70%	69%	70%	61%	61%	60%	64%	64%
Students enrolled	2,662	2,519	2,056	2,304	2,329	2,390	2,249	2,368	2,375	2,095
Students enrolled as a percentage of accepted	20%	21%	21%	22%	24%	21%	21%	23%	25%	23%
Average SAT score	1110	1109	1102	1098	1102	1098	1018	1005	1001	1000
Enrollment										
Headcount enrollment										
Undergraduate	9,794	9,790	9,500	9,760	9,917	9,898	9,747	9,615	9,364	8,867
Graduate	543	683	618	724	724	765	732	648	612	611
Full time equivalent enrollment										
Undergraduate	9,625	9,540	9,183	9,531	9,567	9,721	9,535	9,435	9,105	8,564
Graduate	303	355	344	382	383	392	399	342	316	306
Residency for Fee Payment Purposes*										
Undergraduate, State Residents	6,924	7,149	6,972	7,129	7,182	7,215	7,132	6,929	6,889	6,514
Undergraduate, Out of State Residents	2,870	2,641	2,528	2,631	2,735	2,683	2,615	2,686	2,475	2,353
Headcount Total by Fee Payment Purposes	9,794	9,790	9,500	9,760	9,917	9,898	9,747	9,615	9,364	8,867
Percent of Undergraduates paying as Residents	71%	73%	73%	73%	72%	73%	73%	72%	74%	73%
Percent of Undergraduates paying as Non-residents	29%	27%	27%	27%	28%	27%	27%	28%	26%	27%
Required Tuition and Fees**										
Undergraduate, In State, Full Time	\$ 11,640	\$ 11,640	\$ 11,640	\$ 11,640	\$ 11,536	\$ 11,200	\$ 10,876	\$ 10,530	\$ 10,140	\$ 9,760
Undergraduate, Out of State, Full Time	\$ 28,490	\$ 27,394	\$ 27,394	\$ 27,394	\$ 26,648	\$ 25,872	\$ 25,120	\$ 24,320	\$ 23,480	\$ 22,770
Non-resident: Resident Fee Ratio	2.45	2.35	2.35	2.35	2.31	2.31	2.31	2.31	2.32	2.33
Degrees Awarded***										
Bachelor's	1,852	1,860	1,921	1,986	1,892	1,809	1,821	1,581	1,648	1,553
Master's	287	303	261	291	319	334	274	272	254	232

Notes: * Scholarship recipients who are non-residents may receive a partial or full waiver of the out-of-state fee differential.

** Does not include room and board.

***2021-2022 Preliminary

Source: Coastal Carolina University Fact Book

Undergraduate Annual Required Tuition and Fees at South Carolina Public Four-Year Institutions Academic Years 2013-14 through 2022-23

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	Ten Year Change
The Citadel	\$ 13,140	\$ 13,140	\$ 13,140	\$ 13,140	\$ 13,036	\$ 12,626	\$ 12,229	\$ 11,364	\$ 11,098	\$ 10,838	21.2%
Clemson University	15,120	15,120	15,120	15,120	14,970	14,712	14,318	13,882	13,446	13,054	15.8%
Coastal Carolina University	11,640	11,640	11,640	11,640	11,536	11,200	10,876	10,530	10,140	9,760	19.3%
College of Charleston	12,518	12,518	12,518	12,518	12,418	11,998	11,386	10,900	10,558	10,230	22.4%
Francis Marion University	11,160	11,160	11,160	11,160	11,160	10,842	10,453	10,100	9,738	9,386	18.9%
Lander University	11,700	11,700	11,700	11,700	11,700	11,700	11,200	10,752	10,418	10,100	15.8%
South Carolina State University	11,060	11,060	11,060	11,060	11,060	10,740	10,420	10,088	10,088	9,776	13.1%
University of South Carolina											
Columbia	12,688	12,688	12,688	12,688	12,616	12,262	11,856	11,482	11,158	10,816	17.3%
Aiken	10,710	10,710	10,710	10,710	10,710	10,502	10,196	9,878	9,552	9,258	15.7%
Beaufort	10,680	10,680	10,680	10,680	10,680	10,472	10,166	9,848	9,354	8,922	19.7%
Upstate	11,488	11,488	11,488	11,488	11,488	11,520	11,190	10,718	10,348	10,028	14.6%
Winthrop University	15,306	15,306	15,306	15,306	15,230	14,870	14,510	14,156	13,812	13,430	14.0%
Average Rate	\$ 12,268	\$ 12,268	\$ 12,268	\$ 12,268	\$ 12,217	\$ 11,954	\$ 11,567	\$ 11,142	\$ 10,809	\$ 10,467	17.2%

Note: Coastal Carolina University's 2017-18 tuition reflects a \$100 tuition credit per semester

Source: CHE Tuition & Required Fees for Academic Year 2021-22

Schedule 8

Schedule of Residence Hall Data Fiscal Years 2014-2023

For the year ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Applications Received	5,984	5,156	5,240	5,374	5,904	5,625	5,136	4,657	5,357	4,084
Design Capacity of Beds	4,956	4,620	4,620	4,628	4,628	4,628	4,620	3,966	3,289	3,289
Opening Occupancy	4,777	4,527	3,794	4,383	4,399	4,458	4,406	4,109	3,715	3,551
Percent Occupancy	96%	98%	90%	95%	95%	96%	95%	104%	113%	108%
Residence Hall & Meal Fees	\$ 9,960	\$ 9,368	\$ 9,290	\$ 9,290	\$ 9,190	\$ 9,140	\$ 8,890	\$ 8,690	\$ 8,440	\$ 7,860

Source: Coastal Carolina University Fact Book
Coastal Carolina University Housing Department

Total Financial Aid Received By University Students Academic Years 2013-14 through 2022-23

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Federal Financial Aid										
Pell Grant	\$ 13,615,523	\$ 14,636,846	\$ 14,433,880	\$ 15,802,920	\$ 16,240,845	\$ 16,397,835	\$ 15,216,412	\$ 15,420,633	\$ 15,431,085	\$ 14,811,193
Supplemental Grants	677,464	695,682	688,478	624,927	624,615	480,320	359,215	395,901	392,742	378,696
College Work Study	530,494	565,266	572,045	554,559	573,648	450,023	340,684	442,089	453,598	308,173
Perkins Loans	N/A	N/A	N/A	N/A	N/A	122,663	100,086	141,724	169,632	215,651
Bank Loans	67,850,744	65,769,019	66,638,695	74,152,408	79,220,007	83,213,894	83,306,473	79,415,602	73,509,521	65,919,891
Total Federal Aid	\$ 82,674,225	\$ 81,666,813	\$ 82,333,098	\$ 91,134,814	\$ 96,659,115	\$ 100,664,735	\$ 99,322,870	\$ 95,815,949	\$ 89,956,578	\$ 81,633,604
Other Aid										
Scholarships – Foundation and Internal Committee	\$ 9,896,688	\$ 9,408,647	\$ 8,067,477	\$ 7,306,305	\$ 6,369,009	\$ 5,530,191	\$ 3,694,228	\$ 3,357,769	\$ 3,145,468	\$ 2,647,264
Athletics Scholarships/Waivers	8,979,447	8,707,029	8,565,611	7,818,536	7,897,181	7,473,164	7,899,404	7,249,729	6,810,136	6,837,182
Other Scholarships	51,745,981	46,391,845	40,194,014	40,506,933	37,480,803	34,970,034	32,007,524	29,553,467	27,605,652	23,933,261
Institutional Employment	2,800,065	2,491,376	1,801,828	2,715,736	2,715,736	2,715,711	2,634,719	2,824,782	2,766,609	3,278,360
Private Loans	36,506,117	31,653,337	27,584,673	29,491,789	29,353,132	28,481,736	25,733,114	23,990,701	21,688,227	19,783,278
Total Other Aid	\$ 109,928,298	\$ 98,652,234	\$ 86,213,603	\$ 87,839,299	\$ 83,815,861	\$ 79,170,836	\$ 71,968,989	\$ 66,976,448	\$ 62,016,092	\$ 56,479,345
Total Financial Aid	\$ 192,602,522	\$ 180,319,047	\$ 168,546,701	\$ 178,974,113	\$ 180,474,976	\$ 179,835,571	\$ 171,291,859	\$ 162,792,397	\$ 151,972,670	\$ 138,112,949
Unduplicated Count of Students Receiving Aid	9,258	9,538	9,408	9,667	9,963	9,958	9,637	9,484	9,160	8,573

Source: Coastal Carolina University Fact Book

Schedule 10

**Annual Appropriations per In-state Student by Geographic Origin
S.C. Comprehensive Teaching Institutions
Academic Years 2012-13 through 2021-22**

	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
The Citadel	\$ 5,962	\$ 5,281	\$ 5,228	\$ 4,576	\$ 4,420	\$ 4,408	\$ 4,158	\$ 4,146	\$ 3,968	\$ 4,227
Coastal Carolina Univ.	3,806	3,214	3,089	2,570	2,361	2,269	2,041	1,866	1,771	1,775
College of Charleston	5,552	4,840	4,724	4,020	3,686	3,457	3,053	2,930	2,779	2,650
Francis Marion Univ.	5,670	4,759	4,665	4,395	4,358	4,092	3,616	3,441	3,097	2,917
Lander University	3,449	3,146	3,415	3,033	3,053	3,048	2,802	2,560	2,356	2,180
SC State University	8,387	7,802	7,414	5,570	5,517	5,592	5,088	4,714	4,303	3,847
USC-Aiken	3,787	3,131	3,358	2,829	2,707	2,669	2,474	2,321	2,262	2,206
USC-Beaufort	4,990	3,519	3,353	2,344	2,141	2,164	1,839	1,883	1,819	965
USC-Upstate	3,699	2,743	2,622	2,164	2,027	2,037	1,815	1,822	1,780	1,560
Winthrop	5,185	4,223	3,953	3,439	3,088	2,988	2,779	2,769	2,612	2,528
Average	\$ 4,840	\$ 4,067	\$ 3,988	\$ 3,410	\$ 3,223	\$ 3,141	\$ 2,846	\$ 2,751	\$ 2,601	\$ 2,450

Source: South Carolina Executive Budget Office
South Carolina Commission of Higher Education

Debt Capacity

These schedules present information to help the reader assess the affordability of the University's current levels of outstanding debt and the University's ability to issue debt in the future.

Schedule 11

Schedule of Ratios of Outstanding Debt Last Ten Years - 2014-2023

For the year ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General obligation bonds	\$ 4,495,000	\$ 5,480,000	\$ 6,415,000	\$ 7,305,000	\$ 42,365,000	\$ 45,595,000	\$ 48,710,000	\$ 51,690,000	\$ 56,675,000	\$ 59,665,000
Revenue bonds	159,191,773	165,901,096	177,634,405	184,233,590	190,576,970	196,677,786	202,886,591	187,808,000	192,361,000	106,707,000
Subtotal bonds payable	163,686,773	171,381,096	184,049,405	191,538,590	232,941,970	242,272,786	251,596,591	239,498,000	249,036,000	166,372,000
Unamortized bond premiums	8,003,254	8,953,013	4,588,054	5,164,114	5,877,731	6,547,977	7,255,421	7,112,680	5,160,821	2,301,283
Total bonds payable	171,690,027	180,334,109	188,637,459	196,702,704	238,819,701	248,820,763	258,852,012	246,610,680	254,196,821	168,673,283
Capital lease obligations	1,682,469	1,080,697	502,988	271,836	69,927	-	-	-	-	144,894,319
Subscriptions	3,388,755	-	-	-	-	-	-	-	-	-
Total outstanding university debt	\$ 176,761,251	\$ 181,414,806	\$ 189,140,447	\$ 196,974,540	\$ 238,889,628	\$ 248,820,763	\$ 258,852,012	\$ 246,610,680	\$ 254,196,821	\$ 313,567,602
Fall full-time equivalent										
Undergraduate and graduate students	9,928	9,895	9,527	9,913	9,950	10,112	9,934	9,777	9,421	8,870
Total outstanding university debt										
Per Fall full-time equivalent student	\$ 17,804	\$ 18,334	\$ 19,853	\$ 19,870	\$ 24,009	\$ 24,606	\$ 26,057	\$ 25,224	\$ 26,982	\$ 35,351

Source: Coastal Carolina University Fact Book

Debt Service Coverage on Revenue Bonds Fiscal Years 2014-2023

Revenue Bonds	For the year ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues	\$ 237,777,408	\$ 237,065,144	\$ 228,045,206	\$ 216,925,519	\$ 210,854,012	\$ 206,468,687	\$ 200,589,664	\$ 190,622,706	\$ 174,937,930	\$ 159,198,369
Expenses	209,546,138	209,904,912	177,721,067	195,030,055	190,998,587	186,282,036	179,200,165	167,713,680	157,721,637	146,387,042
Net Revenues Available for Debt Service	\$ 28,231,270	\$ 27,160,232	\$ 50,324,139	\$ 21,895,464	\$ 19,855,425	\$ 20,186,651	\$ 21,389,499	\$ 22,909,026	\$ 17,216,293	\$ 12,811,327
Debt Service Req, Revenue Bonds	\$ 12,905,835	\$ 12,894,189	\$ 13,121,101	\$ 13,119,434	\$ 13,120,713	\$ 13,486,166	\$ 13,013,796	\$ 9,364,953	\$ 3,057,986	\$ 1,936,417
Coverage	2.19	2.11	3.84	1.67	1.51	1.50	1.64	2.45	5.63	6.62

Notes: Above revenues, expenses, and net revenues available for debt service have been determined in accordance with the requirements of the applicable bonds. The State of SC allocates a portion of its unfunded pension costs to Coastal Carolina University per GASB 68 effective fiscal year 2015, and unfunded postemployment benefits per GASB 75 effective fiscal year 2018. Like depreciation, this allocation does not constitute a cash outflow and is excluded from expenses in the calculation of debt service coverage.

Source: Coastal Carolina University Annual Financial Reports

Schedule 13

Debt Service Coverage on General Obligation Bonds Fiscal Years 2014-2023

For the year ended June 30

General Obligation Bonds	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Tuition Pledged for Debt Service	\$ 1,420,000	\$ 1,420,000	\$ 1,420,000	\$ 1,420,000	\$ 5,647,811	\$ 6,642,535	\$ 6,787,216	\$ 7,408,400	\$ 7,103,562	\$ 7,149,984
Debt Service, General Obligation Bonds	1,259,000	1,255,750	1,255,250	1,247,250	5,071,325	5,088,575	5,109,846	5,086,748	5,241,476	5,248,076
Coverage	1.13	1.13	1.13	1.14	1.11	1.31	1.33	1.46	1.36	1.36

Source: Coastal Carolina University Annual Financial Reports

Demographic And Economic Information

These charts offer demographic and economic indicators to help the reader understand the environment within which the University's financial activities take place and to help make comparisons over time and with other universities.

Schedule 14

South Carolina Employment by Industry Calendar Years 2013 and 2022 (Annual Average)

Industry	2022		2013	
	Number of Employees	Percent of Total	Number of Employees	Percent of Total
Mining and Logging	4,500	0.20%	3,900	0.20%
Construction	109,400	4.81%	83,100	4.30%
Manufacturing	264,200	11.61%	225,500	11.67%
Trade, Transportation and Utilities	447,900	19.68%	376,900	19.50%
Information	31,600	1.39%	27,600	1.43%
Financial Activities	119,700	5.26%	96,500	4.99%
Professional and Business Services	307,500	13.52%	250,500	12.96%
Education and Health Services	273,800	12.03%	223,300	11.55%
Leisure and Hospitality	260,400	11.44%	216,700	11.21%
Other Services	82,400	3.62%	71,000	3.67%
Government	374,100	16.44%	358,000	18.52%
	2,275,500	100.00%	1,933,000	100.00%

Source: United States Department of Labor, Bureau of Labor Statistics

Top 10 Employers Calendar Years 2013 - 2022 Listed Alphabetically

State of South Carolina

2022	2013
BMW Manufacturing Corp.	Bi-Lo, Inc.
Department of Defense	Blue Cross Blue Shield of SC
Food Lion, Inc.	Department of Defense
Medical University of South Carolina	Greenville Health System
Michelin North America, Inc.	Michelin North America, Inc.
Prisma Health Upstate	Prisma Health Upstate
Publix Super Markets, Inc.	School District of Greenville County
School District of Greenville County	University of South Carolina
Spartanburg Regional Medical Center	US Postal Services
Wal-Mart Associates, Inc.	Wal-Mart Associates, Inc.

Horry County, SC

2022	2013
Adidas America, Inc.	City of Myrtle Beach
City of Myrtle Beach	City of North Myrtle Beach
Coastal Carolina University	Coastal Carolina University
Conway Hospital	Conway Hospital
Grand Strand Regional Medical Center	Grand Strand Regional Medical Center
Horry County Government	Horry County Government
School District of Horry County	School District of Horry County
McLeod Loris Seacoast Hospital	K Mart Corporation
OS Restaurant Services, Inc.	Southeast Restaurants Corporation
Randstand US, LLC	Wyndham Vacation Ownership, Inc.

Source: South Carolina Department of Employment and Workforce

Note: Due to confidentiality, the number of employees for each employer is not available.

State Population, Income and Unemployment History Calendar Years 2013 through 2022

Year	Total Personal Income	Population	Per Capita Income	Annual Unemployment Rate
2022	\$ 281,668,100,000	5,282,634	\$ 53,320	3.2%
2021	270,299,200,000	5,190,705	52,074	3.3%
2020	247,868,500,000	5,218,040	47,502	5.6%
2019	233,948,400,000	5,148,714	45,438	2.8%
2018	223,256,900,000	5,084,156	43,912	3.5%
2017	212,034,100,000	5,021,268	42,227	4.3%
2016	201,138,800,000	4,957,968	40,569	4.8%
2015	192,966,800,000	4,891,938	39,446	6.0%
2014	181,483,100,000	4,823,617	37,624	5.7%
2013	170,227,200,000	4,764,080	35,731	6.4%

Source: U.S. Department of Commerce, Bureau of Economic Analysis
U.S. Department of Labor, Bureau of Labor Statistics

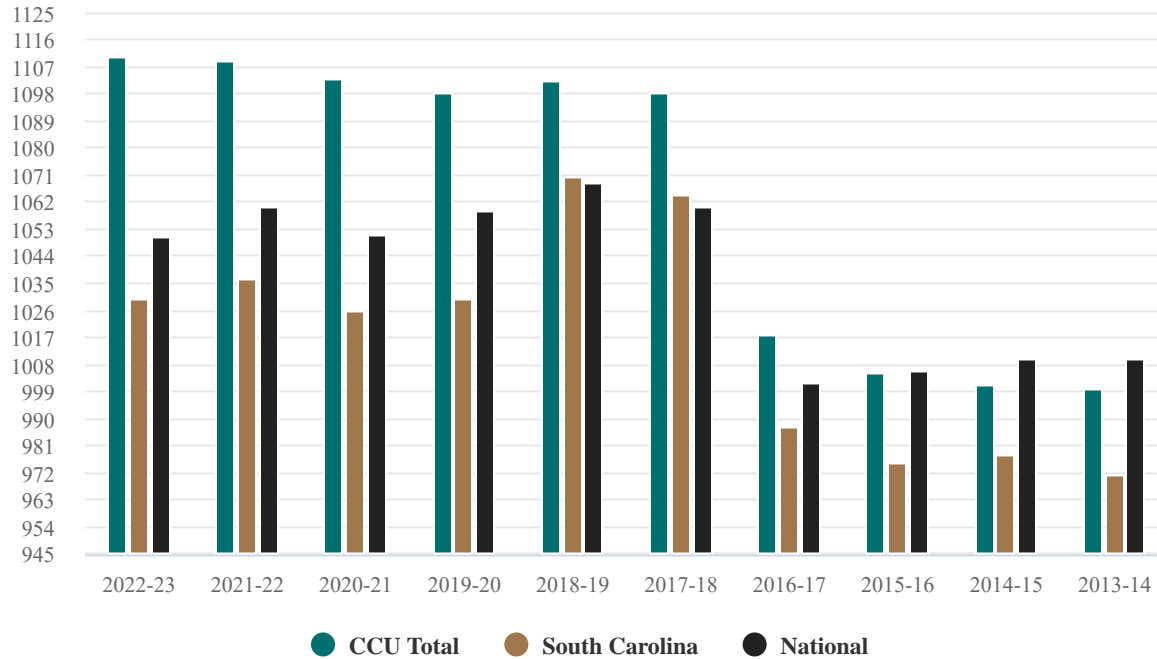
Operating Information

These schedules contain information about the University's operations and resources to help the reader understand how the University's information relates to the services the University provides and the activities it performs.

SAT Scores, New Freshman Academic Years 2013-2014 through 2022-2023

	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
CCU Total	1110	1109	1103	1098	1102	1098	1018	1005	1001	1000
South Carolina	1030	1036	1026	1030	1070	1064	987	975	978	971
National	1050	1060	1051	1059	1068	1060	1002	1006	1010	1010

Comparisons with Comprehensive Universities South Carolina and National Averages



Source: Coastal Carolina Office of Institutional Research (<https://www.coastal.edu/iraa/factbooks/university/>)

Average Faculty Salaries by Rank Academic Years 2012-2013 through 2021-2022

	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Coastal Carolina University										
Professor	\$ 100,243	\$ 97,347	\$ 97,245	\$ 95,898	\$ 97,690	\$ 97,867	\$ 94,892	\$ 95,623	\$ 90,920	\$ 86,945
Associate Professor	\$ 78,025	\$ 75,758	\$ 76,172	\$ 73,440	\$ 74,236	\$ 74,539	\$ 71,290	\$ 71,574	\$ 69,923	\$ 70,405
Assistant Professor	\$ 67,859	\$ 66,123	\$ 65,273	\$ 65,816	\$ 65,769	\$ 66,511	\$ 61,361	\$ 61,083	\$ 59,586	\$ 59,999
Instructor	\$ 57,474	\$ 55,739	\$ 55,739	\$ 54,781	\$ 51,452	\$ 51,135	\$ 48,146	\$ 47,907	\$ 45,347	\$ 47,472
Average, all ranks	\$ 81,043	\$ 78,400	\$ 78,173	\$ 76,961	\$ 77,107	\$ 77,681	\$ 73,183	\$ 72,764	\$ 69,721	\$ 68,960
Average, percent of SC public universities	108.49%	107.89%	111.02%	109.30%	108.79%	109.87%	106.17%	107.56%	107.22%	107.18%
Average, percent of SREB*	N/A*	123.50%	126.48%	126.02%	127.38%	126.70%	127.60%	123.02%	120.12%	117.25%
Average, percent of national**	90.95%	91.43%	93.91%	93.14%	91.61%	92.70%	89.39%	89.66%	88.14%	90.38%
South Carolina Public Universities										
Professor	\$ 90,751	\$ 87,968	\$ 88,353	\$ 87,287	\$ 88,282	\$ 87,511	\$ 85,375	\$ 85,438	\$ 83,019	\$ 82,365
Associate Professor	\$ 75,232	\$ 73,932	\$ 74,039	\$ 71,888	\$ 71,786	\$ 71,215	\$ 69,203	\$ 68,348	\$ 66,114	\$ 66,027
Assistant Professor	\$ 66,522	\$ 63,980	\$ 63,866	\$ 63,242	\$ 63,061	\$ 63,293	\$ 61,001	\$ 60,322	\$ 57,927	\$ 57,559
Instructor	\$ 56,050	\$ 55,416	\$ 53,641	\$ 51,822	\$ 51,477	\$ 50,411	\$ 49,621	\$ 49,033	\$ 48,350	\$ 47,538
Average, all ranks	\$ 74,704	\$ 72,668	\$ 70,412	\$ 70,412	\$ 70,875	\$ 70,702	\$ 68,933	\$ 67,652	\$ 65,024	\$ 64,341
Southern (SREB**) Average	N/A*	\$ 63,481	\$ 61,806	\$ 61,070	\$ 60,535	\$ 61,310	\$ 57,355	\$ 59,150	\$ 58,042	\$ 58,816
National (CUPA***) Average	\$ 89,111	\$ 85,752	\$ 85,365	\$ 82,632	\$ 84,168	\$ 83,802	\$ 81,866	\$ 81,153	\$ 79,102	\$ 76,301

Source: Coastal Carolina University Fact Book
 South Carolina Commission on Higher Education
 Southern Regional Education Board
 College and University Professional Association

Summary of Faculty, Staff and Administrative Statistics Fiscal Years 2014-2023

	For the year ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Full-time faculty	499	477	485	488	490	450	449	433	416	414
Part-time faculty	187	169	127	174	193	229	214	214	218	184
Total faculty	686	646	612	662	683	679	663	647	634	598
Full-time staff/administrators	861	857	781	960	946	756	737	730	722	692
Part-time staff/administrators	146	149	109	172	159	347	355	335	306	296
Total staff/administrators	1,007	1,006	890	1,132	1,105	1,103	1,092	1,065	1,028	988
Total full-time employees	1,360	1,334	1,266	1,448	1,436	1,206	1,186	1,163	1,138	1,106
Total employees	1,693	1,652	1,502	1,794	1,788	1,782	1,755	1,712	1,662	1,586
Part-time faculty FTE (full-time equivalent)	162.3	152.2	106.8	150.3	150.5	185.5	166.4	171.6	165.7	145.2
Total teaching faculty FTE	650.3	626.2	589.8	623.3	627.5	619.5	604.4	594.6	580.7	556.2
Ratios:										
Full-time faculty: Full-time staff/administrators	0.58	0.56	0.62	0.51	0.52	0.60	0.61	0.59	0.58	0.60
Total faculty: Total staff and administrators	0.68	0.64	0.69	0.58	0.62	0.62	0.61	0.61	0.62	0.61
Part-time faculty: Total faculty	0.27	0.26	0.21	0.26	0.28	0.34	0.32	0.33	0.34	0.31

Source: National Center for Educational Statistics, Integrated Postsecondary Education Data System

Capital Asset Information Fiscal Years 2014-2023

	For the year ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Buildings – Assignable Area (sq. ft)										
Instruction	406,871	406,861	406,712	406,712	406,712	397,922	349,729	339,883	351,591	364,887
Research	27,134	27,134	29,439	29,439	29,134	29,444	29,439	20,336	8,508	8,508
Public Service	-	-	-	-	-	-	-	-	-	182
Academic Support	47,701	47,701	47,729	47,729	47,729	47,729	47,729	47,720	47,777	47,147
Student Services	195,254	195,254	195,256	196,399	195,256	195,531	195,431	195,431	181,777	179,818
Institutional Support	82,342	82,342	91,950	98,375	96,515	101,084	94,841	76,530	82,232	70,472
Plant Operation and Maintenance	30,806	30,806	30,806	30,806	30,806	30,806	30,806	30,806	30,212	30,212
Auxiliaries	1,086,703	1,086,703	1,086,703	1,086,703	1,086,703	990,143	990,198	992,770	875,500	875,500
Other	62,816	62,527	63,759	63,759	63,759	63,735	92,559	86,771	55,304	51,605
Total Assignable Area (sq. ft)	1,939,627	1,939,328	1,952,354	1,959,922	1,956,614	1,856,394	1,830,732	1,790,247	1,632,901	1,628,331
Residence Hall - Number of beds										
Main Campus	2,541	2,541	2,541	2,541	2,541	2,541	2,541	1,917	1,210	1,210
University Place I and II	987	987	987	987	987	987	987	987	987	987
University Place III	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092	1,092
Leased Housing	178	-	-	-	-	-	-	-	-	-
Georgetown	-	-	-	8	8	8	-	-	-	-
Total Number of Beds	4,798	4,620	4,620	4,628	4,628	4,628	4,620	3,996	3,289	3,289
Athletic and Intramural Facilities										
Stadiums	4	4	4	4	4	4	4	4	4	4
Extramural and intramural fields	4	4	4	4	4	4	4	4	3	3
Track facility	1	1	1	1	1	1	1	1	1	1
Golf course	1	1	1	1	1	1	1	1	1	1
Pool	2	2	2	2	2	2	2	2	2	1
Gymnasiums	3	3	3	3	3	3	3	3	3	3
Fitness centers	2	2	2	2	2	2	2	2	2	2
Tennis courts	18	18	18	18	18	18	18	18	18	-
Number of Capital Assets:	116	116	116	120	120	120	120	114	106	102

Source: Coastal Carolina University Institutional Research Department
 Coastal Carolina University Housing Department
 Coastal Carolina University Facilities Department



The background image is a composite of three horizontal sections. The top section shows a bright blue sky with scattered white clouds, framed by the green branches of trees. The middle section is a solid teal-colored band. The bottom section shows a calm pond reflecting the sky and trees, with a grassy bank in the foreground. In the immediate foreground, there are several tall, vibrant red flowers and some smaller purple and white flowers. The text 'Single Audit Section' is centered in the teal band.

Single Audit Section

Independent Auditors' 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*

To the Board of Trustees of
Coastal Carolina University
Conway, South Carolina

We have audited, in accordance with the 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 business-type activities and the discretely presented component units of Coastal Carolina University (the "University"), a discretely presented component unit of the State of South Carolina, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise University's basic financial statements, and have issued our report thereon dated September 29, 2023. Our report includes a reference to other auditors who audited the financial statements of Coastal Educational Foundation, Coastal Carolina University Student Housing Foundation, and Chanticleer Athletic Foundation, as described in our report on the University's financial statements. The financial statements of these foundations were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with these foundations.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the University's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, we do not express an opinion on the effectiveness of the University's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the University's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

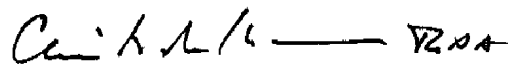
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether University's financial statements are free from 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 financial statements. 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gaffney, SC
September 29, 2023

Independent Auditors' Report on Compliance for Each
Major Federal Program and on Internal Control Over
Compliance Required by the Uniform Guidance

To the Board of Trustees of
Coastal Carolina University
Conway, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Coastal Carolina University's (the "University") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2023. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the University's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

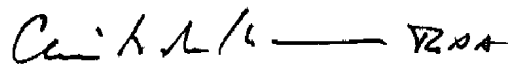
Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Gaffney, SC
September 29, 2023

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023

Federal Grantor/Pass through Grantor/Program Title	Federal Assistance Listing Number	Grant Number	Passed Through to Subrecipients	Total Expenditures
RESEARCH & DEVELOPMENT CLUSTER:				
DEPARTMENT OF COMMERCE				
<i>Passed thru SECOORA</i>				
Delivering Actionable Coastal and Ocean Information from High-Quality Science and Observation	11.012	NA21NOS0120097	\$ 7,331	\$ 40,033
<i>Passed thru SECOORA</i>				
Expending Real-time Water Level Sensing in South Carolina and South Florida Observations and Applications	11.012	NA23NOS0120081	\$ -	\$ 5,317
		Subtotal for Integrated Ocean Observing System	\$ 7,331	\$ 45,350
<i>Passed thru SC Sea Grant Consortium</i>				
Coastal and Estuarine Acidification in Long Bay, SC	11.417	NA22OAR4170114	\$ -	\$ 43,833
<i>Passed thru SC Sea Grant Consortium</i>				
Coastal and Estuarine Acidification in Long Bay, SC	11.417	NA22OAR4170114	\$ -	\$ 703
		Subtotal for Sea Grant Support	\$ -	\$ 44,536
<i>Passed thru University of South Carolina</i>				
Integrating Climate Change Effects into Ecosystem-Based Fisheries Management: Penaeid Shrimp in the Southeast US	11.419	NA19NOS4190058	\$ -	\$ 42,272
<i>Passed thru University of Alabama</i>				
Advance-Riverine-Coastal Model Coupling and Forecast Verification for Total Water Quantity and Water Quality Prediction	11.432	NA22NWS4320003	\$ -	\$ 161,061
SC Marine Mammal Stranding Network: Final Transition Year	11.439	NA20NMF4390113	\$ -	\$ 215
<i>Passed thru Synoptic Data Corp</i>				
National Mesonet Program	11.467	S2020-131	\$ 88,491	\$ 161,056
		TOTAL FOR DEPARTMENT OF COMMERCE	\$ 95,822	\$ 454,490
DEPARTMENT OF DEFENSE				
<i>Passed thru Office of Naval Research</i>				
Influence of Horizontal Inhomogeneity of Refractivity Vertical Profiles on Electromagnetic Measurements in Application to Refractivity Inversions	12.300	N00014-19-1-2350	\$ -	\$ 24,835
<i>Passed thru Defense Security Cooperation Agency</i>				
Odor-Based Navigation in Turbulent Flow Research Study for the IA	99.999	PO 444/1032139	\$ -	\$ 5,947
		TOTAL FOR DEPARTMENT OF DEFENSE	\$ -	\$ 30,782

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023

Federal Grantor/Pass through Grantor/Program Title	Federal Assistance Listing Number	Grant Number	Passed Through to Subrecipients	Total Expenditures
<i>RESEARCH & DEVELOPMENT CLUSTER (CONTINUED):</i>				
DEPARTMENT OF THE INTERIOR				
<i>Passed thru NC Wildlife Resources Commission</i>				
Estimate the Population of Catchable Size Muskellunge in Upper French Broad River	15.605	DIF-0042	\$ -	\$ 2,348
<i>Passed thru NC Wildlife Resources Commission</i>				
Conservation Planning for a Geographically Restricted Headwater Species, the Sandhills Chub	15.634	IF-0045	\$ -	\$ 63,160
<i>Passed thru SC Department of Natural Resources</i>				
SC-Conservation Planning for a Geographically Restricted Headwater Species, the Sandhills Chub	15.634	P24018428722	\$ -	\$ 30,700
		Subtotal for State Wildlife Grants	\$ -	\$ 93,860
		TOTAL FOR DEPARTMENT OF INTERIOR	\$ -	\$ 96,208
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION				
<i>Passed thru College of Charleston</i>				
Kathy Sullivan Fellowship: High Resolution Late Holocene Relative Sea Level Reconstruction in the NE Gulf of Mexico	43.008	80NSSC20M0054	\$ -	\$ 8,000
<i>Passed thru College of Charleston</i>				
Space Grant Campus Director Award	43.008	80NSSC20M0054	\$ -	\$ 828
<i>Passed thru College of Charleston</i>				
Assessing the Effectiveness of an Interactive 360 Virtual Reality Toll for STEM Education	43.008	80NSSC20M0054	\$ -	\$ 1,997
		TOTAL FOR NATIONAL AERONAUTICS & SPACE ADMINISTRATION	\$ -	\$ 10,825
NATIONAL ENDOWMENT FOR THE ARTS & HUMANITIES				
<i>Passed thru SC Humanities</i>				
Fire, Water, Wood: The Lowcountry Tree-Ring Project	45.129	23-2186-3	\$ -	\$ 1,000
<i>Passed thru SC Humanities</i>				
SC Creative Sociology Writing Competition	45.129	23-2161-4	\$ -	\$ -
		TOTAL FOR NATIONAL ENDOWMENT FOR THE ARTS & HUMANITIES	\$ -	\$ 1,000
NATIONAL SCIENCE FOUNDATION				
RAPID: Hurricane Michael	47.041	1906114	\$ -	\$ 780
RUI: Investigation Spin Currents from Nuclear Field Gradients	47.049	2152540	\$ -	\$ 35,963

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023

Federal Grantor/Pass through Grantor/Program Title	Federal Assistance Listing Number	Grant Number	Passed Through to Subrecipients	Total Expenditures
RESEARCH & DEVELOPMENT CLUSTER (CONTINUED):				
<i>Passed thru Harvard University</i>				
Environmental Tipping Points of Cultural Identity Extinction in Integrated Human-Ecological Systems Represented by Small Fishing Nations	47.050	2108452	\$ -	\$ 94,810
Collaborative Research: Dynamics of Cross-Shelf Plumes under Upwelling Wind Conditions	47.050	2148479	\$ -	\$ 84,916
Collaborative Proposal: The Benthic Influence on North Atlantic Deep Water End Signatures	47.050	2148481	\$ -	\$ 16,040
Interactions between Incipient Continental Rifting, Fluvial Systems, and Regional Climate in Southern Africa: Okavango-Makgadikgadi, Botswana	47.050	1714754	\$ -	\$ 57,591
RUI: Traveling Planetary-scale Waves During Major Stratospheric Sudden Warming	47.050	1642232	\$ -	\$ 25,167
Collaborative Research P2C2: Extreme Floods on the Lower Mississippi River in the Context of Late Holocene Climatic Variability	47.050	1804799	\$ -	\$ 195
		Subtotal for Geosciences	\$ -	\$ 278,719
ILTER: Drivers of Abrupt Change in the Florida Coastal Everglades	47.074	1832229	\$ -	\$ 11,553
The Biomechanics of Long-Distance Flight in Large Beetles	47.074	2120299	\$ -	\$ 70,988
RUI: Development & Application of Genomic Resources for Ascidian Taxonomy and Holobiont Evolution	47.074	2122475	\$ 79,677	\$ 133,053
Headwater Stream Networks in a Warming World: Predicting Heterotrophic Ecosystem Function Using Theory, Multi-scale Temp. Manipulations and Modeling	47.074	1655797	\$ -	\$ 24,958
EAGER RUI: The Physiology and Nitrogen Assimilatory Pathway of Spanish Moss in Response to Increased Nitrogen	47.074	2040121	\$ -	\$ 54,903
		Subtotal for Biological Sciences	\$ 79,677	\$ 295,455
			\$ -	
Research Networking Activities in Support of Sustained Coordinated Observations of Arctic Change	47.078	1936506	\$ -	\$ 2,688
TOTAL FOR NATIONAL SCIENCE FOUNDATION			\$ 79,677	\$ 613,605
DEPARTMENT OF ENERGY				
<i>Passed thru Savannah River Nuclear Solutions LLC</i>				
Sea Breeze Research	99.999	515108	\$ -	\$ 24,175
<i>Passed thru Triad National Security LLC</i>				
HPC Scheduler Resilience Research	81.124	547073	\$ -	\$ 133,720

INTRODUCTORY SECTION

FINANCIAL SECTION

STATISTICAL SECTION

SINGLE AUDIT SECTION

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023

Federal Grantor/Pass through Grantor/Program Title	Federal Assistance Listing Number	Grant Number	Passed Through to Subrecipients	Total Expenditures
RESEARCH & DEVELOPMENT CLUSTER (CONTINUED):				
<i>Passed thru Triad National Security LLC</i>				
Scheduling Simulation for Production HPC	81.124	C3132	\$ -	\$ 73,114
Subtotal for Nonpoint Source Implementation Grants			\$ -	\$ 206,834
TOTAL FOR DEPARTMENT OF ENERGY			\$ -	\$ 231,009
 DEPARTMENT OF HEALTH & HUMAN SERVICES				
<i>Passed thru Clemson University</i>				
South Carolina Public Health Preparedness Student Corp (SCPHPSC)	93.354	2400-233-2015305	\$ -	\$ 176,058
<i>Passed thru University of South Carolina</i>				
South Carolina IDeA Networks of Biomedical Research Excellence	93.859	5P20GM103499-21	\$ -	\$ 193,944
<i>Passed thru University of South Carolina</i>				
South Carolina IDeA Networks of Biomedical Research Excellence	93.859	5P20GM103499-22	\$ -	\$ 30,379
Subtotal for Biomedical Research and Research Training			\$ -	\$ 224,323
TOTAL FOR DEPT OF HEALTH & HUMAN SERVICES			\$ -	\$ 400,381
TOTAL RESEARCH & DEVELOPMENT CLUSTER			\$ 175,499	\$ 1,838,300
OTHER PROGRAMS:				
DEPARTMENT OF INTERIOR				
<i>Passed thru US Fish & Wildlife Service</i>				
Upstream Water Quality Monitoring Program for Cox Ferry Lake Recreation Area	15.654	FA23AC00186-00	\$ -	\$ 10,854
TOTAL FOR DEPARTMENT OF INTERIOR			\$ -	\$ 10,854
DEPARTMENT OF JUSTICE				
<i>Passed thru SC Department of Public Safety</i>				
Passed thru SC Department of Public Safety Law Enforcement Victim's Advocate	16.575	IV21039	\$ -	\$ 24,342
<i>Passed thru SC Department of Public Safety</i>				
Law Enforcement Victim's Advocate	16.575	1V20101	\$ -	\$ 7,714
Subtotal for Crime Victim Assistance			\$ -	\$ 32,056
<i>Passed thru SC Department of Public Safety</i>				
Bulletproof Vest Partnership Program	16.607	None	\$ -	\$ 2,874
TOTAL FOR DEPARTMENT OF JUSTICE			\$ -	\$ 34,930

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023

Federal Grantor/Pass through Grantor/Program Title	Federal Assistance Listing Number	Grant Number	Passed Through to Subrecipients	Total Expenditures
OTHER PROGRAMS (CONTINUED):				
DEPARTMENT OF STATE				
Fostering Global Citizenship in an Increasingly Polarized World: The International Student Festival in Trodeim (ISFiT) 2023 Project	19.04	AGS-1946677	\$ -	\$ 19,735
TOTAL FOR DEPARTMENT OF STATE			\$ -	\$ 19,735
OFFICE OF PERSONNEL MANAGEMENT				
<i>Passed thru National Science Foundation</i>				
Dr. Varavut Limpasuvan's Intergovernmental Personnel Act Assignment	27.011	S-N0600-22-GR0014	\$ -	\$ 209,274
TOTAL FOR OFFICE OF PERSONNEL MANAGEMENT			\$ -	\$ 209,274
LIBRARY OF CONGRESS				
<i>Passed thru Waynesburg University</i>				
SC History Day	42.010	GA08C0016	\$ -	\$ 13,139
TOTAL FOR LIBRARY OF CONGRESS			\$ -	\$ 13,139
NATIONAL ENDOWMENT FOR THE ARTS & HUMANITIES				
<i>Passed thru SC Humanities</i>				
National History Day in South Carolina 2022-2023	45.129	21-1076-5	\$ -	\$ 16,246
<i>Passed thru SC Humanities</i>				
Gullah Geechee Community Day	45.129	22-2134-1	\$ -	\$ 5,937
<i>Passed thru SC Humanities</i>				
Bucksport SC: Building a Beloved Community	45.129	23-2160-2	\$ -	\$ 1,800
<i>Passed thru SC Humanities</i>				
The Poverty Project Photovoice Exhibit	45.129	23-2163-2	\$ -	\$ 1,349
TOTAL FOR NATIONAL ENDOWMENT FOR THE ARTS & HUMANITIES			\$ -	\$ 25,332
ENVIRONMENTAL PROTECTION AGENCY				
<i>Passed thru SC Department of Health & Environmental Control</i>				
Phase 2 of DHEC 319 Hog Inlet Watershed Management Project Oyster Reef Construction	66.460	Phase 2 of DHEC 319	\$ -	\$ 111
TOTAL FOR ENVIRONMENTAL PROTECTION AGENCY			\$ -	\$ 111
DEPARTMENT OF EDUCATION				
Building Collaborative Area Studies through an Interdisciplinary Language Resource Center	84.016A	P016A200017	\$ -	\$ 41,261

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023

Federal Grantor/Pass through Grantor/Program Title	Federal Assistance Listing Number	Grant Number	Passed Through to Subrecipients	Total Expenditures
<i>OTHER PROGRAMS (CONTINUED):</i>				
<i>Passed thru SC Department of Education</i>				
Project CREATE	84.027	Year 20	\$ -	\$ 29,669
TOTAL FOR DEPARTMENT OF EDUCATION			\$ -	\$ 70,930
NATIONAL ARCHIVES & RECORDS ADMINISTRATION				
Gullah Geechee Digital Project	89.003	RM-102739-19	\$ -	\$ 41,050
TOTAL FOR NATIONAL ARCHIVES & RECORDS ADMINISTRATION			\$ -	\$ 41,050
DEPARTMENT OF HEALTH & HUMAN SERVICES				
<i>Passed thru Winthrop University</i>				
Bingocize SC	93.636	2021-04-SC-0901	\$ -	\$ 13,563
TOTAL FOR DEPARTMENT OF HEALTH & HUMAN SERVICES			\$ -	\$ 13,563
<i>TOTAL OTHER PROGRAMS CLUSTER</i>			<i>\$ -</i>	<i>\$ 438,918</i>
<i>STUDENT FINANCIAL ASSISTANCE CLUSTER:</i>				
DEPARTMENT OF EDUCATION				
Federal Supplemental Educational Opportunity	84.007	P007A227401	\$ -	\$ 461,018
Federal Work Study Program - 2023	84.033	PO33A227401	\$ -	\$ 425,815
Federal Work Study Program - 2022	84.033	PO33A217401	\$ -	\$ (2)
PERKINS Loans	84.038	None	\$ -	\$ 360,165
Federal Pell Grant Program - 2023	84.063	P063P222202	\$ -	\$ 13,105,121
Federal Pell Grant Program - 2022	84.063	P063P212202	\$ -	\$ 471,857
Federal Pell Grant Program - 2021	84.063	P063P202202	\$ -	\$ 10
Federal Direct Student Loans - Stafford Subsidized & Unsubsidized	84.268	P268K232202	\$ -	\$ 66,209,187
Teacher Education Assistance for College and Higher Education	84.379	P379T232202	\$ -	\$ 42,069
<i>TOTAL FOR DEPARTMENT OF EDUCATION</i>			<i>\$ -</i>	<i>\$ 81,075,240</i>
<i>TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER</i>			<i>\$ -</i>	<i>\$ 81,075,240</i>
<i>TOTAL FEDERAL EXPENDITURES</i>			<i>\$ 175,499</i>	<i>\$ 83,352,458</i>

Note to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2023

General

The accompanying Schedule of Federal Financial Assistance presents the activity of all federal award programs of the University. The reporting entity is defined in Note 1 of the University's financial statements. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Basis Of Accounting

The accompanying Schedule of Federal Financial Assistance is presented using the accrual basis of accounting, which is described in Note 1 of the University's financial statements. Expenditures for nonfinancial aid awards include indirect costs, related primarily to facilities operation and maintenance and general, divisional and departmental administrative services, which are allocated to direct cost objectives (including federal awards) based on negotiated formulas commonly referred to as facilities and administrative cost rates. Facilities and administrative costs allocated to such awards for the year ended June 30, 2023, were based on predetermined fixed rates negotiated with the University's cognizant federal agency. The University has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

Loan Programs

The University participates in the Federal Direct Student Loans (Direct Loans) program of the U.S. Department of Education, which includes subsidized and unsubsidized Federal Stafford Loans and Federal PLUS loans. Under the Direct Loans program, the University is responsible only for certain administrative duties, accordingly, the disbursements under the program and the outstanding loan balances are excluded from the financial statements of the University. The totals of loans processed for the current fiscal year are:

Stafford Student Loan – Subsidized	\$	15,756,535
Stafford Student Loan – Unsubsidized		22,411,157
PLUS Loans		28,041,495
Total	\$	<u>66,209,187</u>

The Federal Perkins Loan Program is administered directly by the University and balances and transactions relating to the program are included in the University's financial statements. The balance of loans outstanding under the Federal Perkins Loan program was \$360,165 as of June 30, 2023, with no new loans being disbursed.

Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2023

Findings Relating to the Financial Statements:

There were no findings relating to the financial statements.

Findings and Questioned Costs Relating to Federal Awards:

There were no findings or questioned costs related to federal awards.

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2023

Summary of Auditor’s Results:

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP.

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

Yes _____ No x

Significant deficiency(ies) identified?

Yes _____ No x

Noncompliance material to financial statements noted?

Yes _____ No x

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified?

Yes _____ No x

Significant deficiency(ies) identified?

Yes _____ No x

Type of auditor’s report issued on compliance for major federal programs.

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)

Yes _____ No x

Identification of major federal programs:

Federal ALN
Various

Student Financial Aid Cluster

Various

Research & Development Custer

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes x No _____

Schedule of Findings and Questioned Costs, Continued

For the Year Ended June 30, 2023

Summary of Auditor's Results, continued

Findings Relating to the Financial Statements:

There were no findings relating to the financial statements.

Findings and Questioned Costs Relating to Federal Awards:

There were no findings or questioned costs related to federal awards.





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