



# ANNUAL COMPREHENSIVE **FINANCIAL REPORT**

A component unit of the State of South Carolina for the fiscal year ended June 30, 2021.

# COASTAL CAROLINA UNIVERSITY®

# 2021







# **Annual Comprehensive Financial Report**

*A component unit of the State of South Carolina*

For the year ended June 30, 2021

**Prepared by the  
Office of Financial Services**





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# Introductory Section





# COASTAL CAROLINA

## UNIVERSITY®

### Office of the President

September 30, 2021

Dear Coastal Carolina University Community:

Coastal Carolina University (CCU) navigated challenging circumstances during the 2020-2021 academic year due to the COVID-19 pandemic; however, the faculty, staff and students persevered and have positioned the University for success as a new year begins. The Fall 2021 semester reports preliminary enrollment of 10,318 students, conveying 3,465 new students to Teal Nation. I am extremely proud of our university community and the commitment to make this a welcoming and inclusive campus with a common goal to help our students be successful and achieve their academic and personal goals. 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.

Coastal Carolina University continues to strive to improve the value of the CCU degree while enhancing the institution's reach, rigor and reputation; determined to differentiate itself from the other comprehensive higher education choices in South Carolina. Reflective of the growing breadth of academic programs, Coastal Carolina University offers baccalaureate degrees through more than ninety-five (95) majors. Among CCU's graduate-level programs are twenty-seven (27) master's degree programs, two (2) educational specialist degrees, and two (2) doctoral programs: the Ph.D. in marine science: coastal and marine systems science, and the Ph.D. in education. Additionally, CCU offers seven (7) undergraduate certificates and five (5) graduate certificates.

The following are some of our most significant accomplishments for the 2020-2021 Academic Year:

- Over the past year, Coastal received the following distinctions:
  - *U.S. News & World Report (Southern Division)*
    - #6 in Best Value Schools
    - #45 in Regional Universities
    - #27 in Best Colleges for Veterans
    - #15 in Best Undergraduate Teaching
    - #14 in Most Innovative Schools
    - #70 in Top Performers on Social Mobility
    - #19 in Top Public Schools
  - Strive for College: "Strive Five" distinction for exceling in five key areas – Inclusion, Diversity, Affordability, Completion and Outcomes
  - Colleges of Distinction: 2021-2022 College of Distinction, 2021-2022 Best Public College
  - VIQTOY *Military Friendly*: 2021-2022 Military Friendly Schools Silver Distinction



- *MilitaryTimes*: 2021 Best for Vets: Colleges recognition
- OnlineU: #21 Best Online Bachelor's in Hospitality Management with Highest Return on Investment 2021
- A Bachelor of Arts in criminal justice degree program was approved by Coastal Carolina University's Board of Trustees. The degree program was subsequently approved by the South Carolina Commission on Higher Education and the Southern Association of Colleges and Schools and is now offered to students beginning Fall 2021. A major in criminal justice offers students a thorough foundation in criminal justice theories and research methods in the social sciences. There are multiple opportunities for research, service learning, and internships. While completing the major, students may select specialized training in legal studies, law enforcement, or data analysis. Graduates with the Bachelor of Arts in Criminal Justice find employment in a variety of professions and occupations. Some of these include positions in policing (city, county, state, and federal), courts, corrections (jails, prisons, probation, and parole), security (private and industrial), and a variety of public service occupations in governmental and nongovernmental organizations.
- Coastal Carolina University played a leading role in establishing the Study South Carolina consortium aimed at recruiting international students. The group of educational institutions, in collaboration with the U.S. Department of Commerce and the South Carolina Association of International Educators, is devoted to promoting South Carolina as a top study destination for international students around the world. The goal of the newly-formed consortium, which includes nine institutions of higher education, is to combine resources and efforts to recruit talented international students to the array of diverse educational programs offered by South Carolina's institutions. CCU has the third largest number of international students in the Palmetto State, with more than 200 students from 56 countries. The University also has student exchange programs with partners in 20 locations worldwide.
- Coastal Carolina University was approved as a university alliance partner of the Certified Commercial Investment Member (CCIM) Institute, allowing master's-level students in the E. Craig Wall Sr. College of Business Administration to expedite the preparation necessary to earn their CCIM designation. According to CCIM Institute, fewer than 10% of commercial and investment real estate managers have their CCIM designation, making this certification one of the most elite in the industry. With approval as a university alliance partner, CCU students in the Master of Business Administration (MBA) commercial and investment real estate (CIRE) track can earn their CCIM designation at an accelerated pace. Since its launch in 2020, the CIRE track in the MBA program has become increasingly popular with new students due to the content and its format of completion with in-person or online classes. The real estate track prepares students for careers in the commercial and investment real estate industry, including as a real estate investment manager, property or association manager, or in roles related to land development, franchise, or real estate operations. The MBA concentration provides a comprehensive overview of the industry, market analysis, and valuation strategies.
- Coastal Carolina University established the Beta Omega chapter of Alpha Alpha Alpha (Tri-Alpha), a national honor society for first-generation college students. Founded in 2018, Tri-Alpha recognizes academic achievements in first-generation college students, creates enthusiasm for scholarship, promotes leadership, and provides support networks for first-generation students. More than 25% of CCU's student body identifies as first-generation students. To qualify as a first-generation college student, neither of the student's parents nor legal guardians has earned a bachelor's degree. Candidates also must have a 3.2 GPA on a 4.0 scale and have earned at least 30 credits toward a bachelor's degree. Graduate students who identify as first-generation college students must have completed at least nine credit hours and have at least a 3.5 GPA. Membership benefits include the opportunity for students to meet other first-generation scholars from all academic disciplines on campus; identify to employers, professionals, and graduate schools as a person of superior academic ability and commitment; and receive mentoring from more senior first-generation students, faculty, staff, and alumni.

- The initial blocks of a sensor-laden “Smart Reef” system capable of gathering critical marine and weather information were installed with the aid of boats and SCUBA divers off the South Carolina coast near Little River Inlet. The high-tech undersea information-collection system was developed by Coastal Carolina University’s Burroughs & Chapin Center for Marine and Wetland Studies in partnership with the gubernatorially established S.C. Floodwater Commission. The system was lowered onto and installed on the Ron McManus Memorial Reef system, located approximately five nautical miles from the south jetty at Little River inlet. The surface-to-reef installation was the first of three phases, enabling scientists and researchers at CCU to collect wave, storm, and other data in real-time in order to facilitate better modeling as regards storm impacts, flooding, surge measurement, and various threats to the coast and the economies impacted by all. Data generated by the Smart Reef system will become publicly available as a part of the South East Atlantic (SEA) Econet; a system of 100 weather stations across the Southeastern U.S., which feeds the National Weather Service’s modeling system.
- The unveiling and official opening of the Coastal Carolina University “Teal Alley” mural in the alley off of Third Avenue in Conway celebrated the growing partnership between Coastal Carolina University and the City of Conway. This unique public art space was created by an assistant professor in visual arts and her students during the Spring 2021 semester. Using CCU’s prominent colors of teal and bronze, the mural covers both sides of the alley with CCU themes.
- CCU athletic programs saw many successes during the year. This 2020 fall season, the Chanticleers won three Sun Belt regular-season championships – football, volleyball, and men’s soccer – as well as repeated as the Sun Belt tournament champions in men’s soccer. At one point, the Chanticleers were one of just five schools nationwide to have both their football and volleyball teams ranked in the top-25 national polls and had three teams - football, volleyball, and men’s soccer - all ranked nationally for most of the fall season. The football team became the highest-nationally ranked team in Sun Belt football history and finished the season ranked No. 14 in both the Associated Press and USA Today Coaches Top-25 polls. The Chanticleer football team also made the program’s first-ever FBS postseason bowl game, playing in the FBC Mortgage Cure Bowl, and was ranked as high as No. 12 in the College Football Playoff rankings. The Chanticleer women’s golf team also won the 2021 Sun Belt Conference Women’s Golf Championship. Coastal Carolina student-athletes also excelled in the classroom, both physically and virtually, in the fall 2020 semester, as the department overall earned a 3.135 semester grade point average (GPA) and recorded a 3.226 cumulative GPA. A total of 17 teams posted a cumulative GPA of over 3.00, while 14 programs earned a team semester GPA of 3.00 or higher for the fall term. Softball led the way with a team-high GPA of 3.678, while the men’s tennis team was the top men’s program with a team GPA of 3.652 overall.
- For the fourteenth consecutive year, the University received an unmodified opinion from external auditors Cline Brandt Kochenower & Co., P.A. for the annual financial statements from the fiscal year ending June 30, 2021. According to the audit findings, there were no significant deficiencies, material weaknesses or instances of non-compliance material to the financial statements.

Coastal Carolina University continues its commitment to provide exceptional education at a reasonable cost, and while doing so, continues to positively impact the economic, social and cultural environment of Horry and Georgetown Counties. We recognize that the support and resources of the campus community, and that of both local and state government, is essential for the University to maintain its academic excellence and broaden its reputation as a high-quality institution of higher education.



Coastal Carolina University is a vibrant place where tradition, integrity and excellence guide our progress and we are fully committed to our mission to “develop students who are both knowledgeable in their chosen fields and prepared to be productive, responsible, healthy citizens with a global perspective”.

As evidence thereof, I am pleased to submit Coastal Carolina University’s 2021 Annual Comprehensive Financial Report.

Sincerely,

A handwritten signature in blue ink that reads "Michael T. Benson".

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

Enclosure



COASTAL CAROLINA  
UNIVERSITY®

Senior Vice President of  
Finance and Administration  
And Chief Financial Officer

## Letter Of Transmittal

September 30, 2021

To the President 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, 2021.

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, 2021 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, 2021 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.

Generally accepted accounting principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The University's MD&A can be found immediately following the report from the independent auditor.



## 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. 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 in the Atlantic Center on U.S. 501. 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 4,728 students in two general locations: main campus (2,628 beds) and at University Place (2,100 beds).

## New Programs and Initiatives

The University is committed to a common goal of providing students with the programs, tools and experiences to achieve their academic and personal goals. New academic programs continue to be a focus as the University directs its energies toward supporting student success as a means of promoting growth and retention.

During the 2020-2021 academic year, five new degrees were offered to undergraduate students:

- B.M.E. in Music Education
- B.A. in Religious Studies with concentrations in Religion in Public Life and Textual Studies
- B.F.A. in Visual Communication Design
- B.F.A. in Visual Art
- B.A./B.S. in Sustainability and Coastal Resilience

Opportunities to improve the student experience and recruitment and retention efforts have been put into place, which include the following:

- Growth of the Coastal Student Success Center to include the Academic Coaching Experience Department and the Student Opportunity for Academic Recovery 'SOAR' Program, the Tutoring and

Learning Center, and the following programs: CINO Accelerate, Coastal Excellence and Leadership ‘CEaL’ Program, and the Bridge Program. Staff to support these efforts were hired, courses were created and taught as well as workshops and presentations conducted.

- The Mathematics Learning Center expanded its campus footprint with additional math outreach opportunities to meet students in entry level mathematics and statistics courses in common areas across campus, allowing them the chance to learn from a variety of instructors and socialize in a non-threatening environment.
- In Summer 2021, Student Transitions and Family Programs welcomed and transitioned the largest incoming class through three program modalities (asynchronous online, synchronous virtual, and synchronous in-person). After providing orientation programming virtually in 2020, over 1,600 new students chose to complete their synchronous orientation experience in-person.

The University is committed to access, inclusion and diversity by providing leadership, support and resources for initiatives that strategically and proactively promote an institutional culture of inclusiveness and equity. The Division of Diversity, Equity and Inclusion is comprised of the Office of Diversity and Inclusion (ODI), Intercultural and Inclusion Student Services (IISS) and Accessibility and Disability Services (ADS). Together, these offices lead and advance Coastal Carolina University efforts to engage students, faculty, staff and the greater community in a partnership of learning grounded in the liberal arts, based on respect for diversity and inclusion. In July 2020, the Director of Intercultural and Inclusion Student Services was hired. Partnering with the Office of Admissions and Merit Awards, the Director provides leadership and coordination for projects, programs, and events that support recruitment and retention for students from underserved and marginalized groups.

## Economic Environment

Coastal Carolina University’s financial profile fits more closely with that of a private institution than with that of a typical public institution due to a relatively low state appropriation allocation. In spite of the fact that state funding only contributes approximately 7.5 percent to our total budget, Coastal Carolina University’s in-state tuition rate is 5.1 percent below the average amount charged by other South Carolina public universities with a similar mission. This 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 tuition flat for the 2020-2021 and 2021-2022 academic years. Additionally, housing rates have not increased in seven years, and a \$75 per semester rebate is being issued to all students living in campus housing for the fifth year. Therefore, the overall cost of attending Coastal Carolina University did not increase in fiscal year 2021 nor fiscal year 2022.

Undergraduate Rate Comparison per Semester	FY 2020-2021		FY 2021-2022		\$ change		% change	
	FT	FT	FT	FT	FT	FT	FT	FT
	In-State	Out-of-State	In-State	Out-of-State	In-State	Out-of-State	In-State	Out-of-State
Total Tuition and Required Fees	\$ 5,820	\$ 13,697	\$ 5,820	\$ 13,697	\$ -	\$ -	0.00%	0.00%
Housing Double Occupancy	\$ 3,260	\$ 3,260	\$ 3,260	\$ 3,260	\$ -	\$ -	0.00%	0.00%
Less Housing Rebate	\$ (75)	\$ (75)	\$ (75)	\$ (75)	\$ -	\$ -	0.00%	0.00%
Basic Unlimited Meal Plan	\$ 1,750	\$ 1,750	\$ 1,750	\$ 1,750	\$ -	\$ -	0.00%	0.00%
<b>Average Tuition, Room &amp; Board</b>	<b>\$ 10,755</b>	<b>\$ 18,632</b>	<b>\$ 10,755</b>	<b>\$ 18,632</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>	<b>0.00%</b>



The chart below provides a snapshot of the University's enrollment growth over the last ten years. Fall 2020 semester enrollment was 10,118, representing a 16 percent increase from fall 2010 to 2020.

	Fall 2010	Fall 2020	# change	% change
New Freshmen	2,006	2,056	50	2.5%
Undergraduate Headcount	8,203	9,500	1,297	15.8%
Graduate Headcount	503	618	115	22.9%
<b>Total Headcount</b>	<b>8,706</b>	<b>10,118</b>	<b>1,412</b>	<b>16.2%</b>
Undergraduate FTE	8,073	9,183	1,110	13.7%
Graduate FTE	229	344	115	50.2%
<b>Total FTE</b>	<b>8,302</b>	<b>9,527</b>	<b>1,225</b>	<b>14.8%</b>

The COVID-19 pandemic created uncertainty and challenges within higher education, which necessitated many changes on college campuses – changes in operational procedures, delivery of instruction, recruitment strategies, and safety protocol. In the midst of the uncertainty, Coastal Carolina University braced for a 15% enrollment decline in fall 2020. The University reduced the operating budget accordingly through a variety of cost cutting measures. The fall 2020 semester saw a 3.5% enrollment decline, much better than projected, thus positioning the University to be financially sound coming out of fiscal year 2021.

Coastal Carolina University operates multiple auxiliary enterprises as a means of supporting University operations. The primary auxiliary enterprises consist of University Housing (university operated), Transportation Services (university operated), Vending (outsourced to Pepsi and C.A. Timbes), Campus Dining (outsourced to Aramark), Mail Services (university operated), and the Chanticleer Store (outsourced to Barnes and Noble). The outsourced auxiliary enterprises are operated with oversight from the Office of Contractual and Business Services.

Two major credit rating agencies have assigned strong marks to Coastal Carolina University's outstanding revenue bonds. Fitch affirmed its "A+" rating to these bonds on October 23, 2020 referencing a "history of strong cash flow generation, very limited and flexible capital needs, and exceptionally high levels of capital support from receipt of a county-wide sales tax". Moody's Investor Service reaffirmed its "A1" credit rating on August 4, 2021. Both agencies reported a stable outlook.

The University is fortunate to receive appropriations from both Horry County and Georgetown County. This gives the University the ability to take on specific projects in the interest of the citizens of each of those counties, which in turn, benefits the local communities. Coastal Carolina University is also appreciative of the support received from Horry County citizens for voting to implement the local option sales tax that funds campus infrastructure.

## Long-Term Financial Planning

The University continues to implement the Strategic Plan entitled "High-Impact Engagement 2016-2021 Strategic Plan" to provide direction to the budgeting process and the continual outcome-based assessments in the form of Accountability Reports filed annually with the South Carolina Executive Budget Office. The cycle of strategic planning, assessment and budgeting is a process that allows the University to respond to present and future initiatives with flexibility and with the innovative approaches that are required due to limited resources. The accomplishment of strategic objectives is paired with annual fundraising events and long-term campaigns and capital improvement plans to ensure a viable financial framework for the University.

The strategic planning process and the goals and objectives under each key strategy are detailed on the following website.

<http://www.coastal.edu/aboutccu/leadership/strategicplan/>

The key strategies outlined in the strategic plan are as follows:

- Foster academic excellence and instructional quality;
- Promote student excellence;
- Support an engaged staff and faculty;
- Work to ensure accessibility, inclusion and diversity;
- Tell the CCU story; and
- Maintain financial stability and infrastructure.

The Strategic Management Committee is charged with evaluating the goals and objectives contained in the strategic plan on an annual basis.

Under the leadership of the University's new president, the strategic planning process will commence in the coming months, providing the University community with renewed vision and charting a bold and productive future for Coastal Carolina University.

## Major Initiatives

The University updates its five-year Comprehensive Permanent Improvement Plan annually. The plan outlines the anticipated permanent improvement projects the University plans to initiate over a five-year period. It includes projected budgets for each project and anticipated funding sources. Projects that are scheduled in fiscal year 2022 include:

- **Library Learning Complex** – 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. An open, two-story learning commons will occupy the center of the complex and provide open seating and grouped seating for study and team collaboration. The state has contributed \$8 million in support of this building, with the remainder to be funded from the local option sales tax. This project is currently in Phase II (construction), and groundbreaking is anticipated in the first quarter of 2022.
- **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 I (pre-design).
- **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. The existing dry pipe fire sprinkler system will be replaced, incorporating a nitrogen filled system. And the communication system will be replaced, providing new low voltage cabling and communication equipment to modernize the building and advance the residents' communications experience. This project is currently in Phase I (pre-design).
- **Indoor Football Practice Facility** – This new approximately 90,000 square foot indoor football 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. High ceilings will allow for special teams work. This project has been approved by the Board of Trustees and will be presented to the State for Phase I approval in the coming months.

- Hick’s Dining Hall Renovation – This renovation includes upgrading stations including allergen free, clean eating, dietary restriction friendly stations to better service the University community’s needs. Upgrading the main entrance to create a grand welcoming entrance with quick access for students, faculty, and staff that have meal plans. Redesigning the service platforms to allow for transformational experiences and creating an environment where chefs craft every dish to order in front of the patrons. Renovating one station for those living a vegan lifestyle or just looking for more plant-forward items. Refinishing the floor to provide a cleaner look while being functional and CCU themed. Upgrading technology and food service equipment to create a more efficient food service operation. This project has been approved by the Board of Trustees, and plans for the renovations are currently being drafted.

## 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,



David A. Frost, CPA  
Senior 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, 2020

*Christopher P. Morrill*

Executive Director/CEO

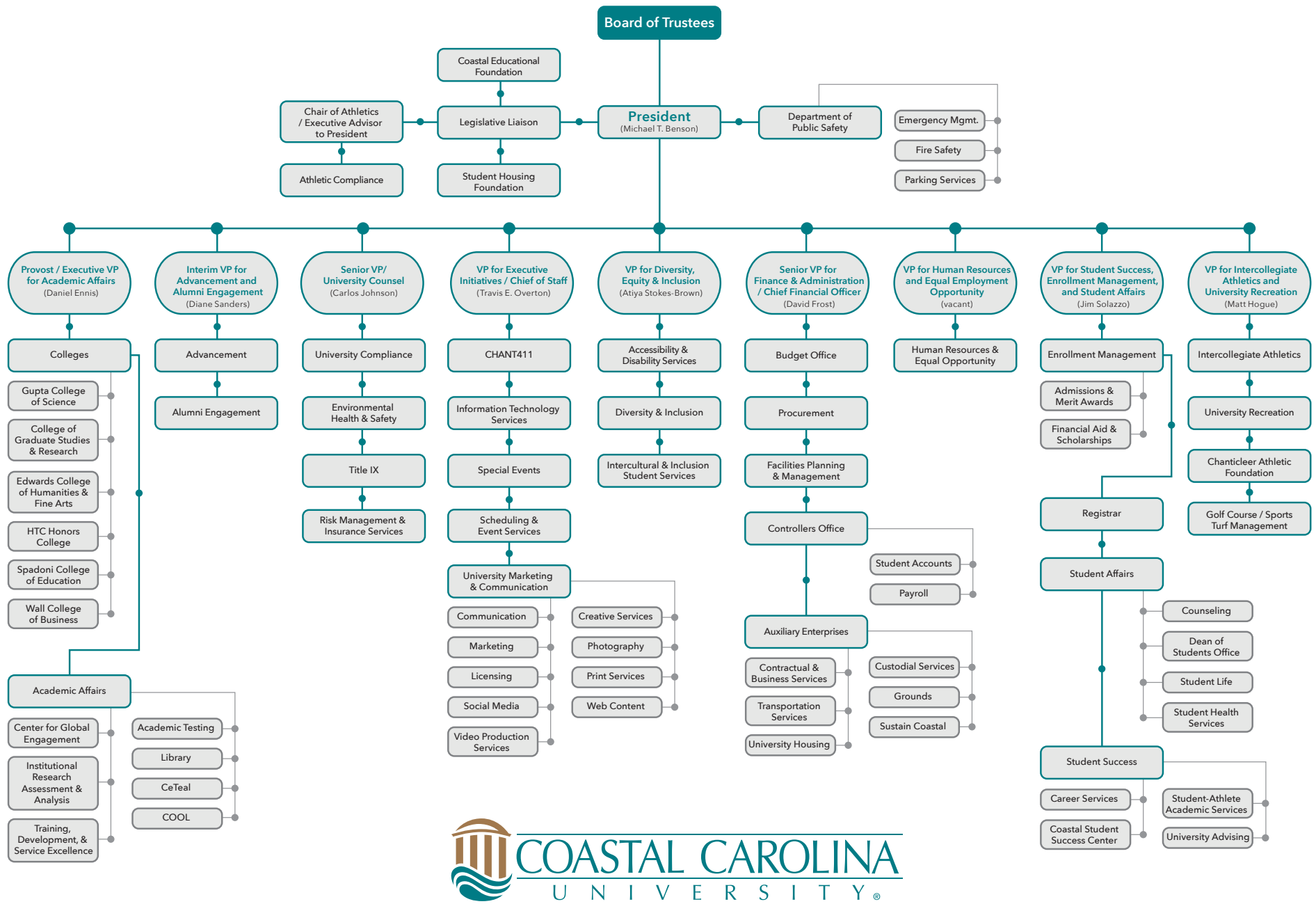
## Board of Trustees 2020-2021

Henry McMaster, Governor	Ex Officio Chairperson
George E. Mullen	Congressional District 1 - Seat 1
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**Finance And Administration**  
**Employees Contributing To Financial Report**  
**2020-2021**

David A. Frost	Senior Vice President and Chief Financial Officer
Julianne Cooke	Director of Budget & Capital Projects
Tammy Holt	Facilities Accountant
Olga Shabeka	Director of University Budget & Financial Planning
Kasey Harrington	Staff Accountant
Gregory Thompson	Associate Vice President for Finance and Controller
Mirinda Chestnut	Administrative Specialist
Michael Wallace	Assistant Controller
Daniel Rabon	Manager of Grants/Tax Accounting
Wanda Cannon-Bridges	University Receivables Accountant
Lila Taylor	Senior Accountant
Brenda Rabon	Accounts Payable Technician
Laura Signorile	Travel Card Coordinator
Tammy Parker	Accounts Payable Technician
Carolyn Bender	Treasury Director
Tracy Jones	Capital Assets Accountant/Internal Controls Manager
Jackie Park	Director of Student Accounts
Kale Harrelson	Cash Auditing & Communications Manager
Daniel Hucks	Senior Student Accounts Communications Specialist
Tukonya Vereen	Client Services & Collections Manager
Amanda Hanford	Student Accounts Specialist
Amy Angel	Student Accounts Specialist
Sherrell Richardson	Temporary Cashier
Amy Ritter	Director of Payroll
Joshua Mahaffey	Payroll Specialist
Mandy Baker	Senior Payroll Analyst
Vicky Gore	Senior Payroll Accountant
Dean Hudson	Director of Procurement
Annette Roberts	Procurement Specialist
Casey Keck	Procurement Systems Administrator
Jennifer West	Procurement Card Administrator
June Barfield	Temporary Staff
Steven Glenn	Procurement Specialist
Thomas Brown	Manager of Central Receiving
Jack McKee	Supply Specialist
Robert Spadell	Supply Specialist
Lauren Barker	Assistant Athletic Director for Finance, Athletics
Alicia Moorhead	Director of Finance, Coastal Educational Foundation
Robyn Diven	Donor Relations and Gift Specialist











# Financial Section



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Independent Auditor's Report

The Board of Trustees of  
Coastal Carolina University  
Conway, South Carolina

**Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of Coastal Carolina University, a component unit of the State of South Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the University's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for these aggregate discretely presented component units, are based solely on the reports of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. The financial statements of the Coastal Educational Foundation, Coastal Carolina University Student Housing Foundation, and Chanticleer Athletic Foundation were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, based on our audit and reports of 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 Coastal Carolina University as of June 30, 2021, 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.

### **Other Matters**

#### *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, 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.

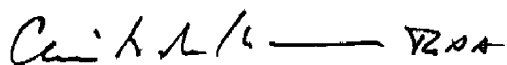
*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Coastal Carolina University's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements. The schedule of expenditures of federal awards 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. Such 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.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2021, on our consideration of Coastal Carolina 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 the University's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Cynthia A. Lee", followed by a horizontal line and the year "2021".

September 30, 2021



## Management's Discussion and Analysis

### Introduction

Coastal Carolina University (the University) is pleased to present its financial report for the year ending June 30, 2021. 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. Over the last year, the University has increased its prime reserve ratio to 52 percent, which represents a 12-point improvement from last fiscal year. This helps position the University to navigate the Coronavirus pandemic in the upcoming year.
- The working capital ratio is an important indicator of an entity's liquidity. A higher ratio is evidence of an organization's ability to pay its obligations. The ratio is measured by dividing an institution's current assets by its current liabilities. The University's working capital ratio has improved from 2.98:1 in fiscal year 2020 to 4.36:1 in fiscal year 2021.
- Total debt service coverage ratio gages an organization's ability to pay its current debt obligations. The University calculates its total debt service coverage ratio by taking the change in net position, adding back depreciation, interest, and other bond costs, and dividing that number by total debt service for the year. Through a reduction in both operating expenses and annual debt service, the University improved its coverage ratio to 4.45 in fiscal year 2021, which is 1.99 more than the fiscal year 2020 ratio of 2.46.

## 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 of 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 (assets and deferred outflows of resources, less liabilities and deferred inflows of resources) and their 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.

Total assets increased by \$32 million. Of that amount, current assets grew by \$55 million. The driving force of this surge stems from an additional \$47 million in cash and \$8 million in receivables as compared to last year. The growth in cash is a result of several factors including operational and capital expense cuts

of \$25 million, additional federal grant income of \$18 million, and the elimination of \$4 million of debt service payments. Meanwhile, \$8 million in long-term receivables were reclassified to current receivables in fiscal year 2021. The full amount of that receivable stems from a state capital appropriation made in fiscal year 2020 for the construction of a Library Learning Complex. The University will commence construction of the Library Learning Complex in fiscal year 2022 and will draw down those funds to cover costs. Overall, capital assets experienced a reduction of \$15.8 million at year end as compared with the previous year. The decline is due to depreciation expense and retirement of assets of \$18.8 million offset by new construction in progress, equipment, and vehicles of \$3 million. Other assets, consisting of noncurrent receivables and restricted cash and investments, declined by \$7.2 million, primarily due to the aforementioned state capital appropriation reclass.

Deferred outflows of resources rose by \$26.6 million from the prior year. Virtually all of the increase is the result of pension and other postemployment employee benefits (OPEB) measurement adjustments, which include changes in the University's proportionate share of the liabilities, changes in assumptions, and differences in projected versus actual investment earnings. Please see Note 7 for more information related to deferred outflows of resources.

Liabilities in total grew by roughly \$35.7 million from the prior year. Current liabilities climbed by 5 percent, or \$1.7 million, due in large part to increases in accrued payroll of \$3.2 million, the current portion of accrued compensated absences and bonds of \$350 thousand, and unearned revenues of \$150 thousand, offset by a reduction of accounts payable of \$2 million. Noncurrent liabilities experienced a 6 percent uptick of \$34 million, because of three major factors. First, both the net pension liability (NPL) and the net OPEB liability rose by \$16.6 million and \$25.8 million, respectively. That increase was then offset by an \$8 million reduction in long-term bonds payable. For more information on the University's liabilities, please see Notes 11, 12, 14, and 15.

Deferred inflows of resources realized a \$3.4 million upswing from the prior year. As with deferred outflow, the NPL and OPEB accounted for nearly all of the increase. Please see Note 7 for more information related to deferred inflows of resources.

Total net position realized an increase of \$19 million as compared with the prior year. The most notable improvement was in unrestricted net position, which accounted for \$16 million of the overall growth. This is attributable to the reduction in expenses and federal grant income mentioned earlier. Meanwhile, restricted net position contributed an additional \$11 million, the cause of which is primarily due to the collection of the Horry County one-cent sales tax. The aforementioned tax is discussed in more detail later in this narrative. Finally, net investment in capital assets fell by \$8 million, representing the fact that capital projects were placed on hold during the fiscal year as management gaged the response from students, as well as, federal, state, and local governments regarding the Coronavirus pandemic.

## Condensed Summary of Net Position

	2021	2020	Increase/ (Decrease)	Percent Change
<b>Assets</b>				
Current assets	\$ 155,938,671	\$ 101,121,394	\$ 54,817,277	54%
Capital assets, net	444,443,870	460,223,108	(15,779,238)	(3%)
Other assets	5,726,167	12,962,596	(7,236,429)	(56%)
<b>Total Assets</b>	<b>606,108,708</b>	<b>574,307,098</b>	<b>31,801,610</b>	<b>6%</b>
<b>Deferred Outflows of Resources</b>	<b>75,843,350</b>	<b>49,286,255</b>	<b>26,557,095</b>	<b>54%</b>
<b>Liabilities</b>				
Current liabilities	35,725,067	33,989,888	1,735,179	5%
Noncurrent liabilities	569,919,619	535,999,150	33,920,469	6%
<b>Total Liabilities</b>	<b>605,644,686</b>	<b>569,989,038</b>	<b>35,655,648</b>	<b>6%</b>
<b>Deferred Inflows of Resources</b>	<b>20,778,487</b>	<b>17,419,378</b>	<b>3,359,109</b>	<b>19%</b>
<b>Net Position</b>				
Net investment in capital assets	255,542,716	263,570,933	(8,028,217)	(3%)
Restricted - nonexpendable	166,482	156,821	9,661	6%
Restricted - expendable	59,498,081	48,290,950	11,207,131	23%
Unrestricted	(259,678,394)	(275,833,767)	16,155,373	(6%)
<b>Total Net Position</b>	<b>\$ 55,528,885</b>	<b>\$ 36,184,937</b>	<b>\$ 19,343,948</b>	<b>53%</b>

## 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 institution. 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, which 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/(Loss) 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 an \$11.4 million increase in total revenue. Operating activities came in lower during fiscal year 2021 versus 2020 by \$6.4 million. Tuition and fees declined by \$5.8 million as a result of a 3.5 percent decrease in student enrollment. In correlation with the dip in tuition and fee revenue, sales and services experienced a \$1 million fall in revenue. Rounding out operating revenue, scholarships, contracts, and grants grew slightly by \$400 thousand. The University had a worst-case scenario of enrollment declining as much as 15 percent and had planned the budget accordingly, and therefore, it was in a strong position to manage the fiscal year. Non-operating revenues increased by 35 percent year over year, or \$17.8 million.

There are mainly three reasons for this sharp increase. First, federal grant income grew by \$18.2 million because the State of South Carolina made federal Coronavirus Relief Funds (CRF) available to colleges and universities. The University successfully applied for and recovered over \$14 million in pandemic related expenses. Furthermore, the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act provided \$10 million in additional Higher Education Emergency Relief Funds (HEERF) to the University, which was \$5 million more than the Coronavirus Aid, Relief, and Economic Security (CARES) Act provided in the previous year. Secondly, the Horry County Higher Education Commission appropriated over \$1.1 million more to the University in fiscal year 2021 as a stop gap measure to minimize the effects of the enrollment decrease. Finally, those additions were offset by a reduction in investment earnings of \$1.6 million.

Total operating expenses fell by \$13.7 million. Salaries and fringe benefits accounted for \$12.4 million of the decline. As referenced earlier, the University, faced with a possible scenario of losing 15 percent of the student population, began the process at the end of fiscal year 2020 of adjusting the budget for the upcoming year. On the personnel side, this included a retirement incentive program, a voluntary separation program, a reduction in workforce plan, and a furlough for the remaining faculty and staff. Moreover, plans were put into place that reduced the number of leases, employee travel, and utility costs, which added an additional \$500 thousand in savings as compared to the prior year. The remaining operating expense savings came by way of reduced scholarship expense, which was a byproduct of the fall in enrollment. Non-operating interest expenses went down \$800 thousand.

Capital appropriations, gifts, and grants totaled \$12,664,198 for fiscal year 2021, representing a 28 percent reduction as compared with fiscal year 2020. Of the total, the Horry County one-cent sales tax accounts 99.8% of the revenue and is restricted only to capital projects or repayment of debt service. The original plan was to use the funds to begin construction on the Library Learning Complex, however plans were put on hold during the pandemic and those funds remain available for use in restricted cash. The University is moving forward with the project and anticipates breaking ground in the spring of fiscal year 2022.

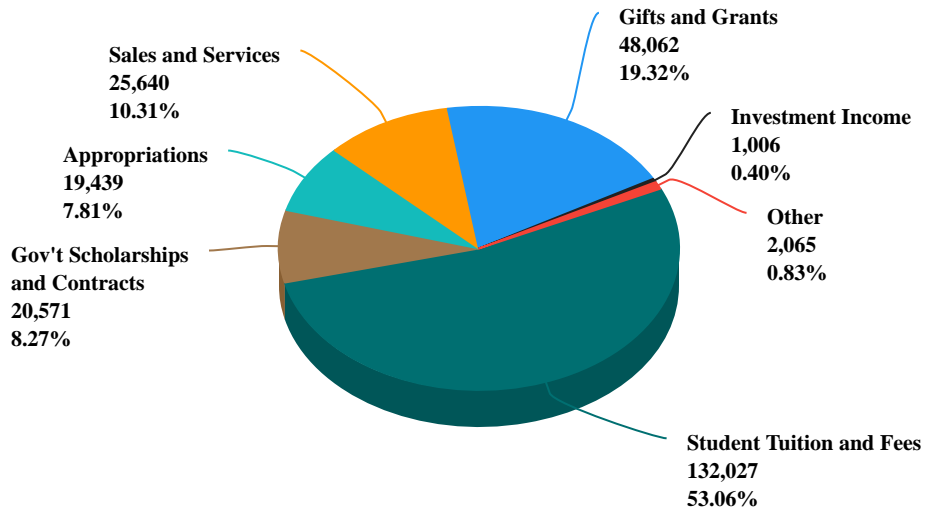


## Condensed Summary of Revenues, Expenses and Changes in Net Position

	2021	2020	Increase/ (Decrease)	Percent Change
<b>Revenues:</b>				
Student tuition and fees	\$ 132,026,784	\$ 137,826,176	\$ (5,799,392)	(4%)
Scholarships, contracts, and grants	20,570,726	20,186,453	384,273	2%
Sales and services	25,639,658	26,627,763	(988,105)	(4%)
Other operating revenues	1,539,826	1,535,403	4,423	0%
<b>Total operating revenues</b>	<b>179,776,994</b>	<b>186,175,795</b>	<b>(6,398,801)</b>	<b>(3%)</b>
State appropriations	17,922,248	17,965,623	(43,375)	(0%)
Local appropriations	1,516,280	371,557	1,144,723	308%
Gifts and grants	48,062,172	29,847,536	18,214,636	61%
Investment income	1,006,699	2,630,058	(1,623,359)	(62%)
Other miscellaneous	525,450	449,289	76,161	17%
<b>Total non-operating revenues</b>	<b>69,032,849</b>	<b>51,264,063</b>	<b>17,768,786</b>	<b>35%</b>
<b>Total Revenues</b>	<b>248,809,843</b>	<b>237,439,858</b>	<b>11,369,985</b>	<b>5%</b>
<b>Expenses:</b>				
Personnel costs and benefits	152,455,342	164,806,883	(12,351,541)	(7%)
Services and supplies	39,133,672	39,452,720	(319,048)	(1%)
Utilities	7,939,041	8,094,674	(155,633)	(2%)
Scholarships	17,403,589	18,308,985	(905,396)	(5%)
Depreciation	18,813,162	18,753,658	59,504	0%
<b>Total operating expenses</b>	<b>235,744,806</b>	<b>249,416,920</b>	<b>(13,672,114)</b>	<b>(5%)</b>
Interest & bond defeasance cost	6,385,278	7,175,602	(790,324)	(11%)
<b>Total Expenses</b>	<b>242,130,084</b>	<b>256,592,522</b>	<b>(14,462,438)</b>	<b>(6%)</b>
<b>Income before other revenues, expenses, gains/losses</b>	<b>6,679,759</b>	<b>(19,152,664)</b>	<b>25,832,423</b>	<b>(135%)</b>
<b>Other Revenues, Expenses, Gains/Losses:</b>				
Capital appropriations	12,640,661	16,432,689	(3,792,028)	(23%)
Capital gifts and grants	23,528	1,218,115	(1,194,587)	(98%)
<b>Change in Net Position</b>	<b>19,343,948</b>	<b>(1,501,860)</b>	<b>20,845,808</b>	<b>(1388%)</b>
<b>Net Position, beginning of year</b>	<b>36,184,937</b>	<b>37,686,797</b>	<b>(1,501,860)</b>	<b>(4%)</b>
<b>Net Position, end of year</b>	<b>\$ 55,528,885</b>	<b>\$ 36,184,937</b>	<b>\$ 19,343,948</b>	<b>53%</b>

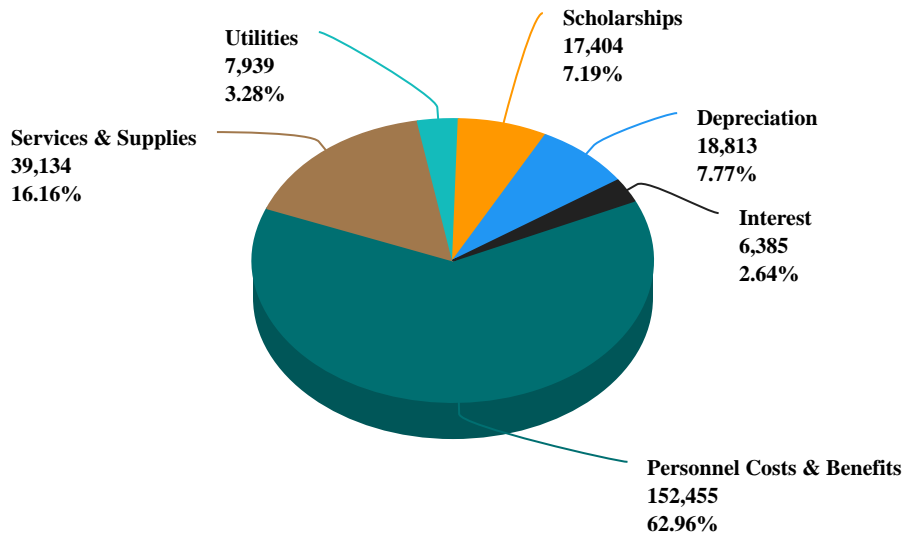
### Total Revenues by Source

(thousands of dollars)  
\$248,810



### Total Expenses by Classification

(thousands of dollars)  
\$242,130



## Capital Assets and Debt

Capital assets as of June 30, 2021, consisted of \$33.6 million in land, \$3.4 million in construction in progress, and \$407.4 million in land improvements, buildings, equipment, and vehicles, net of accumulated depreciation.

Construction in progress decreased by \$2.8 million from the prior year. New construction of \$1.6 million was added, while projects totaling \$4.8 million were completed and transferred into buildings and improvements during fiscal year 2021. The largest of the assets completed and placed into service was the Ingle Residence Hall renovations totaling \$4.2 million. For additional information on capital asset activity, please refer to Note 6.

The University anticipates needing approximately \$65 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 \$184 million for the year ending June 30, 2021. Of that amount, \$7.8 million is due in fiscal year 2022 with the remaining \$176.2 million due in subsequent years. Details of bonds payable and long-term liabilities of the University are found in Notes 11 and 12.

## Economic Outlook

In December of 2020 Moody's reaffirmed its "negative" outlook on U.S. higher education, citing that "the coronavirus pandemic threatens key revenue streams". Their analysis points to a reduction of enrollment and a corresponding decline in operating revenues. Currently, college and university auxiliary revenues are constrained and will continue to be limited with in person and on campus activities being delayed or cancelled. According to Moody's, high fixed costs will make it difficult for institutions to generate cash flows greater than 10 percent and this will place greater emphasis on state funding and endowment earnings.

The University shares many of these concerns and took steps to directly address these issues financially, academically, and culturally. On the financial side, the University reduced its operating budget by 15 percent for fiscal year 2021. This was achieved through a variety of cost cutting measures including, but not limited to, a reduction in workforce, retirement and voluntary separation programs, and a mandatory furlough for remaining employees. Moreover, the University examined its campus footprint and identified land and building leases to eliminate. Employees, equipment, and storage moved to University owned buildings in order to realize cost savings. Lastly, the University capitalized on federal grants and tax incentives provided under the three stimulus acts. Due to these measures, the financial landscape of the University is in much better shape than a year ago.

On the academic side, the University heavily invested in e-learning platforms and equipment to allow students flexibility on how, where, and when they consume educational content. For example, students enrolled in a course have the option of going to the classroom in person, streaming the live class remotely, or viewing the recorded lecture on demand. These options not only provide convenience, but also help protect the campus community because they allow students who are sick to stay home and continue learning without the risk of falling behind in their studies.

Part of what makes an institution of higher education unique is the on-campus experience. While there is a big market demand for virtual options and flexibility, there is no substitute for in person learning and a campus community. Moreover, that sentiment has been the overwhelming response of our students.

Starting January 1, 2021, the University welcomed its third President, Michael T. Benson, and with that has come a renewed energy across the campus. President Benson has said from the beginning that he intends "to be out and about around campus and in the community (appropriately masked and socially distanced, of course) as much as possible, meeting as many folks as [he] can". And he has done just that, documenting his first hundred 100 days online with videos, photos, and social media posts highlighting his interactions on campus. The tone he is setting is filtering out through the University and community and there is a buzz around the campus.

All of these strategies have helped the University navigate the pandemic and the early indications point to very positive outcomes. For example, in the Fall of 2021, the University welcomed its largest freshmen class ever, over 2,500 students. Additionally, for the second year in a row the University was able to retain more than 70 percent of the fall freshmen class, 72.2 percent of fall 2020 freshmen class and 73.4 percent of fall 2019 freshmen class. While there is plenty of ambiguity about how the pandemic and recovery will play out, the University is actively managing the situation and is confident in its ability to adapt to whatever is on the horizon.



## Statement of Net Position

### June 30, 2021

<b>ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 85,927,676
Accounts receivable, net of provision for doubtful accounts	14,070,477
Due from component units	2,800,146
Inventories	1,022,711
Prepaid expenses	2,206,119
<b>RESTRICTED CURRENT ASSETS</b>	
Cash and cash equivalents	49,911,542
Total current assets	155,938,671
<b>NONCURRENT ASSETS</b>	
Capital assets, net of accumulated depreciation	
Land	33,613,369
Construction in progress	3,389,000
Building and improvements	403,711,843
Equipment and vehicles	3,729,658
Accounts receivable	2,368,309
Due from component units	1,700,000
<b>RESTRICTED NONCURRENT ASSETS</b>	
Cash and cash equivalents	327,461
Investments	723,244
Loans to students, net	607,153
Total noncurrent assets	450,170,037
<b>TOTAL ASSETS</b>	<b>606,108,708</b>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	
	<b>75,843,350</b>
<b>LIABILITIES &amp; DEFERRED INFLOWS OF RESOURCES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts and retainage payable	6,011,895
Due to component units	107,539
Accrued payroll and related liabilities	16,407,573
Unearned revenue and deposits	3,536,467
Funds held for others	213,409
Accrued compensated absences	462,256
Bonds payable	8,258,799
Capital leases payable	125,528
Interest payable	601,601
Total current liabilities	35,725,067
<b>NONCURRENT LIABILITIES</b>	
Accrued compensated absences	4,876,176
Federal perkins loan funds	768,132
Bonds payable	180,378,660
Capital leases payable	377,460
Net pension liability	190,885,693
Net OPEB liability	191,237,254
Other liabilities	1,396,244
Total noncurrent liabilities	569,919,619
<b>TOTAL LIABILITIES</b>	<b>605,644,686</b>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	
	<b>20,778,487</b>
<b>NET POSITION</b>	
Net investment in capital assets	255,542,716
Restricted for:	
Endowment - nonexpendable	166,482
Capital Projects - expendable	55,902,550
Debt Service - expendable	3,595,531
Unrestricted	(259,678,394)
<b>TOTAL NET POSITION</b>	<b>\$ 55,528,885</b>

## Statement of Revenues, Expenses and Changes in Net Position

### For the Year Ended June 30, 2021

<b>OPERATING REVENUES</b>	
Student tuition and fees (\$5,823,919 is pledged for debt service), net of scholarship allowance of \$48,401,050	\$ 132,026,784
Scholarships, contracts and grants	20,570,726
Sales and services of educational departments	3,341,628
Sales and commissions of auxiliary enterprises, net of scholarship allowance of \$8,174,463	22,298,030
Other fees	1,539,826
<b>Total Operating Revenues</b>	<b>179,776,994</b>
<b>OPERATING EXPENSES</b>	
Personnel costs and benefits	152,455,342
Services and supplies	39,133,672
Utilities	7,939,041
Scholarships	17,403,589
Depreciation	18,813,162
<b>Total Operating Expenses</b>	<b>235,744,806</b>
<b>OPERATING LOSS</b>	<b>(55,967,812)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Non-capital state appropriations	17,922,248
Federal grants	43,961,283
Local appropriations	1,516,280
Grants and contracts	1,425,809
Gifts	2,675,080
Investment and endowment income	1,006,699
Interest on capital asset related debt	(6,385,278)
Other miscellaneous revenue	525,450
<b>Net Non-Operating Revenues</b>	<b>62,647,571</b>
<b>INCOME BEFORE OTHER REVENUES, EXPENSES, GAINS AND LOSSES</b>	<b>6,679,759</b>
Local capital appropriations	12,640,661
Capital grants and gifts	23,528
<b>Increase in Net Position</b>	<b>19,343,948</b>
<b>NET POSITION</b>	
Net Position, beginning of year	36,184,937
<b>NET POSITION, END OF YEAR</b>	<b>\$ 55,528,885</b>

## Statement of Cash Flows

### For the Year Ended June 30, 2021

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 135,691,020
Grants and contracts	20,230,671
Other operating cash receipts	11,449,985
Payments to employees and benefits	(130,003,729)
Payments to suppliers	(46,282,539)
Loans to students	(28,778)
Funds held for others	16,556
<b>Net cash used by operating activities</b>	<b>(8,926,814)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
State, county, and local appropriations	12,864,337
Gifts and grants	31,324,236
Pell Grants	14,367,868
<b>Net cash flow provided by noncapital financing activities</b>	<b>58,556,441</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
State and local capital appropriations	12,640,661
Gifts and grants for capital purposes	297,936
Purchase of capital assets	(3,018,254)
Principal and interest paid on capital debt and leases	(14,232,773)
<b>Net cash used by capital activities</b>	<b>(4,312,430)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and dividends on investments	1,225,802
<b>Net cash flows provided by investing activities</b>	<b>1,225,802</b>
Net change in cash	46,542,999
Cash beginning of year	89,623,680
<b>Cash end of year</b>	<b>\$ 136,166,679</b>
<b>RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>	
Operating loss	\$ (55,967,812)
Adjustments for noncash items provided by operating activities:	
Depreciation expense	18,813,162
Bad debt expense	2,524,086
<b>CHANGE IN ASSETS AND LIABILITIES</b>	
Receivables, net	5,654,839
Grants and contracts receivable	(389,532)
Student loans receivable	139,197
Prepaid expenses	344,413
Inventories	(498,183)
Accounts and retainages payable	(1,792,080)
Accrued salaries, absences, and related liabilities	22,443,634
Unearned revenue	(47,119)
Deposits held for others	16,556
Perkins loan federal share	(167,975)
<b>Net cash used by operating activities</b>	<b>\$ (8,926,814)</b>
<b>NONCASH TRANSACTIONS</b>	
Increase in fair value of investments	\$ 522,132
Capital grants and gifts receivable	23,528
Donated goods and services	217,354

**Nongovernmental Component Unit**  
**Coastal Educational Foundation**  
**Statement of Financial Position**  
**June 30, 2021**

**ASSETS**

Cash and cash equivalents	\$ 2,411,228
Accounts receivable and promises to give, net	4,250,417
Investments	61,850,875
Real estate held for investment	288,000
Cash value of life insurance	54,186
Property and equipment, net	5,302,522
<b>TOTAL ASSETS</b>	<b>\$ 74,157,228</b>

**LIABILITIES AND NET ASSETS**

Liabilities	
Accounts payable - related party	\$ 1,503,687
Accounts payable	16,220
Deferred revenue	28,333
<b>Total liabilities</b>	<b>1,548,240</b>
Net Assets	
Without donor restrictions	10,729,339
With donor restrictions	61,879,649
<b>Total net assets</b>	<b>72,608,988</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 74,157,228</b>



**Nongovernmental Component Unit**  
**Coastal Educational Foundation**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Contributions	\$ 394,038	\$ 2,223,223	\$ 2,617,261
Endowed and other investment income, net:			
Interest income	1,362	-	1,362
Net appreciation in fair value of investments	2,186,403	10,789,022	12,975,425
Gain on write-off of Coastal Carolina University payable	-	88,000	88,000
Change in cash value of life insurance	903	(792)	111
Lease income	396,343	-	396,343
Royalty income	-	8,294	8,294
Fundraising income	-	50,374	50,374
Grants	49,788	-	49,788
Miscellaneous income	1,965	1,901	3,866
Net assets released from restrictions	1,769,228	(1,769,228)	-
<b>Total revenues, gains, and other support</b>	<b>4,800,030</b>	<b>11,390,794</b>	<b>16,190,824</b>
<b>EXPENSES</b>			
Program services:			
Scholarships	849,564	-	849,564
University support	690,731	-	690,731
Facilities development and physical plant	14,696	-	14,696
College of Education	33,816	-	33,816
College of Humanities	84,263	-	84,263
College of Science	71,425	-	71,425
College of Business	199,909	-	199,909
HTC Honors College	1,259	-	1,259
Supporting services:			
Management and general	548,668	-	548,668
Fundraising expenses	62,085	-	62,085
<b>Total expenses</b>	<b>2,556,416</b>	<b>-</b>	<b>2,556,416</b>
Change in net assets	2,243,614	11,390,794	13,634,408
Net assets, beginning of year	8,485,725	50,488,855	58,974,580
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 10,729,339</b>	<b>\$ 61,879,649</b>	<b>\$ 72,608,988</b>

**Nongovernmental Component Unit**  
**CCU Student Housing Foundation**  
**Consolidated Statement of Financial Position**  
**June 30, 2021**

**ASSETS**

Cash and cash equivalents	\$ 142,726
Investments	4,899,649
Prepaid insurance	4,287
Land held for development	1,875,036
<b>TOTAL ASSETS</b>	<b><u>\$ 6,921,698</u></b>

**LIABILITIES AND NET ASSETS**

Liabilities	
Accounts payable	\$ 15,081
Accounts payable - related party, current portion	485,000
<b>Total liabilities</b>	<b><u>500,081</u></b>
Net Assets	
Without donor restrictions	6,421,617
<b>Total net assets</b>	<b><u>6,421,617</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 6,921,698</u></b>

**Nongovernmental Component Unit  
CCU Student Housing Foundation  
Consolidated Statement of Activities  
For the Year Ended June 30, 2021**

	<b>Without Donor Restrictions</b>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>	
Interest income	\$ 33,851
Unrealized loss, net	(26,596)
Realized gain	3,497
Other revenues	1
<b>Total revenues, gains and other support</b>	<b>10,753</b>
<b>EXPENSES</b>	
Program services - support of Coastal Carolina University	213,278
Management and general	71,665
<b>Total Expenses</b>	<b>284,943</b>
Change in net assets	(274,190)
Net assets, beginning of year	6,695,807
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 6,421,617</b>

**Nongovernmental Component Unit  
Chanticleer Athletic Foundation  
Statement of Financial Position  
June 30, 2021**

**ASSETS**

Cash and cash equivalents	\$ 2,264,285
Promises to give, net	3,075,630
Accounts receivable	5,983
Accounts receivable - related parties	70,203
Prepaid expenses	4,845
<b>TOTAL ASSETS</b>	<b>\$ 5,420,946</b>

**LIABILITIES AND NET ASSETS**

Liabilities	
Accounts payable - related party	\$ 132,327
Accounts payable	294,172
Contributions payable - related parties	2,374,463
Note payable	522,320
<b>Total liabilities</b>	<b>3,323,282</b>
Net Assets	
Without donor restrictions	473,018
With donor restrictions	1,624,646
<b>Total net assets</b>	<b>2,097,664</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,420,946</b>



**Nongovernmental Component Unit**  
**Chanticleer Athletic Foundation**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Contributions	\$ 2,479,182	\$ 452,198	\$ 2,931,380
Investment income, net	3,570	-	3,570
Fundraising proceeds	305,668	45,158	350,826
Miscellaneous income	27,853	-	27,853
Net assets released from restrictions	485,732	(485,732)	-
<b>Total revenues, gains, and other support</b>	<b>3,302,005</b>	<b>11,624</b>	<b>3,313,629</b>
<b>EXPENSES</b>			
Program service	681,520	-	681,520
Management and general	835,118	-	835,118
Fundraising	166,331	-	166,331
<b>Total expenses</b>	<b>1,682,969</b>	<b>-</b>	<b>1,682,969</b>
Change in net assets	1,619,036	11,624	1,630,660
Net assets, beginning of year	(1,146,018)	1,613,022	467,004
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 473,018</b>	<b>\$ 1,624,646</b>	<b>\$ 2,097,664</b>

## 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 CAFR 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, 2021.

**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.

**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:

<b>Statement Of Net Position</b>	
Cash and Cash Equivalents - Current	\$ 85,927,676
Cash and Cash Equivalents - Restricted	
Debt Service	2,750,068
Capital Projects	47,161,474
Other	160,979
Cash and Cash Equivalents - Endowments	166,482
Investments	723,244
<b>Total</b>	<b>\$ 136,889,923</b>
<b>Deposits</b>	
Cash on Hand	\$ 11,608
Deposits Held by State Treasurer	136,155,071
Investments	723,244
<b>Total</b>	<b>\$ 136,889,923</b>

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

**Cash On Hand:** At June 30, 2021, the University had \$11,608 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 \$136,155,071 as of June 30, 2021 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 Comprehensive Annual 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, Valic Financial Advisors, 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, 2021, the fair value of investments, which include unrealized appreciation, totaled \$723,244.

**NOTE 3 – RESTRICTED ASSETS**

The purposes and amounts of University restricted assets at June 30, 2021, are as follows:

**Current**

Cash and Cash Equivalents	
Satisfaction of Debt Covenants	\$ 2,750,068
Capital Projects	47,161,474
<b>Total Restricted Current Assets</b>	<b>\$ 49,911,542</b>

**Noncurrent**

Cash and Cash Equivalents	
Endowments	\$ 166,482
Federal Perkins Loan Program	160,979
Investments	723,244
Loans to Students, net of allowance	607,153
<b>Total Restricted Noncurrent Assets</b>	<b>\$ 1,657,858</b>

**NOTE 4 – ACCOUNTS RECEIVABLE**

University current and non-current receivables for June 30, 2021 are as follows:

<b>Current Accounts Receivable</b>			
Student Accounts	\$	6,451,843	
Less Allowance for Uncollectible		(5,628,676)	
Student Accounts, Net	\$	823,167	\$ 823,167
Third Party			264,133
Federal Grants and Contracts			1,247,790
State Grants and Contracts			8,042,523
Other Grants & Contracts			476,475
Accrued Interest and Endowment Income			601,514
Other			2,614,875
<b>Total Current Accounts and Pledges Receivables Net</b>			<b>\$ 14,070,477</b>
<b>Current Due From Component Units</b>			
Coastal Athletic Foundation	\$	956,790	
Coastal Educational Foundation			1,353,687
Student/Coastal Housing Foundation			489,669
<b>Total Due from Component Units - Current</b>			<b>\$ 2,800,146</b>
<b>Noncurrent Accounts Receivable</b>			
Vendor Contracts	\$	1,797,524	
Other			570,785
<b>Total Noncurrent Accounts Receivable</b>			<b>\$ 2,368,309</b>
<b>Noncurrent Due From Component Units</b>			
Coastal Athletic Foundation	\$	1,550,000	
Coastal Educational Foundation			150,000
<b>Total Due from Component Units - Noncurrent</b>			<b>\$ 1,700,000</b>
<b>Restricted Noncurrent Accounts Receivable</b>			
Loans to Students	\$	616,257	
Less Allowance for Uncollectibles		(9,104)	
Loans to Students, Net	\$	607,153	\$ 607,153
<b>Total Restricted Noncurrent Accounts Receivable</b>			<b>\$ 607,153</b>

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 comprised entirely of loans made through the Federal Perkins Loan Program as of June 30, 2021. 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. At June 30, 2021, the allowance for uncollectible student loans is valued at \$9,104. 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, the University has recorded a noncurrent liability in the amount of \$768,132, representing the federal portion of the loan program at June 30, 2021.



## NOTE 6 – CAPITAL ASSETS

Capital asset activity for the University for the year ended June 30, 2021 is summarized as follows:

	Beginning Balance July 1, 2020	Additions	Retirements	Adjustments	CIP Transfers	Ending Balance June 30, 2021
<b>Capital Assets Not Being Depreciated:</b>						
Land	\$ 33,613,369	\$ -	\$ -	\$ -	\$ -	\$ 33,613,369
Construction in Progress	6,235,256	1,625,143	-	-	(4,471,399)	3,389,000
<b>Total Capital Assets Not Being Depreciated</b>	<b>39,848,625</b>	<b>1,625,143</b>	<b>-</b>	<b>-</b>	<b>(4,471,399)</b>	<b>37,002,369</b>
<b>Capital Assets Being Depreciated:</b>						
Buildings and Improvements	534,874,278	-	(288,561)	-	4,471,399	539,057,116
Land Improvements	30,726,381	-	-	-	-	30,726,381
Equipment	19,486,744	1,311,470	(326,221)	(1,700)	-	20,470,293
Vehicles	8,058,515	97,341	(38,691)	-	-	8,117,165
<b>Total Capital Assets Being Depreciated</b>	<b>593,145,918</b>	<b>1,408,811</b>	<b>(653,473)</b>	<b>(1,700)</b>	<b>4,471,399</b>	<b>598,370,955</b>
<b>Less Accumulated Depreciation For:</b>						
Buildings and Improvements	(134,196,777)	(15,246,528)	288,561	-	-	(149,154,744)
Land Improvements	(14,910,746)	(2,006,164)	-	-	-	(16,916,910)
Equipment	(16,079,535)	(1,315,958)	326,221	283	-	(17,068,989)
Vehicles	(7,584,377)	(243,125)	38,691	-	-	(7,788,811)
<b>Total Accumulated Depreciation</b>	<b>(172,771,435)</b>	<b>(18,811,775)</b>	<b>653,473</b>	<b>283</b>	<b>-</b>	<b>(190,929,454)</b>
<b>Capital Assets Being Depreciated, Net</b>	<b>420,374,483</b>	<b>(17,402,964)</b>	<b>-</b>	<b>(1,417)</b>	<b>4,471,399</b>	<b>407,441,501</b>
<b>Capital assets, net</b>	<b>\$ 460,223,108</b>	<b>\$ (15,777,821)</b>	<b>\$ -</b>	<b>\$ (1,417)</b>	<b>\$ -</b>	<b>\$ 444,443,870</b>

**Construction in Progress:** Included in the balance of construction in progress as of June 30, 2021, is the Library Learning Complex, renovations to CCU Band Hall, Kearns Hall, and several smaller projects..

**Completed Construction:** The main construction projects completed during the 2020-2021 fiscal year were multiple renovations to the Ingle Residence Hall and renovations to the Marrio and Josh Norman Athletic Field House.

## NOTE 7 – 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 position 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, 2021, deferred outflows of resources are \$75,843,350. Of that amount, \$75,604,057 is related to pension and OPEB plans in the following areas; amortizing differences between actual plan results as compared to projected plan results of \$29,036,274, changes to plan assumptions of \$28,761,885, and fiscal year 2021 plan contributions of \$17,805,898. The remaining \$239,293 stems from advanced 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 position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time.

**NOTE 7 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, Continued**

As of June 30, 2021, deferred inflows of resources are \$20,778,487. The full amount is related to pension and OPEB plans in the following areas; amortizing differences between actual plan results as compared to projected plan results of \$13,161,424 and changes to plan assumptions of \$7,617,063.

**NOTE 8 – ENDOWMENTS**

The University manages one permanent endowment with a fair value of \$166,482. 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 9 – UNEARNED REVENUES AND DEPOSITS**

Unearned revenue for the University totaled \$3,536,467 for the fiscal year. These monies were collected in advance and not earned by June 30, 2021.

The total amount includes tuition prepayments of \$2,428,814, auxiliary prepayments of \$522,925, grant and contract funds of \$267,424 and other unearned revenue of \$317,304.

A summary of unearned tuition revenue follows:

Summer I	\$	1,015,358
Summer II		862,985
Tuition deposits		550,471
<b>Total tuition prepayments</b>	<b>\$</b>	<b>2,428,814</b>

**NOTE 10 – LEASE OBLIGATIONS****Operating Leases**

Future minimum commitments for noncancelable operating leases having terms in excess of one year as of June 30, 2021 are as follows:

<b>Year Ending June 30</b>	<b>Operating Leases</b>
2022	\$ 159,578
2023	13,302
2024	3
2025	3
2026	3
2027-2031	15
Thereafter	5
<b>Total minimum lease payments</b>	<b>\$ 172,909</b>

The preceding payment schedule relates to the University's noncancelable operating leases having remaining terms of more than one year and expiring in various fiscal years from 2022-2034. Certain operating leases provide for renewal options at their fair rental value at the end of their lease term. In the normal course of business, operating leases are generally renewed or replaced by other leases. Total real property operating lease payments were \$791,747 for fiscal year 2021 and consist of classroom and office facilities, activity fields and a parking lot. In the current fiscal year, the University incurred expenses of \$186,165 for office copier contingent rentals on a cost per copy basis.

**NOTE 10 – LEASE OBLIGATIONS, Continued****Capital Leases**

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

Year Ending June 30	Capital Leases
2022	\$ 152,335
2023	151,408
2024	135,701
2025	90,269
2026	35,754
<b>Total minimum lease payments</b>	<b>565,467</b>
Less amount representing interest	(62,479)
<b>Present value of minimum lease payments</b>	<b>\$ 502,988</b>

Capital lease obligations consist of copier and postage equipment agreements payable in monthly installments ranging from \$96 to \$2,535 with an imputed interest rate of 6.76 percent. The agreements expire between June 2023 and February 2026.

**NOTE 11 – BONDS PAYABLE**

For the University, bonds payable consisted of the following at June 30, 2021:

	Balance at Inception	Interest Rates	Maturity Dates	Balance 6/30/2021
<b>Revenue Bonds</b>				
Series 2012 (Direct placement refunding Series 1999)	\$ 6,147,000	2.10%	6/1/2026	\$ 2,413,000
Series 2013	54,705,000	2.5% to 4.0%	6/1/2040	45,360,000
Series 2014	35,480,000	3.0% to 5.0%	6/1/2044	31,520,000
Series 2015	87,020,000	2.0% to 5.0%	6/1/2042	75,245,000
Series 2016	22,415,000	3.0% to 5.0%	6/1/2041	19,160,000
Series 2017 (Direct placement refunding Series 2006)	6,766,591	2.30%	6/1/2026	3,936,405
<b>Total Revenue Bonds</b>				<b>177,634,405</b>
<b>State Institution Bonds</b>				
General Obligation Series 2016E	10,025,000	5.00%	4/1/2027	6,415,000
<b>Total State Institution Bonds</b>				<b>6,415,000</b>
Subtotal Bonds Payable				184,049,405
Plus Unamortized Bond Premium				4,588,054
<b>Total Bonds Payable</b>				<b>\$ 188,637,459</b>

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 principle 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.

**NOTE 11 – BONDS PAYABLE, Continued**

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 results in a legal annual debt service limit at June 30, 2021, of \$1,278,000.

For fiscal year 2021, tuition revenue is pledged in the amount of \$355 per full-time in-state student, \$355 per full-time out-of-state student per semester and \$12 per graduate credit hour to support both revenue and state institution general obligation bonds. The total pledge for debt service amounted to \$5,823,919.

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

Revenue Bonds	Principle	Interest	Total
2022	\$ 6,863,309	\$ 6,256,959	\$ 13,120,268
2023	7,154,323	5,974,392	13,128,715
2024	7,367,843	5,752,145	13,119,988
2025	7,632,802	5,484,101	13,116,903
2026	7,911,128	5,205,355	13,116,483
2027-2031	36,665,000	22,158,738	58,823,738
2032-2036	43,340,000	15,815,625	59,155,625
2037-2041	49,635,000	7,580,481	57,215,481
2042-2044	11,065,000	668,925	11,733,925
	<b>\$ 177,634,405</b>	<b>\$ 74,896,721</b>	<b>\$ 252,531,126</b>

State Institution Bonds	Principle	Interest	Total
2022	\$ 935,000	\$ 320,750	\$ 1,255,750
2023	985,000	274,000	1,259,000
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
	<b>\$ 6,415,000</b>	<b>\$ 1,171,250</b>	<b>\$ 7,586,250</b>

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 2013 and 2014
  - 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.

**NOTE 11 – BONDS PAYABLE, Continued**

- 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 12 – LONG-TERM LIABILITIES**

	Balance 6/30/2020	Additions	Reductions	Balance 6/30/2021	Due Within One Year	Due Past One Year
<b>Capital Related Liabilities</b>						
General Obligation Bonds	\$ 7,305,000	\$ -	\$ (890,000)	\$ 6,415,000	\$ 935,000	\$ 5,480,000
Revenue Bonds	184,233,590	-	(6,599,185)	177,634,405	6,863,309	170,771,096
Unamortized Bond Premium	5,164,114	-	(576,060)	4,588,054	460,490	4,127,564
Capital Lease Payable	271,836	322,503	(91,351)	502,988	125,528	377,460
<b>Total Capital Related Liabilities</b>	<b>196,974,540</b>	<b>322,503</b>	<b>(8,156,596)</b>	<b>189,140,447</b>	<b>8,384,327</b>	<b>180,756,120</b>
<b>Noncapital Related Liabilities</b>						
Federal Perkins Loans Funds	936,107	-	(167,975)	768,132	-	768,132
Accrued Compensation Absences	5,313,512	735,432	(710,512)	5,338,432	462,256	4,876,176
Net Pension Liability	174,266,458	41,431,103	(24,811,868)	190,885,693	-	190,885,693
Net OPEB Liability	165,435,868	40,319,341	(14,517,956)	191,237,254	-	191,237,254
Other Liabilities	1,693,026	794,668	(856,450)	1,677,244	235,000	1,442,244
<b>Total Noncapital Related Liabilities</b>	<b>347,644,971</b>	<b>83,280,544</b>	<b>(41,064,761)</b>	<b>389,906,755</b>	<b>697,256</b>	<b>389,209,499</b>
<b>Total Long-Term Liabilities</b>	<b>\$ 544,619,511</b>	<b>\$ 83,603,047</b>	<b>\$ (49,221,357)</b>	<b>\$ 579,047,202</b>	<b>\$ 9,081,583</b>	<b>\$ 569,965,619</b>

**NOTE 13 – OPERATING EXPENSES BY FUNCTION**

Operating expenses by functional classification for the year ended June 30, 2021, are summarized as follows:

Functional Classification	Personnel Costs and Benefits	Services and Supplies	Utilities	Scholarships	Depreciation	Total
Instruction	\$ 75,987,168	\$ 2,747,979	\$ 305,903	\$ -	\$ -	\$ 79,041,050
Research	815,870	393,383	5,913	-	-	1,215,166
Public Service	6,698,243	5,642,196	102,968	-	-	12,443,407
Academic Support	10,750,350	1,927,009	1,989	-	-	12,679,348
Student Services	24,647,036	10,057,322	110,378	-	-	34,814,736
Institutional Support	12,126,229	4,500,247	453,988	-	-	17,080,464
Plant Operations	14,420,656	6,736,513	4,376,229	-	-	25,533,398
Scholarships	756,503	90,049	-	17,403,589	-	18,250,141
Auxillary Enterprises	6,253,287	7,038,974	2,581,673	-	-	15,873,934
Depreciation	-	-	-	-	18,813,162	18,813,162
<b>Total Expenses</b>	<b>\$ 152,455,342</b>	<b>\$ 39,133,672</b>	<b>\$ 7,939,041</b>	<b>\$ 17,403,589</b>	<b>\$ 18,813,162</b>	<b>\$ 235,744,806</b>



## NOTE 14 – 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 various Retirement Systems and retirement 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 a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems’ Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits’ link on PEBA’s website at [www.peba.sc.gov](http://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 considered a division of the primary government of the State of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of 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 and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the S.C. General Assembly at or after the general election in November 2012. 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

**NOTE 14 – PENSION PLANS, Continued**

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 individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. 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, certain newly hired state, public school, and higher education employees and individuals first elected to the S.C. General Assembly at or after the November 2012 general election 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.

**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

**NOTE 14 – PENSION PLANS, Continued**

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. Legislation in 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. However, 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, 2022. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85 percent. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85 percent, then effective on the following July 1, and annually thereafter as necessary, the board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85 percent.

**NOTE 14 – PENSION PLANS, Continued**

Required employee contribution rates<sup>(1)</sup> are as follows:

	Fiscal Year 2021 <sup>(1)</sup>	Fiscal Year 2020 <sup>(1)</sup>
<b>SCRS</b>		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
<b>State ORP</b>		
Employee	9.00%	9.00%
<b>PORS</b>		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contribution rates<sup>(1)</sup> are as follows:

	Fiscal Year 2021 <sup>(1)</sup>	Fiscal Year 2020 <sup>(1)</sup>
<b>SCRS</b>		
Employer Class Two	15.41%	15.41%
Employer Class Three	15.41%	15.41%
Employer Incidental Death Benefit	0.15%	0.15%
<b>State ORP</b>		
Employer Contribution <sup>(2)</sup>	15.41%	15.41%
Employer Incidental Death Benefit	0.15%	0.15%
<b>PORS</b>		
Employer Class Two	17.84%	17.84%
Employer Class Three	17.84%	17.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

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

<sup>(2)</sup> 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 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 for first use in the July 1, 2021 actuarial valuation.

The June 30, 2020, 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, 2019. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2020, using generally accepted actuarial principles.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2020.

**NOTE 14 – PENSION PLANS, Continued**

	SCRS	PORS
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return <sup>(1)</sup>	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service) <sup>(1)</sup>	3.5% to 9.5% (varies by service) <sup>(1)</sup>
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

<sup>(1)</sup> 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 2016 Public Retirees of South Carolina Mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

Assumptions used in the determination of the June 30, 2020, TPL are as follows.

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

**Net Pension Liability:** The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2020, 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	\$ 51,844,187,763	\$ 26,292,418,682	\$ 25,551,769,081	0.725460%	\$ 185,367,802
PORS	\$ 8,046,386,629	\$ 4,730,174,642	\$ 3,316,211,987	0.166391%	\$ 5,517,891

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 2020 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 7.25 percent assumed annual investment rate of return used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.



## NOTE 14 – PENSION PLANS, Continued

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
<b>Global Equity</b>	<b>51.00%</b>		
Global Public Equity <sup>(1)(2)</sup>	35.00%	7.81%	2.73%
Private Equity <sup>(2)(3)</sup>	9.00%	8.91%	0.80%
Equity Options Strategies <sup>(1)</sup>	7.00%	5.09%	0.36%
<b>Real Assets</b>	<b>12.00%</b>		
Real Estate (Private) <sup>(2)(3)</sup>	8.00%	5.55%	0.44%
Real Estate (REITs) <sup>(2)</sup>	1.00%	7.78%	0.08%
Infrastructure (Private) <sup>(2)(3)</sup>	2.00%	4.88%	0.10%
Infrastructure (Public) <sup>(2)</sup>	1.00%	7.05%	0.07%
<b>Opportunistic</b>	<b>8.00%</b>		
Global Tactical Asset Allocation <sup>(1)</sup>	7.00%	3.56%	0.25%
Other Opportunistic Strategies	1.00%	4.41%	0.04%
<b>Credit</b>	<b>15.00%</b>		
High Yield Bonds / Bank Loans <sup>(1)(2)</sup>	4.00%	4.21%	0.17%
Emerging Markets Debt	4.00%	3.44%	0.14%
Private Debt	7.00%	5.79%	0.40%
<b>Rate Sensitive</b>	<b>14.00%</b>		
Core Fixed Income <sup>(1)</sup>	13.00%	1.60%	0.21%
Cash and Short Duration (Net)	1.00%	0.56%	0.01%
<b>Total Expected Real Return<sup>(4)</sup></b>	<b>100.00%</b>		<b>5.80%</b>
Inflation for Actuarial Purposes			2.25%
<b>Total Expected Nominal Return</b>			<b>8.05%</b>

<sup>(1)</sup> Portable Alpha Strategies will be capped at 12% of total assets; Hedge funds (including all hedge funds used in portable alpha implementation) capped at 20% of total assets.

<sup>(2)</sup> The target weights to Private Equity, Private Debt, Private Infrastructure and Private Real Estate will be equal to their actual weights as of prior month end. Private Equity and Public Equity combine for 44 percent of entire portfolio. Private Debt and High Yield/Bank Loans combine for 11 percent of the entire portfolio. Private Infrastructure and Public Infrastructure combine for 3 percent of the entire portfolio. Private Real Estate and Real Estate (REITs) combine for 9 percent of entire portfolio.

<sup>(3)</sup> RSIC staff and Consultant will notify the Commission if Private Markets assets exceed 25% of total assets.

<sup>(4)</sup> The expected return for each of the Portable Alpha asset classes includes the expected return attributed to the Overlay Program. For benchmarking purposes there is a 10% weight assigned to Portable Alpha Hedge Funds in the Policy Benchmark.

**Discount Rate:** The discount rate used to measure the TPL was 7.25 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 7.25 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 (6.25 percent) or 1.00 percent higher (8.25 percent) than the current rate.

	1% Decrease 6.25%	Discount Rate 7.25%	1% Increase 8.25%
SCRS	\$229,740,661	\$185,367,802	\$148,315,930
PORS	\$7,304,758	\$5,517,891	\$4,083,151

**Pension Expense:** For the year ended June 30, 2021, the University recognized its proportionate share of pension expense of \$24,073,712 and \$738,156 for SCRS and PORS, respectively, for a total pension expense of \$24,811,868.

**NOTE 14 – PENSION PLANS, Continued**

**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 2020. 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, 2020 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, 2021.

**Deferred Outflows and Inflows of Resources:** At June 30, 2021, the University reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

SCRS	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	\$ 2,138,899	\$ 700,955
Assumption Changes	227,105	-
Investment Experience	13,635,356	2,771,291
Change in Allocated Proportion	3,942,074	-
Contributions After Measurement Date	11,821,211	-
<b>Total</b>	<b>\$ 31,764,645</b>	<b>\$ 3,472,246</b>

PORS	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	\$ 117,267	\$ 24,288
Assumption Changes	67,336	-
Investment Experience	565,019	-
Change in Allocated Proportion	42,394	245,602
Contributions After Measurement Date	411,066	-
<b>Total</b>	<b>\$ 1,203,082</b>	<b>\$ 269,890</b>

University contributions of \$11,821,211 and \$411,066 for the SCRS and PORS plans, respectively, made subsequent to the measurement date and during the year ended June 30, 2021 are reported as deferred outflows of resources. These amounts will be recognized as a reduction of the NPLs in the year ending June 30, 2022.

The following schedule reflects the amortization of the balance of remaining deferred outflows/(inflows) of resources at June 30, 2021. Average remaining service lives of all employees provided with pensions through the pension plans at June 30, 2021, was 3.984 years for SCRS and 4.176 years for PORS.

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

Year ending June 30	SCRS	PORS
2022	\$ 4,574,778	\$ 144,453
2023	4,558,216	82,384
2024	3,858,749	151,876
2025	3,479,446	143,413
2026	-	-
Thereafter	-	-

## NOTE 14 – PENSION PLANS, Continued

**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, 2020, and the accounting and financial reporting actuarial valuation as of June 30, 2020. 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' CAFR.

**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 Comprehensive Annual 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.

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 \$723,244 at June 30, 2021 as stated earlier in Note 2.

## NOTE 15 – 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 on 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

**NOTE 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued**

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.

**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. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves.

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, 2020 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 SCRHITFF. Other sources of funding for the SCRHITFF 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 include the mandatory transfer of accumulated PEBA – Insurance Benefits' reserves and the annual appropriation budgeted by the General Assembly. It 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, 2020. 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 2020 totaled \$97,652,768. However, the covered payroll contributions total includes prior year covered payroll contribution adjustments and true-ups that net to a total of \$6,103,298.

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, 2021, the University recognized non-employer

**NOTE 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued**

contributions of \$1,412,809 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 Insurance Benefits' link on PEBA's website at [www.peba.sc.gov](http://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 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, 2019
Actuarial Cost Method:	Entry Age Normal
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	2.45% as of June 30, 2020
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2015
Mortality:	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type.
Health Care Trend Rate:	Initial trend starting at 6.40% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years
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 NonFunded Premiums
Notes:	The discount rate changed from 3.13% as of June 30, 2019 to 2.45% as of June 30, 2020; updates were also made to the healthcare trend rate assumption including an adjustment to reflect the repeal of the "Cadillac Tax".



**NOTE 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued**

Additional information as of the latest actuarial valuation for SCLTDITF:

Valuation Date:	June 30, 2019
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:	2.83% as of June 30, 2020
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, 2015
Disability Incidence:	The disability rates used in the valuation are based on 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 92% were assumed to recover after the first two years
Offsets:	40% 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 3.04% as of June 30, 2019 to 2.83% as of June 30, 2020.

**Roll Forward Disclosure:** The actuarial valuation was performed as of June 30, 2019. Update procedures were used to roll forward the total OPEB liabilities to June 30, 2020.

**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, 2020 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	\$ 19,703,745,672	\$ 1,652,299,185	\$ 18,051,446,487	1.059389%	\$ 191,235,038
SCLTDITF	\$ 42,782,316	\$ 42,479,106	\$ 303,210	0.730659%	\$ 2,215

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 2.45% 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 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued**

A Single Discount Rate of 3.04% 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 2.83% and a municipal bond rate of 2.45%. 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 2041. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2041, 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%	0.60%	0.48%
Cash	20.00%	0.35%	0.07%
<b>Total</b>	<b>100.00%</b>		<b>0.55%</b>
Expected Inflation			2.25%
<b>Total Return</b>			<b>2.80%</b>
<b>Investment Return Assumption</b>			<b>2.75%</b>

**South Carolina Retiree 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	20.00%	0.35%	0.07%
<b>Total</b>	<b>100.00%</b>		<b>0.83%</b>
Expected Inflation			2.25%
<b>Total Return</b>			<b>3.08%</b>
<b>Investment Return Assumption</b>			<b>3.00%</b>

**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 2.45%, 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 1.45%	Current Discount Rate 2.45%	1% Increase 3.45%
SCRHITF Net OPEB Liability	\$228,181,787	\$191,235,038	\$161,711,823

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 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued**

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
SCRHITF Net OPEB Liability	\$154,786,408	\$191,235,038	\$239,102,580

The following table presents the University's proportionate share of the SCLTDITF's net OPEB liability calculated using a Single Discount Rate of 2.83%, 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 1.83%	Current Discount Rate 2.83%	1% Increase 3.83%
SCLTDITF Net OPEB Liability	\$13,054	\$2,215	\$(8,548)

**OPEB Expense:** For the year ended June 30, 2021, the University recognized its proportionate share of OPEB expense of \$14,610,083 associated with the net OPEB liability. Components of collective OPEB expense reported in the Allocation of the OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB for the fiscal year ended June 30, 2020 are presented below.

Description	SCRHITF	SCLTDITF
Service Cost	\$ 6,740,465	\$ 61,451
Interest on the Total OPEB Liability	5,490,877	9,108
Projected Earnings on Plan Investments	(428,821)	(8,452)
OPEB Plan Administrative Expense	10,794	780
Recognition of Outflow (Inflow) of Resources due to Liabilities	2,767,791	(205)
Recognition of Outflow (Inflow) of Resources due to Assets	(30,751)	(2,954)
<b>Total Aggregate OPEB Expense</b>	<b>\$ 14,550,355</b>	<b>\$ 59,728</b>

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, 2021, 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	\$ 5,469,497	\$ 4,355,107
Assumption Changes	28,458,160	7,615,957
Investment Experience	-	446,048
Change in Allocated Proportion	3,125,768	4,588,141
Contributions After Measurement Date	5,524,500	-
<b>Total</b>	<b>\$ 42,577,925</b>	<b>\$ 17,005,253</b>

SCLTDITF	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Experience	\$ -	\$ 9,197
Assumption Changes	9,284	1,106
Investment Experience	-	18,465
Change in Allocated Proportion	-	2,330
Contributions After Measurement Date	49,121	-
<b>Total</b>	<b>\$ 58,405</b>	<b>\$ 31,098</b>

**NOTE 15 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, Continued**

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, 2021. The following schedules reflects the amortization of the balance of remaining deferred outflows/(inflows) of resources at June 30, 2021.

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

Year ending June 30	SCRHITF	SCLTDITF
2022	\$ 2,645,212	\$ (3,459)
2023	2,583,572	(5,055)
2024	2,485,896	(7,106)
2025	4,180,819	(4,866)
2026	4,466,963	(505)
Thereafter	3,685,710	(823)

**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, 2020, and the accounting and financial reporting actuarial valuations as of June 30, 2020. 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 16 – 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, 2021, include significant transactions between them and the University, which are as follows:

**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 2021, the University contracted the Research Foundation to provide \$18,402 to assist its educational and research initiatives. At fiscal year end June 30, 2021, there are payables of \$7,159 due to the Research Foundation.

**NOTE 16 – RELATED PARTIES, Continued**

**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 comprised 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 millage from Horry County to accomplish these objectives.

During the year ended June 30, 2021, the Commission made grants to the University totaling \$1,458,095 in which \$598,672 was receivable at year end. 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 2021 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:** Georgetown County annually appropriates funds to support the mission of the University in Georgetown County. The Georgetown County Advisory Board for the University is responsible for the budgeting and distribution of these funds. During the fiscal year ending June 30, 2021, the University recognized and received \$147,000 in revenue from the Advisory Board.

**NOTE 17 – 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.

During 2020-2021, the State of South Carolina operated under the Continuing Resolution, Act 135 of 2020, adopted by the General Assembly on May 12, 2020. In accordance with the Continuing Resolution, state agencies were appropriated the amounts included in the 2019-2020 Appropriations Act. The following is a reconciliation of the original base budget amount presented in the General Funds Column of Section 16 of the 2019-2020 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, 2021.

<b>Non-Capital State Appropriations</b>	
Approved Appropriation	\$ 16,009,172
PEBA Credit to Participating Employers	841,450
Technology Grant Program	591,366
Supplement Appropriation - Pay Plan and Benefits	473,725
South Carolina Endowment Incentive Act of 1997	6,535
<b>Total Non-Capital State Appropriations</b>	<b>\$ 17,922,248</b>

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.



**NOTE 17 – TRANSACTIONS WITH STATE ENTITIES, Continued**

<b>Other Amounts Recognized from State Agencies</b>	
Received from CHE:	
LIFE Scholarships	\$ 9,277,523
Need Based Grants	1,455,346
HOPE Scholarships	953,640
Palmetto Fellowship	1,103,431
SC National Guard	168,186
Received from various other State agencies	2,294,387
<b>Total Other Amounts Recognized from State Agencies</b>	<b>\$ 15,252,513</b>

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 2021.

**NOTE 18 – 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 19 – 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, used 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 \$1,648,591 in direct support and \$390,328 in indirect transfers. On June 30, 2021, CEF had receivables from the

**NOTE 19 – COMPONENT UNITS, Continued**

University of \$37,336 and payables to the University totaling \$1,503,687 (short-term \$1,353,687 and long-term \$150,000).

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, 2021, the carrying value of said property was \$5,302,521 net of \$188,625 in accumulated depreciation. The University leases this land annually from the CEF at a rate below market value.

The University, in turn, provides operation and fundraising staff for which it does not charge the foundation. The CEF has valued these services for their financial reporting at \$390,328 for the fiscal year ending June 30, 2021. The University paid total rent of \$396,343 in fiscal year 2021 to the CEF for seven parcels of land, a house located on Hackler Golf Course and use of Waties Island. The seven parcels are: soccer field, student parking lot, an athletic parcel, a Wheelwright Auditorium parcel, an academic parcel, a Founders Drive parcel and a University Housing parcel.

The CEF held investments that consist of privately managed funds and closely held investments. As of June 30, 2021, investments as shown on the accompanying statements of financial position are comprised of the following:

Fixed income mutual fund	\$	20,050,604
Equities		38,917,646
<b>Total privately managed funds</b>	<b>\$</b>	<b>58,968,250</b>
Closely held investments		
Common Stock		2,888,775
Real estate held for investment		288,000
<b>Total investments</b>	<b>\$</b>	<b>62,145,025</b>

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.

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.

**NOTE 19 – COMPONENT UNITS, Continued**

The following is a description of the valuation methodologies used for the CEF's assets measured at fair value at June 30, 2021:

Equities	Valued at the closing price reported on the active market on which the individual securities traded.
Hedge funds	Measured at net asset value (NAV) based on the latest unaudited financial statements or latest estimated valuations prepared by the Funds.
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 CEF, 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.
Real estate held for investment	The Real Estate Land Use Committee of the CEF'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, 2021:

	Level 1	Level 2	Level 3	Total
Fixed income mutual fund	\$ 20,050,604	\$ -	\$ -	\$ 20,050,604
Equities	38,917,646	-	-	38,917,646
Closely held stock	-	-	2,888,775	2,888,775
Real estate held for investment	-	-	288,000	288,000
<b>Total investments</b>	<b>\$ 58,968,250</b>	<b>\$ -</b>	<b>\$ 3,176,775</b>	<b>\$ 62,145,025</b>

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 Waties Island.

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, 2021:

	Long/short equity hedge fund	Closely held stock	Real estate held for investment
Balance, beginning of year	\$ -	\$ 1,995,825	\$ 288,000
Purchase of investments	-	666,000	-
Market appreciation (depreciation)	-	226,950	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 2,888,775</b>	<b>\$ 288,000</b>

The CEF did not hold any investments reported at NAV as a practical expedient to estimate fair value as of June 30, 2021.

During the year ended June 30, 2021, the University President served as an ex-officio member of the Coastal Educational Foundation board.

## NOTE 19 – COMPONENT UNITS, Continued

**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, a not-for-profit corporation, was organized in 2005. The SHF is the owner and sole member of the 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.

Financial support of CCU in the amount of \$75,000 was paid during the year ended June 30, 2021 in the form of a salary supplement for the University's president. Also, \$485,000 was paid during the year, the fourth of five annual gifts of that amount, to be used for the student housing facilities at the University. Additionally, SHF purchased protective facemasks for students and staff at the request of the University. The cost was \$131,238.

At year end the payable to the University from the SHF was \$489,669, representing \$485,000 for the final payment of the above described gift and \$4,669 in administrative support. There were no receivables from the University.

There were no receivables from the University.

**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. As discussed in Note 1, the CAF has been included in the reporting entity as a component unit.

The CAF provides support directly to the University through funds embarked from private contributions to support University athletic scholarships and programs. These transfers for fiscal year 2021 were recorded by the University as non-operating gift revenues totaling \$830,660 and were recorded by the University as non-operating gift revenues totaling \$807,132 and capital gifts totaling \$23,528. The University provides operation and fundraising staff for which it does not charge the foundation. The foundation has valued these services for their financial reporting at \$516,725 for the fiscal year ending June 30, 2021. The CAF procured and gifted to the University \$141,951 of goods and services, which included vehicle leases to athletic coaches.

On June 30, 2021, the CAF had net assets of \$2,097,664, receivables from the University of \$70,203 and payables to the University totaled \$2,506,790 (short-term \$956,790 and long-term \$1,550,000).

## NOTE 20 – 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 20 – CONTINGENCIES AND LITIGATION, Continued**

**Coronavirus Pandemic:** The University is evaluating what effect the coronavirus will have on its operation with respect to revenues, the collectability of receivables, the ability to obtain necessary materials and supplies, the ability to manage and protect the health and safety of students and campus community, the stability of the support workforce, the ability to be mobile, access service locations, and the provision of essential services at an appropriate level, all within the guidelines and mandates of federal, state and local government officials. As of the date of this report, the University has not concluded the aggregate impact of the virus and will adjust operations based on new data.

**NOTE 21 – 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 29, 2024. For the fiscal year ended June 30, 2021, Coastal Carolina University received approximately \$12.6 million in revenue from this tax. Since the inception of the one-cent sales tax, the University has received more than \$117 million in revenue. The University has used this revenue to fund construction and purchase several buildings throughout campus. The Library Learning Complex, which is currently in process at fiscal year end June 30, 2021, is partially funded by the one-cent sales tax.

**Open Constructions and Renovation Contracts:** As of June 30, 2021, the University had 31 open contracts for construction and on-going renovations projects, which totaled \$4.4 million. Of this total, \$1.6 million remained unspent at fiscal year ended 2021. The largest contracts are connected to the design services for the Library Learning Complex which totaled \$1.0 million, approximately 62% 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, 2021, the date the financial statements were issued, and concluded that no events have occurred that would require disclosure.



**Required Supplementary Information**

## Required Supplemental Information For the Year Ended June 30, 2021 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
2021	0.742019%	\$ 185,367,802	\$ 50,894,509	275.6%	50.70%
2020	0.742019%	169,433,774	50,045,187	338.6%	54.40%
2019	0.722064%	161,791,535	48,390,581	334.3%	54.10%
2018	0.690523%	155,447,832	47,081,045	330.2%	53.30%
2017	0.660394%	141,059,184	43,897,115	321.3%	52.90%
2016	0.622015%	117,968,144	40,118,128	294.1%	57.00%
2015	0.592708%	102,044,668	37,461,349	272.4%	59.90%

### 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
2021	\$ 11,821,211	\$ 11,821,211	\$ -	\$ 45,095,539	26.20%
2020	11,774,347	11,774,347	-	50,894,509	23.10%
2019	10,589,397	10,589,397	-	50,045,187	21.20%
2018	9,324,989	9,324,989	-	48,390,581	19.30%
2017	8,054,020	8,054,020	-	47,081,045	17.10%
2016	7,072,907	7,072,907	-	43,897,115	16.10%
2015	6,357,033	6,357,033	-	40,118,128	15.80%

**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, 2021 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
2021	0.166391%	\$ 5,517,891	\$ 2,502,413	240.6%	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
2021	\$ 411,066	\$ 411,066	\$ -	\$ 2,132,463	19.3%
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, 2021**  
**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
2021	1.059389%	\$ 191,235,038	\$ 97,652,768	194.91%	8.39%
2020	1.093945%	165,421,162	95,674,606	172.90%	8.44%
2019	1.075099%	152,347,817	92,695,778	164.35%	7.91%
2018	1.062580%	143,924,721	89,603,115	160.62%	7.60%

**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
2021	\$ 5,524,500	\$ 5,524,500	\$ -	\$ 88,391,200	6.25%
2020	6,103,298	6,103,298	-	97,652,768	6.25%
2019	5,788,314	5,788,314	-	95,674,606	6.05%
2018	5,099,242	5,099,242	-	92,695,778	5.50%

**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, 2021**  
**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
2021	0.730659%	\$ 2,215	99.29%
2020	0.747173%	14,706	95.17%
2019	0.731892%	22,405	92.20%
2018	0.725488%	13,153	95.29%

**Schedule of Employer Contributions**

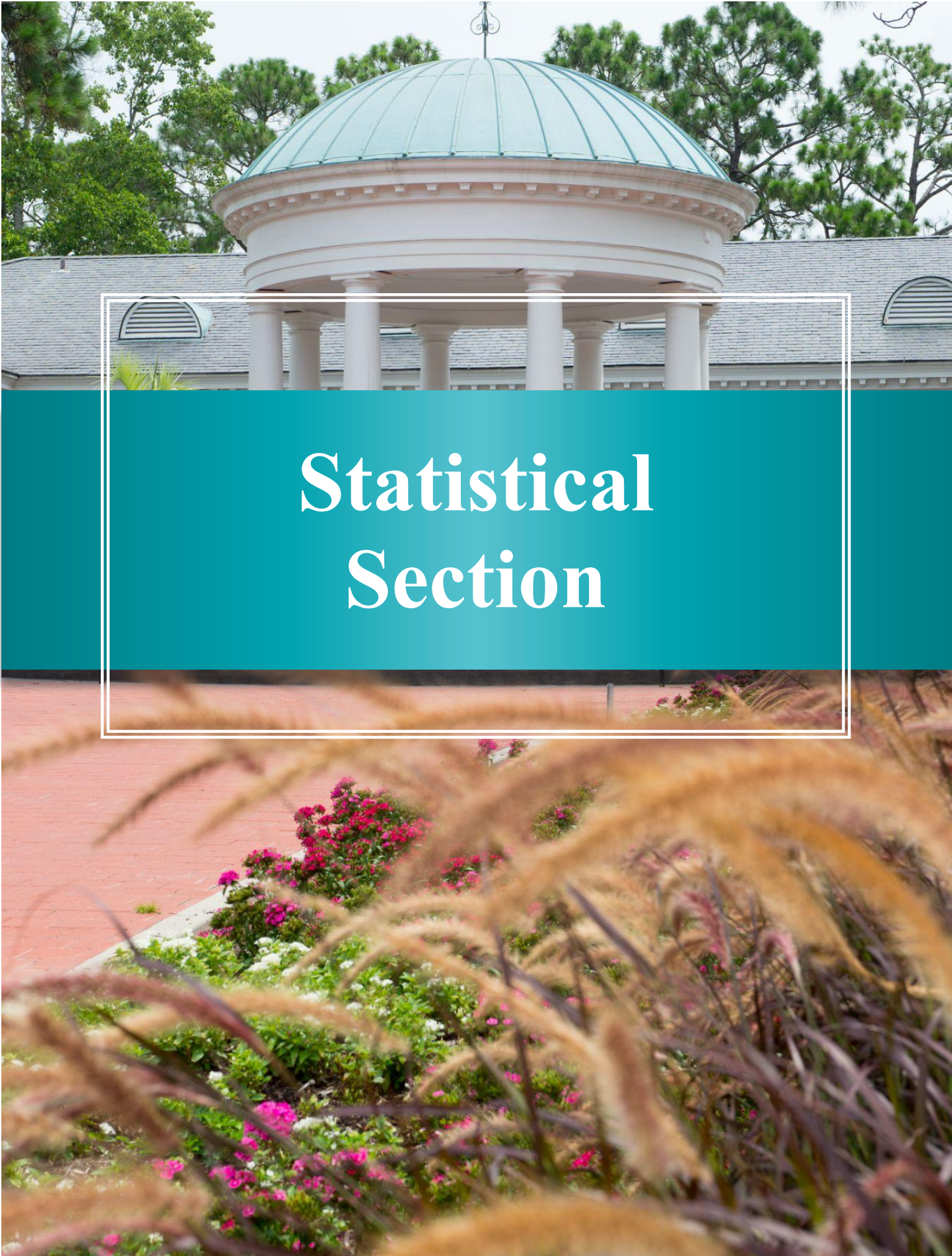
Year	Statutorily Required Contribution	Contributions Recognized by the Plan	Contributions Excess (Deficiency)
2021	\$ 49,121	\$ 49,121	\$ -
2020	55,223	55,223	-
2019	55,062	55,062	-
2018	53,294	53,294	-

**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 2012-2021

	For the year ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Net Financial Position</b>										
Net Investment in Capital Assets	\$ 255,542,716	\$ 263,570,933	\$ 234,030,705	\$ 232,727,461	\$ 229,608,138	\$ 210,872,540	\$ 193,226,321	\$ 154,687,499	\$ 130,228,337	\$ 113,986,078
Restricted - Nonexpendable	166,482	156,821	156,821	156,608	154,802	105,128	100,000	100,000	100,000	100,000
Restricted - Expendable	59,498,081	48,290,950	56,512,131	39,875,079	29,010,490	36,098,025	43,397,489	48,326,727	36,729,803	33,396,565
Unrestricted	(259,678,394)	(275,833,767)	(253,012,860)	(238,484,701)	(75,401,191)	(68,490,862)	(74,743,043)	40,955,904	58,739,507	50,609,312
<b>Total Net Position</b>	<b>\$ 55,528,885</b>	<b>\$ 36,184,937</b>	<b>\$ 37,686,797</b>	<b>\$ 34,274,447</b>	<b>\$ 183,372,239</b>	<b>\$ 178,584,831</b>	<b>\$ 161,980,767</b>	<b>\$ 244,070,130</b>	<b>\$ 225,797,647</b>	<b>\$ 198,091,955</b>

**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 2012-2021

	For the year ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Tuition, net of allowance	\$ 132,026,784	\$ 137,826,176	\$ 135,614,138	\$ 135,821,794	\$ 133,229,383	\$ 128,382,842	\$ 117,216,607	\$ 104,646,848	\$ 100,845,686	\$ 98,590,156
State grants to students	14,173,662	14,017,834	13,360,947	13,021,528	12,607,539	11,233,292	11,042,191	10,394,517	10,309,617	9,821,512
Federal grants to students	2,568,181	3,547,136	2,598,791	2,018,280	2,270,650	2,493,903	2,205,506	2,237,119	2,510,626	2,565,409
Other operating grants	3,828,883	2,621,483	3,785,022	3,560,257	3,564,825	2,486,261	2,462,641	2,337,375	2,468,832	2,281,414
Sales and services of educ activities	3,341,628	5,355,025	7,502,229	7,421,906	5,662,884	5,627,219	5,315,361	4,914,266	4,786,480	4,647,195
Auxiliary enterprises, net of allowance	22,298,030	21,272,738	27,473,380	28,787,596	27,928,522	25,543,690	21,996,660	20,135,805	18,124,286	8,777,833
Other fees	1,539,826	1,535,403	1,569,680	1,669,194	2,641,853	2,812,828	2,891,160	2,670,049	2,508,994	2,082,887
<b>Total operating revenue</b>	<b>179,776,994</b>	<b>186,175,795</b>	<b>191,904,187</b>	<b>192,300,555</b>	<b>187,905,656</b>	<b>178,580,035</b>	<b>163,130,126</b>	<b>147,335,979</b>	<b>141,554,521</b>	<b>128,766,406</b>
State appropriations	17,922,248	17,965,623	15,305,083	13,301,750	12,897,108	12,211,610	10,851,710	10,264,739	11,140,551	8,920,787
Local appropriations	1,516,280	371,557	332,144	380,413	404,759	407,773	393,324	376,875	294,580	313,125
Gifts, Grants, and Contracts	48,587,622	30,296,825	21,827,338	21,995,269	18,078,774	18,593,631	18,213,105	17,416,576	16,551,864	17,202,173
Investment income	1,006,699	2,630,058	3,587,958	622,869	987,691	610,471	414,206	1,338,907	1,472,071	713,372
<b>Total non-operating revenue</b>	<b>69,032,849</b>	<b>51,264,063</b>	<b>41,052,523</b>	<b>36,300,301</b>	<b>32,368,332</b>	<b>31,823,485</b>	<b>29,872,345</b>	<b>29,397,097</b>	<b>29,459,066</b>	<b>27,149,457</b>
<b>Total non-capital revenue</b>	<b>\$ 248,809,843</b>	<b>\$ 237,439,858</b>	<b>\$ 232,956,710</b>	<b>\$ 228,600,856</b>	<b>\$ 220,273,988</b>	<b>\$ 210,403,520</b>	<b>\$ 193,002,471</b>	<b>\$ 176,733,076</b>	<b>\$ 171,013,587</b>	<b>\$ 155,915,863</b>
Tuition, net of allowance	53.1%	58.0%	58.2%	59.4%	60.5%	61.0%	60.7%	59.2%	59.0%	63.2%
State grants to students	5.7%	5.9%	5.7%	5.7%	5.7%	5.3%	5.7%	5.9%	6.0%	6.3%
Federal grants to students	1.0%	1.5%	1.1%	0.9%	1.0%	1.2%	1.1%	1.3%	1.5%	1.6%
Other operating grants	1.5%	1.1%	1.6%	1.6%	1.6%	1.2%	1.3%	1.3%	1.4%	1.5%
Sales and services of educ activities	1.3%	2.3%	3.2%	3.2%	2.6%	2.7%	2.8%	2.8%	2.8%	3.0%
Auxiliary enterprises, net of allowance	9.0%	9.0%	11.8%	12.6%	12.7%	12.1%	11.4%	11.4%	10.6%	5.6%
Other fees	0.6%	0.6%	0.7%	0.7%	1.2%	1.3%	1.5%	1.5%	1.5%	1.3%
<b>Total operating revenue</b>	<b>72.3%</b>	<b>78.4%</b>	<b>82.4%</b>	<b>84.1%</b>	<b>85.3%</b>	<b>84.9%</b>	<b>84.5%</b>	<b>83.4%</b>	<b>82.8%</b>	<b>82.6%</b>
State appropriations	7.2%	7.6%	6.6%	5.8%	5.9%	5.8%	5.6%	5.8%	6.5%	5.7%
Local appropriations	0.6%	0.2%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Gifts	19.5%	12.8%	9.4%	9.6%	8.2%	8.8%	9.4%	9.9%	9.7%	11.0%
Investment income	0.4%	1.1%	1.5%	0.3%	0.4%	0.3%	0.2%	0.8%	0.9%	0.5%
<b>Total non-operating revenue</b>	<b>27.7%</b>	<b>21.6%</b>	<b>17.6%</b>	<b>15.9%</b>	<b>14.7%</b>	<b>15.1%</b>	<b>15.5%</b>	<b>16.6%</b>	<b>17.2%</b>	<b>17.4%</b>
<b>Total non-capital revenue</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Coastal Carolina University Annual Financial Reports

Schedule 3

## Expenses by Function Fiscal Years 2012-2021

	For the year ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction	\$ 79,041,050	\$ 87,242,075	\$ 85,483,481	\$ 85,686,351	\$ 78,671,337	\$ 72,656,605	\$ 63,711,233	\$ 58,415,046	\$ 54,399,415	\$ 51,251,285
Research	1,215,166	1,542,809	1,834,631	1,146,817	892,293	1,977,867	1,810,122	2,211,588	2,435,676	2,311,453
Public Service	12,443,407	2,314,922	2,290,501	1,758,758	1,780,693	1,456,450	1,380,007	1,366,901	1,232,711	1,314,729
Academic Support	12,679,348	15,448,199	14,820,963	13,559,584	12,335,623	11,239,341	10,743,962	9,601,338	9,237,715	8,406,129
Student Services	34,814,736	37,901,884	37,367,184	36,842,037	35,991,083	29,608,665	26,624,936	25,572,728	23,368,935	21,896,903
Institutional Support	17,080,464	20,669,640	20,210,167	18,693,519	16,553,757	16,241,157	15,718,295	13,675,847	13,362,086	13,516,038
Plant Operation	25,533,398	28,766,482	29,536,223	29,290,511	28,192,082	25,408,965	25,412,161	23,945,222	21,619,557	19,096,049
Scholarships	18,250,141	19,273,470	11,058,668	11,955,588	11,500,733	11,320,124	12,531,727	11,866,581	11,188,558	10,201,727
Auxiliary Enterprises	15,873,934	17,503,781	17,676,795	16,226,552	13,853,774	12,936,339	11,397,453	9,996,530	10,827,604	4,786,652
Depreciation	18,813,162	18,753,658	18,017,245	17,842,630	17,379,154	15,184,395	13,614,618	13,355,479	11,798,910	4,538,853
<b>Total operating expenses</b>	<b>235,744,806</b>	<b>249,416,920</b>	<b>238,295,858</b>	<b>233,002,347</b>	<b>217,150,529</b>	<b>198,029,908</b>	<b>182,944,514</b>	<b>170,007,260</b>	<b>159,471,167</b>	<b>137,319,818</b>
Interest and bond issuance costs	6,385,278	7,175,602	8,239,236	8,603,879	9,017,676	5,643,957	7,286,798	6,587,313	6,506,236	1,646,247
Other non-operating expenses	-	-	-	98,080	7,842	86,743	16,326	424,468	48,469	19,974
<b>Total non-operating expenses</b>	<b>6,385,278</b>	<b>7,175,602</b>	<b>8,239,236</b>	<b>8,701,959</b>	<b>9,025,518</b>	<b>5,730,700</b>	<b>7,303,124</b>	<b>7,011,781</b>	<b>6,554,705</b>	<b>1,666,221</b>
<b>Total expenses</b>	<b>\$ 242,130,084</b>	<b>\$ 256,592,522</b>	<b>\$ 246,535,094</b>	<b>\$ 241,704,306</b>	<b>\$ 226,176,047</b>	<b>\$ 203,760,608</b>	<b>\$ 190,247,638</b>	<b>\$ 177,019,041</b>	<b>\$ 166,025,872</b>	<b>\$ 138,986,039</b>
Instruction	32.6%	36.0%	34.7%	35.5%	34.8%	35.7%	33.5%	33.0%	32.8%	36.9%
Research	0.5%	0.6%	0.7%	0.5%	0.4%	1.0%	1.0%	1.2%	1.5%	1.7%
Public Service	5.1%	0.9%	0.9%	0.7%	0.8%	0.7%	0.7%	0.8%	0.7%	0.9%
Academic Support	5.2%	6.0%	6.0%	5.6%	5.5%	5.5%	5.6%	5.4%	5.6%	6.0%
Student Services	14.4%	14.8%	15.2%	15.2%	15.9%	14.5%	14.0%	14.4%	14.1%	15.8%
Institutional Support	7.1%	8.1%	8.2%	7.7%	7.3%	8.0%	8.3%	7.7%	8.0%	9.7%
Plant Operation	10.6%	11.2%	12.0%	12.1%	12.5%	12.5%	13.4%	13.5%	13.0%	13.7%
Scholarships	7.5%	7.5%	4.5%	4.9%	5.1%	5.6%	6.6%	6.7%	6.7%	7.3%
Auxiliary Enterprises	6.6%	6.8%	7.2%	6.7%	6.1%	6.3%	6.0%	5.6%	6.5%	3.4%
Depreciation	7.8%	7.3%	7.3%	7.4%	7.7%	7.5%	7.2%	7.5%	7.1%	3.3%
<b>Total operating expenses</b>	<b>97.4%</b>	<b>97.2%</b>	<b>96.7%</b>	<b>96.4%</b>	<b>96.0%</b>	<b>97.2%</b>	<b>96.2%</b>	<b>96.0%</b>	<b>96.1%</b>	<b>98.8%</b>
Interest and bond issuance costs	2.6%	2.8%	3.3%	3.6%	4.0%	2.8%	3.8%	3.7%	3.9%	1.2%
Other non-operating expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%
<b>Total non-operating expenses</b>	<b>2.6%</b>	<b>2.8%</b>	<b>3.3%</b>	<b>3.6%</b>	<b>4.0%</b>	<b>2.8%</b>	<b>3.8%</b>	<b>4.0%</b>	<b>3.9%</b>	<b>1.2%</b>
<b>Total expenses</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Coastal Carolina University Annual Financial Reports

## Expenses by Use Fiscal Years 2012-2021

	For the year ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Personnel costs and benefits	\$ 152,455,342	\$ 164,806,883	\$ 156,482,206	\$ 151,607,372	\$ 137,654,967	\$ 125,408,050	\$ 113,684,278	\$ 104,710,936	\$ 97,691,335	\$ 89,827,887
Services and supplies	39,133,672	39,452,720	45,025,345	43,394,573	42,885,990	39,235,872	38,346,205	35,237,806	34,077,957	28,821,931
Utilities	7,939,041	8,094,674	8,563,298	8,958,781	8,463,833	7,552,309	7,024,154	6,843,404	6,582,470	4,359,122
Scholarships	17,403,589	18,308,985	10,207,764	11,198,991	10,766,585	10,649,282	10,275,259	9,859,635	9,320,495	9,772,025
Depreciation	18,813,162	18,753,658	18,017,245	17,842,630	17,379,154	15,184,395	13,614,618	13,355,479	11,798,910	4,538,853
<b>Total operating expenses</b>	<b>235,744,806</b>	<b>249,416,920</b>	<b>238,295,858</b>	<b>233,002,347</b>	<b>217,150,529</b>	<b>198,029,908</b>	<b>182,944,514</b>	<b>170,007,260</b>	<b>159,471,167</b>	<b>137,319,818</b>
Interest & bond issuance cost	6,385,278	7,175,602	8,239,236	8,603,879	9,017,676	5,643,957	7,286,798	6,587,313	6,506,236	1,646,247
Other non-operating expenses	-	-	-	98,080	7,842	86,743	16,326	424,468	48,469	19,974
<b>Total non-operating expenses</b>	<b>6,385,278</b>	<b>7,175,602</b>	<b>8,239,236</b>	<b>8,701,959</b>	<b>9,025,518</b>	<b>5,730,700</b>	<b>7,303,124</b>	<b>7,011,781</b>	<b>6,554,705</b>	<b>1,666,221</b>
<b>Total expenses</b>	<b>\$ 242,130,084</b>	<b>\$ 256,592,522</b>	<b>\$ 246,535,094</b>	<b>\$ 241,704,306</b>	<b>\$ 226,176,047</b>	<b>\$ 203,760,608</b>	<b>\$ 190,247,638</b>	<b>\$ 177,019,041</b>	<b>\$ 166,025,872</b>	<b>\$ 138,986,039</b>
Personnel costs and benefits	63.0%	64.2%	63.5%	62.7%	60.9%	61.5%	59.8%	59.2%	58.8%	64.6%
Services and supplies	16.2%	15.4%	18.3%	18.0%	19.0%	19.3%	20.2%	19.9%	20.5%	20.7%
Utilities	3.3%	3.2%	3.5%	3.7%	3.7%	3.7%	3.7%	3.9%	4.0%	3.1%
Scholarships	7.2%	7.1%	4.1%	4.6%	4.8%	5.2%	5.4%	5.6%	5.6%	7.0%
Depreciation	7.8%	7.3%	7.3%	7.4%	7.7%	7.5%	7.2%	7.5%	7.1%	3.3%
<b>Total operating expenses</b>	<b>97.5%</b>	<b>97.2%</b>	<b>96.7%</b>	<b>96.4%</b>	<b>96.0%</b>	<b>97.2%</b>	<b>96.2%</b>	<b>96.0%</b>	<b>96.1%</b>	<b>98.8%</b>
Interest & bond issuance cost	2.5%	2.8%	3.3%	3.6%	4.0%	2.8%	3.8%	3.7%	3.9%	1.2%
Other non-operating expenses	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%
<b>Total non-operating expenses</b>	<b>2.6%</b>	<b>2.8%</b>	<b>3.3%</b>	<b>3.6%</b>	<b>4.0%</b>	<b>2.8%</b>	<b>3.8%</b>	<b>4.0%</b>	<b>3.9%</b>	<b>1.2%</b>
<b>Total expenses</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Coastal Carolina University Annual Financial Reports

Schedule 5

### Other Changes in Net Position Fiscal Years 2012-2021

	For the year ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Income before other changes in net assets</b>	\$ 6,679,759	\$ (19,152,664)	\$ (13,578,384)	\$ (13,103,450)	\$ (5,902,059)	\$ 6,642,912	\$ 2,754,833	\$ (285,965)	\$ 4,987,715	\$ 16,929,824
Capital appropriations	12,640,661	16,432,689	13,878,025	10,441,312	10,340,951	9,703,620	12,602,044	9,989,149	8,822,085	7,660,595
Capital grants and gifts	23,528	1,218,115	3,112,709	2,038,739	348,516	257,532	6,139,548	10,299,984	13,895,892	5,206,768
<b>Total change in net position</b>	<b>\$ 19,343,948</b>	<b>\$ (1,501,860)</b>	<b>\$ 3,412,350</b>	<b>\$ (623,399)</b>	<b>\$ 4,787,408</b>	<b>\$ 16,604,064</b>	<b>\$ 21,496,425</b>	<b>\$ 20,003,168</b>	<b>\$ 27,705,692</b>	<b>\$ 29,797,187</b>

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 2011-12 through 2020-21

	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Admissions - Freshmen</b>										
Applications	14,152	15,061	14,057	18,563	17,768	17,252	14,799	14,050	10,993	10,502
Applications accepted	9,970	10,373	9,777	11,359	10,871	10,291	9,412	9,014	8,139	7,836
Accepted as a percentage of applications	70%	69%	70%	61%	61%	60%	64%	64%	74%	75%
Students enrolled	2,056	2,304	2,329	2,390	2,249	2,368	2,375	2,095	2,206	2,137
Students enrolled as a percentage of accepted	21%	22%	24%	21%	21%	23%	25%	23%	27%	27%
Average SAT score	1103	1098	1102	1098	1018	1005	1001	1000	1000	1013
<b>Enrollment</b>										
<b>Headcount enrollment</b>										
Undergraduate	9,500	9,760	9,917	9,898	9,747	9,615	9,364	8,867	8,746	8,517
Graduate	618	724	724	765	732	648	612	611	589	567
<b>Full time equivalent enrollment</b>										
Undergraduate	9,183	9,531	9,567	9,721	9,535	9,435	9,105	8,564	8,568	8,455
Graduate	344	382	383	392	399	342	316	306	291	265
<b>Residency for Fee Payment Purposes*</b>										
Undergraduate, State Residents	6,972	7,129	7,182	7,215	7,132	6,929	6,889	6,514	6,327	6,013
Undergraduate, Out of State Residents	2,528	2,631	2,735	2,683	2,615	2,686	2,475	2,353	2,419	2,504
Headcount Total by Fee Payment Purposes	9,500	9,760	9,917	9,898	9,747	9,615	9,364	8,867	8,746	8,517
Percent of Undergraduates paying as Residents	73%	73%	72%	73%	73%	72%	74%	73%	72%	71%
Percent of Undergraduates paying as Non-residents	27%	27%	28%	27%	27%	28%	26%	27%	28%	29%
<b>Required Tuition and Fees**</b>										
Undergraduate, In State, Full Time	\$ 11,640	\$ 11,640	\$ 11,536	\$ 11,200	\$ 10,876	\$ 10,530	\$ 10,140	\$ 9,760	\$ 9,760	\$ 9,760
Undergraduate, Out of State, Full Time	\$ 27,394	\$ 27,394	\$ 26,648	\$ 25,872	\$ 25,120	\$ 24,320	\$ 23,480	\$ 22,770	\$ 22,050	\$ 21,560
Non-resident: Resident Fee Ratio	2.35	2.35	2.31	2.31	2.31	2.31	2.32	2.33	2.26	2.21
<b>Degrees Awarded</b>										
Bachelor's	1,986	1,892	1,809	1,821	1,581	1,648	1,553	1,510	1,399	1,379
Master's	291	319	334	274	272	254	232	199	181	120

**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.

**Source:** Coastal Carolina University Fact Book

**Undergraduate Annual Required Tuition and Fees  
at South Carolina Public Four-Year Institutions  
Academic Years 2011-12 through 2020-21**

	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	Ten Year Change
The Citadel	\$ 13,140	\$ 13,140	\$ 13,036	\$ 12,626	\$ 12,229	\$ 11,364	\$ 11,098	\$ 10,838	\$ 10,523	\$ 10,216	28.6%
Clemson University	15,120	15,120	14,970	14,712	14,318	13,882	13,446	13,054	12,674	12,304	22.9%
Coastal Carolina University	11,640	11,640	11,536	11,200	10,876	10,530	10,140	9,760	9,760	9,760	19.3%
College of Charleston	12,518	12,518	12,418	11,998	11,386	10,900	10,558	10,230	9,918	9,616	30.2%
Francis Marion University	11,160	11,160	11,160	10,842	10,453	10,100	9,738	9,386	9,066	8,802	26.8%
Lander University	11,700	11,700	11,700	11,700	11,200	10,752	10,418	10,100	9,792	9,504	23.1%
South Carolina State University	11,060	11,060	11,060	10,740	10,420	10,088	10,088	9,776	9,258	9,258	19.5%
University of South Carolina											
Columbia	12,688	12,688	12,616	12,262	11,856	11,482	11,158	10,816	10,488	10,168	24.8%
Aiken	10,710	10,710	10,710	10,502	10,196	9,878	9,552	9,258	8,974	8,700	23.1%
Beaufort	10,680	10,680	10,680	10,472	10,166	9,848	9,354	8,922	8,508	8,108	31.7%
Upstate	11,488	11,488	11,488	11,520	11,190	10,718	10,348	10,028	9,722	9,426	21.9%
Winthrop University	15,306	15,306	15,230	14,870	14,510	14,156	13,812	13,430	13,026	12,656	20.9%
<b>Average Rate</b>	<b>\$ 12,268</b>	<b>\$ 12,268</b>	<b>\$ 12,217</b>	<b>\$ 11,954</b>	<b>\$ 11,567</b>	<b>\$ 11,142</b>	<b>\$ 10,809</b>	<b>\$ 10,467</b>	<b>\$ 10,142</b>	<b>\$ 9,877</b>	<b>24.2%</b>

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

**Source:** CHE Tuition & Required Fees for Academic Year 2020-21

Schedule 8

### Schedule of Residence Hall Data Fiscal Years 2012-2021

	For the year ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Applications Received	5,240	5,374	5,904	5,625	5,136	4,657	5,357	4,084	4,179	1,510
Design Capacity of Beds	4,211	4,636	4,636	4,636	4,620	3,966	3,290	3,289	3,289	1,210
Opening Occupancy	3,794	4,383	4,399	4,458	4,406	4,109	3,715	3,551	3,514	1,283
Percent Occupancy	90%	95%	95%	96%	95%	104%	113%	108%	107%	106%
Residence Hall & Meal Fees	\$ 9,290	\$ 9,290	\$ 9,190	\$ 9,140	\$ 8,890	\$ 8,690	\$ 8,440	\$ 7,860	\$ 7,700	\$ 7,700

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

**Total Financial Aid Received  
By University Students  
Academic Years 2011-12 through 2020-21**

	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Federal Financial Aid</b>										
Pell Grant	\$ 14,433,880	\$ 15,802,920	\$ 16,240,845	\$ 16,397,835	\$ 15,216,412	\$ 15,420,633	\$ 15,431,085	\$ 14,811,193	\$ 14,273,553	\$ 14,097,750
Supplemental Grants	688,478	624,927	624,615	480,320	359,215	395,901	392,742	378,696	328,924	453,569
College Work Study	572,045	554,559	573,648	450,023	340,684	442,089	453,598	308,173	317,680	323,962
Perkins Loans	N/A	N/A	N/A	122,663	100,086	141,724	169,632	215,651	141,627	142,074
Bank Loans	66,638,695	74,155,908	79,220,007	83,213,894	83,306,473	79,415,602	73,509,521	65,919,891	64,626,729	65,767,852
<b>Total Federal Aid</b>	<b>\$ 82,333,098</b>	<b>\$ 91,138,314</b>	<b>\$ 96,659,115</b>	<b>\$ 100,664,735</b>	<b>\$ 99,322,870</b>	<b>\$ 95,815,949</b>	<b>\$ 89,956,578</b>	<b>\$ 81,633,604</b>	<b>\$ 79,688,513</b>	<b>\$ 80,785,207</b>
<b>Other Aid</b>										
Scholarships – Foundation and Internal Committee	\$ 8,067,227	\$ 7,306,305	\$ 6,369,009	\$ 5,530,191	\$ 3,694,228	\$ 3,357,769	\$ 3,145,468	\$ 2,647,264	\$ 2,375,733	\$ 2,133,295
Athletics Scholarships/Waivers	8,559,773	7,817,961	7,897,181	7,473,164	7,899,404	7,249,729	6,810,136	6,837,182	6,140,495	6,143,044
Other Scholarships	40,194,014	40,237,553	37,480,803	34,970,034	32,007,524	29,553,467	27,605,652	23,933,261	21,336,056	19,451,248
Institutional Employment	1,801,828	2,949,121	2,715,736	2,715,711	2,634,719	2,824,782	2,766,609	3,278,360	2,600,562	2,462,849
Private Loans	27,584,673	29,483,933	29,353,132	28,481,736	25,733,114	23,990,701	21,688,227	19,783,278	17,545,235	16,224,751
<b>Total Other Aid</b>	<b>\$ 86,207,515</b>	<b>\$ 87,794,872</b>	<b>\$ 83,815,861</b>	<b>\$ 79,170,836</b>	<b>\$ 71,968,989</b>	<b>\$ 66,976,448</b>	<b>\$ 62,016,092</b>	<b>\$ 56,479,345</b>	<b>\$ 49,998,081</b>	<b>\$ 46,415,187</b>
<b>Total Financial Aid</b>	<b>\$ 168,540,613</b>	<b>\$ 178,933,186</b>	<b>\$ 180,474,976</b>	<b>\$ 179,835,571</b>	<b>\$ 171,291,859</b>	<b>\$ 162,792,397</b>	<b>\$ 151,972,670</b>	<b>\$ 138,112,949</b>	<b>\$ 129,686,594</b>	<b>\$ 127,200,394</b>
Unduplicated Count of Students Receiving Aid	9,408	9,667	9,963	9,958	9,637	9,484	9,160	8,573	8,421	8,323

Source: Coastal Carolina University Fact Book

Schedule 10

**Annual Appropriations per In-state Student by Geographic Origin  
S.C. Comprehensive Teaching Institutions  
Academic Years 2010-11 through 2019-20**

	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
The Citadel	\$ 5,228	\$ 4,576	\$ 4,420	\$ 4,408	\$ 4,158	\$ 4,146	\$ 3,968	\$ 4,227	\$ 4,375	\$ 4,911
Coastal Carolina Univ.	3,089	2,570	2,361	2,269	2,041	1,866	1,771	1,775	1,761	1,976
College of Charleston	4,724	4,020	3,686	3,457	3,053	2,930	2,779	2,650	2,501	2,578
Francis Marion Univ.	4,665	4,395	4,358	4,092	3,616	3,441	3,097	2,917	2,584	2,789
Lander University	3,415	3,033	3,053	3,048	2,802	2,560	2,356	2,180	2,046	2,141
SC State University	7,414	5,570	5,517	5,592	5,088	4,714	4,303	3,847	3,268	3,342
USC-Aiken	3,358	2,829	2,707	2,669	2,474	2,321	2,262	2,206	2,056	2,149
USC-Beaufort	3,353	2,344	2,141	2,164	1,839	1,883	1,819	965	917	1,044
USC-Upstate	2,622	2,164	2,027	2,037	1,815	1,822	1,780	1,560	1,514	1,568
Winthrop	3,953	3,439	3,088	2,988	2,779	2,769	2,612	2,528	2,547	2,610
Average	\$ 3,988	\$ 3,410	\$ 3,223	\$ 3,141	\$ 2,846	\$ 2,751	\$ 2,601	\$ 2,450	\$ 2,327	\$ 2,457

**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 - 2012-2021

	For the year ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General obligation bonds	\$ 6,415,000	\$ 7,305,000	\$ 42,365,000	\$ 45,595,000	\$ 48,710,000	\$ 51,690,000	\$ 56,675,000	\$ 59,665,000	\$ 62,585,000	\$ 65,440,000
Revenue bonds	177,634,405	184,233,590	190,576,970	196,677,786	202,886,591	187,808,000	192,361,000	106,707,000	72,551,000	19,122,000
Subtotal bonds payable	184,049,405	191,538,590	232,941,970	242,272,786	251,596,591	239,498,000	249,036,000	166,372,000	135,136,000	84,562,000
Unamortized bond premiums	4,588,054	5,164,114	5,877,731	6,547,977	7,255,421	7,112,680	5,160,821	2,301,283	1,672,097	281,987
<b>Total bonds payable</b>	<b>188,637,459</b>	<b>196,702,704</b>	<b>238,819,701</b>	<b>248,820,763</b>	<b>258,852,012</b>	<b>246,610,680</b>	<b>254,196,821</b>	<b>168,673,283</b>	<b>136,808,097</b>	<b>84,843,987</b>
Capital lease obligations	502,988	271,836	69,927	-	-	-	-	144,894,319	148,208,521	-
<b>Total outstanding university debt</b>	<b>\$ 189,140,447</b>	<b>\$ 196,974,540</b>	<b>\$ 238,889,628</b>	<b>\$ 248,820,763</b>	<b>\$ 258,852,012</b>	<b>\$ 246,610,680</b>	<b>\$ 254,196,821</b>	<b>\$ 313,567,602</b>	<b>\$ 285,016,618</b>	<b>\$ 84,843,987</b>
Fall full-time equivalent										
Undergraduate and graduate students	9,527	9,913	9,950	10,112	9,934	9,777	9,421	8,870	8,859	8,720
Total outstanding university debt										
Per Fall full-time equivalent student	\$ 19,853	\$ 19,870	\$ 24,009	\$ 24,606	\$ 26,057	\$ 25,224	\$ 26,982	\$ 35,351	\$ 32,173	\$ 9,730

Source: Coastal Carolina University Fact Book

## Debt Service Coverage on Revenue Bonds Fiscal Years 2012-2021

Revenue Bonds	For the year ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues	\$ 228,045,206	\$ 216,925,519	\$ 210,854,012	\$ 206,468,687	\$ 200,589,664	\$ 190,622,706	\$ 174,937,930	\$ 159,198,369	\$ 152,009,017	\$ 138,853,361
Expenses	177,721,067	195,030,055	190,998,587	186,282,036	179,200,165	167,713,680	157,721,637	146,387,042	136,531,706	123,860,178
Net Revenues Available for Debt Service	\$ 50,324,139	\$ 21,895,464	\$ 19,855,425	\$ 20,186,651	\$ 21,389,499	\$ 22,909,026	\$ 17,216,293	\$ 12,811,327	\$ 15,477,311	\$ 14,993,183
Debt Service Req, Revenue Bonds	\$ 13,121,101	\$ 13,119,434	\$ 13,120,713	\$ 13,486,166	\$ 13,013,796	\$ 9,364,953	\$ 3,057,986	\$ 1,936,417	\$ 1,932,683	\$ 2,050,518
Coverage	3.84	1.67	1.51	1.50	1.64	2.45	5.63	6.62	8.01	7.31

**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 2012-2021

General Obligation Bonds	For the year ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Tuition Pledged for Debt Service	\$ 1,420,000	\$ 1,420,000	\$ 5,647,811	\$ 6,642,535	\$ 6,787,216	\$ 7,408,400	\$ 7,103,562	\$ 7,149,984	\$ 7,744,604	\$ 7,674,531
Debt Service, General Obligation Bonds	1,255,250	1,247,250	5,071,325	5,088,575	5,109,846	5,086,748	5,241,476	5,248,076	5,259,526	5,317,126
Coverage	1.13	1.14	1.11	1.31	1.33	1.46	1.36	1.36	1.47	1.44

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 2020 and 2011 (Annual Average)

Industry	2020		2011	
	Number of Employees	Percent of Total	Number of Employees	Percent of Total
Construction	107,300	4.91%	77,200	4.23%
Manufacturing	258,200	11.82%	219,100	12.00%
Trade, Transportation and Utilities	408,200	18.68%	351,700	19.27%
Information	27,100	1.24%	25,500	1.40%
Financial Activities	104,600	4.79%	97,000	5.31%
Professional and Business Services	298,400	13.66%	222,300	12.18%
Education and Health Services	258,200	11.82%	216,500	11.86%
Leisure and Hospitality	271,500	12.43%	225,000	12.33%
Other Services	79,500	3.64%	68,400	3.75%
Government	372,100	17.03%	322,800	17.68%
	<u>2,185,100</u>	<u>100.00%</u>	<u>1,825,500</u>	<u>100.00%</u>

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

Schedule 15

## Top 10 Employers in Horry County, SC Calendar Year 2020

Employer	Number of Employees	%
Horry County School District	5,300	26.1%
Wal-Mart	3,000	14.8%
Coastal Carolina University	2,200	10.8%
Horry County Government	2,200	10.8%
Conway Medical Center	2,000	9.9%
McLeod Loris Seacoast	1,489	7.3%
Grand Strand Regional Medical Center	1,400	6.9%
Food Lion	1,000	4.9%
City of Myrtle Beach	990	4.9%
Horry Telephone Cooperative	700	3.5%

**Source:** Myrtle Beach Regional Economic Development

Schedule 16

## State Population, Income and Unemployment History Calendar Years 2020 through 2011

Year	Total Personal Income	Population	Per Capita Income	Annual Unemployment Rate
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%
2012	167,797,500,000	4,717,354	35,570	8.1%
2011	159,187,400,000	4,671,994	34,073	9.6%

**Source:** U.S. Bureau of Economic Analysis  
U.S. Bureau of Labor Statistics

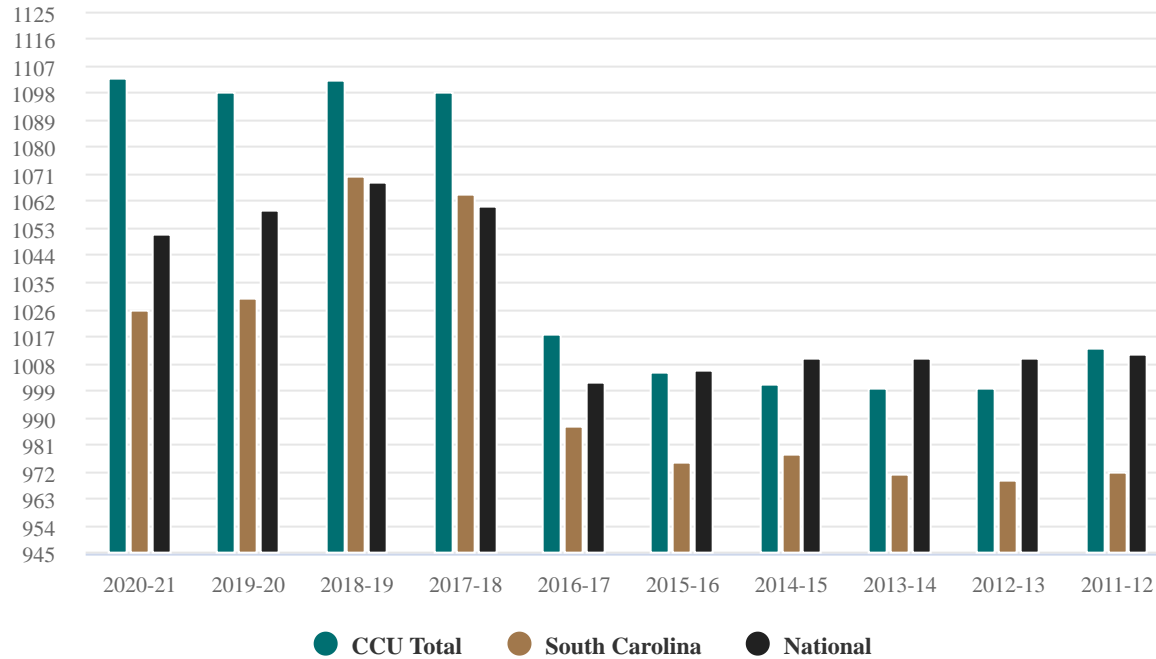
## **Operating Information**

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 2011-2012 through 2020-2021

	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
CCU Total	1103	1098	1102	1098	1018	1005	1001	1000	1000	1013
South Carolina	1026	1030	1070	1064	987	975	978	971	969	972
National	1051	1059	1068	1060	1002	1006	1010	1010	1010	1011

### 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 2010-2011 through 2019-2020

	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
<b>Coastal Carolina University</b>										
Professor	\$ 97,245	\$ 95,898	\$ 97,690	\$ 97,867	\$ 94,892	\$ 95,623	\$ 90,920	\$ 86,945	\$ 84,168	\$ 82,640
Associate Professor	\$ 75,172	\$ 73,440	\$ 74,236	\$ 74,539	\$ 71,290	\$ 71,574	\$ 69,923	\$ 70,405	\$ 70,535	\$ 68,877
Assistant Professor	\$ 65,273	\$ 65,816	\$ 65,769	\$ 66,511	\$ 61,361	\$ 61,083	\$ 59,586	\$ 59,999	\$ 58,234	\$ 56,232
Instructor	\$ 55,739	\$ 54,781	\$ 51,452	\$ 51,135	\$ 48,146	\$ 47,907	\$ 45,347	\$ 47,472	\$ 46,112	\$ 45,593
Average, all ranks	\$ 78,173	\$ 76,961	\$ 77,107	\$ 77,681	\$ 73,183	\$ 72,764	\$ 69,721	\$ 68,960	\$ 67,832	\$ 65,110
Average, percent of SC public universities	111.02%	109.30%	108.79%	109.87%	106.17%	107.56%	107.22%	107.18%	111.40%	108.50%
Average, percent of SREB**	126.48%	126.02%	127.38%	126.70%	127.60%	123.02%	120.12%	117.25%	113.40%	113.21%
Average, percent of national***	93.91%	93.14%	91.61%	92.70%	89.39%	89.66%	88.14%	90.38%	93.06%	90.07%
<b>South Carolina Public Universities</b>										
Professor	\$ 88,353	\$ 87,287	\$ 88,282	\$ 87,511	\$ 85,375	\$ 85,438	\$ 83,019	\$ 82,365	\$ 76,402	\$ 75,990
Associate Professor	\$ 74,039	\$ 71,888	\$ 71,786	\$ 71,215	\$ 69,203	\$ 68,348	\$ 66,114	\$ 66,027	\$ 62,647	\$ 62,428
Assistant Professor	\$ 63,866	\$ 63,242	\$ 63,061	\$ 63,293	\$ 61,001	\$ 60,322	\$ 57,927	\$ 57,559	\$ 54,599	\$ 54,100
Instructor	\$ 53,641	\$ 51,822	\$ 51,477	\$ 50,411	\$ 49,621	\$ 49,033	\$ 48,350	\$ 47,538	\$ 45,426	\$ 44,848
Average, all ranks	\$ 70,412	\$ 70,412	\$ 70,875	\$ 70,702	\$ 68,933	\$ 67,652	\$ 65,024	\$ 64,341	\$ 60,893	\$ 60,009
Southern (SREB**) Average	\$ 61,806	\$ 61,070	\$ 60,535	\$ 61,310	\$ 57,355	\$ 59,150	\$ 58,042	\$ 58,816	\$ 59,816	\$ 57,515
National (CUPA***) Average	\$ 83,239	\$ 82,632	\$ 84,168	\$ 83,802	\$ 81,866	\$ 81,153	\$ 79,102	\$ 76,301	\$ 72,894	\$ 72,291

**Notes:**   \*\*Southern Regional Education Board  
          \*\*\*College and University Professional Association

**Source:**   Coastal Carolina University Fact Book  
          South Carolina Commission on Higher Education

## Summary of Faculty, Staff and Administrative Statistics Fiscal Years 2012-2021

	For the year ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Full-time faculty	485	488	490	450	449	433	416	414	384	355
Part-time faculty	127	174	193	229	214	214	218	184	199	195
<b>Total faculty</b>	<b>612</b>	<b>662</b>	<b>683</b>	<b>679</b>	<b>663</b>	<b>647</b>	<b>634</b>	<b>598</b>	<b>583</b>	<b>550</b>
Full-time staff/administrators	781	960	946	756	737	730	722	692	666	672
Part-time staff/administrators	109	172	159	347	355	335	306	296	228	141
<b>Total staff/administrators</b>	<b>890</b>	<b>1,132</b>	<b>1,105</b>	<b>1,103</b>	<b>1,092</b>	<b>1,065</b>	<b>1,028</b>	<b>988</b>	<b>894</b>	<b>813</b>
<b>Total full-time employees</b>	<b>1,266</b>	<b>1,448</b>	<b>1,436</b>	<b>1,206</b>	<b>1,186</b>	<b>1,163</b>	<b>1,138</b>	<b>1,106</b>	<b>1,050</b>	<b>1,027</b>
<b>Total employees</b>	<b>1,502</b>	<b>1,794</b>	<b>1,788</b>	<b>1,782</b>	<b>1,755</b>	<b>1,712</b>	<b>1,662</b>	<b>1,586</b>	<b>1,477</b>	<b>1,363</b>
Part-time faculty FTE (full-time equivalent)	106.8	150.3	150.5	185.5	166.4	171.6	165.7	145.2	151.9	151.1
<b>Total teaching faculty FTE</b>	<b>589.8</b>	<b>623.3</b>	<b>627.5</b>	<b>619.5</b>	<b>604.4</b>	<b>594.6</b>	<b>580.7</b>	<b>556.2</b>	<b>529.9</b>	<b>502.1</b>
<b>Ratios:</b>										
Full-time faculty: Full-time staff/ administrators	0.62	0.51	0.52	0.60	0.61	0.59	0.58	0.60	0.58	0.53
<b>Total faculty: Total staff and administrators</b>	<b>0.69</b>	<b>0.58</b>	<b>0.62</b>	<b>0.62</b>	<b>0.61</b>	<b>0.61</b>	<b>0.62</b>	<b>0.61</b>	<b>0.65</b>	<b>0.68</b>
<b>Part-time faculty: Total faculty</b>	<b>0.21</b>	<b>0.26</b>	<b>0.28</b>	<b>0.34</b>	<b>0.32</b>	<b>0.33</b>	<b>0.34</b>	<b>0.31</b>	<b>0.34</b>	<b>0.35</b>

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

## Capital Asset Information Fiscal Years 2021-2012

	For the year ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Buildings – Assignable Area (sq. ft)</b>										
Instruction	406,712	406,712	406,712	397,922	349,729	339,883	351,591	364,887	331,723	318,969
Research	29,439	29,439	29,134	29,444	29,439	20,336	8,508	8,508	997	997
Public Service	-	-	-	-	-	-	-	182	-	-
Academic Support	47,729	47,729	47,729	47,729	47,729	47,720	47,777	47,147	49,144	35,083
Student Services	195,256	196,399	195,256	195,531	195,431	195,431	181,777	179,818	175,364	89,323
Institutional Support	91,950	98,375	96,515	101,084	94,841	76,530	82,232	70,472	59,634	59,763
Plant Operation and Maintenance	30,806	30,806	30,806	30,806	30,806	30,806	30,212	30,212	30,212	29,822
Auxiliaries	1,086,703	1,086,703	1,086,703	990,143	990,198	992,770	875,500	875,500	522,736	298,581
Other	63,759	63,759	63,759	63,735	92,559	86,771	55,304	51,605	64,237	53,136
<b>Total Assignable Area (sq. ft)</b>	<b>1,952,354</b>	<b>1,959,922</b>	<b>1,956,614</b>	<b>1,856,394</b>	<b>1,830,732</b>	<b>1,790,247</b>	<b>1,632,901</b>	<b>1,628,331</b>	<b>1,234,047</b>	<b>885,674</b>
<b>Residence Hall - Number of beds</b>										
Main Campus	2,541	2,541	2,541	2,541	2,541	1,917	1,210	1,210	1,210	1,210
University Place I and II	987	987	987	987	987	987	987	987	987	987
University Place III	1,100	1,100	1,100	1,100	1,092	1,092	1,092	1,092	1,092	1,092
Georgetown	8	8	8	8	-	-	-	-	-	-
<b>Total Number of Beds</b>	<b>4,636</b>	<b>4,636</b>	<b>4,636</b>	<b>4,636</b>	<b>4,620</b>	<b>3,996</b>	<b>3,289</b>	<b>3,289</b>	<b>3,289</b>	<b>3,289</b>
<b>Athletic and Intramural Facilities</b>										
Stadiums	4	4	4	4	4	4	4	4	4	4
Extramural and intramural fields	4	4	4	4	4	4	3	3	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	1	3	1
Gymnasiums	3	3	3	3	3	3	3	3	2	3
Fitness centers	2	2	2	2	2	2	2	2	2	3
Tennis courts	18	18	18	18	18	18	18	-	6	8
<b>Number of Capital Assets:</b>	<b>116</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>114</b>	<b>106</b>	<b>102</b>	<b>101</b>	<b>74</b>

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









# Single Audit Section



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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, a discretely presented component unit of the State of South Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Coastal Carolina University's basic financial statements, and have issued our report thereon dated September 30, 2021. 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 Coastal Carolina University's financial statements. 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*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Coastal Carolina 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 Coastal Carolina University's internal control. Accordingly, we do not express an opinion on the effectiveness of the Coastal Carolina 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 entity'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 may exist that have not been identified.

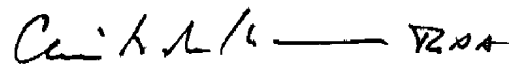


### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Coastal Carolina 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.

A handwritten signature in black ink, appearing to read "Cynthia L. [unclear] CPA". The signature is written in a cursive style with a horizontal line extending from the end.

Gaffney, SC  
September 30, 2021

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Independent Auditors' Report on Compliance for Each  
Major 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**

We have audited Coastal Carolina University's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Coastal Carolina University's major federal programs for the year ended June 30, 2021. Coastal Carolina University's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the University's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Coastal Carolina University's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Coastal Carolina University's compliance.

**Opinion on Each Major Federal Program**

In our opinion, Coastal Carolina University complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2021.

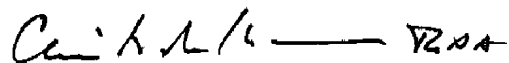
## Report on Internal Control Over Compliance

Management of Coastal Carolina University is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirement referred to above. In planning and performing our audit of compliance, we considered Coastal Carolina University's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Coastal Carolina University's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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  
October 11, 2021

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

Federal Grantor/Pass through Grantor/Program Title	CFDA Number	Grant Number	Grant Budget	Total Expenditures
<b>RESEARCH &amp; DEVELOPMENT CLUSTER:</b>				
<b>DEPARTMENT OF COMMERCE</b>				
SC Marine Mammal Stranding Network: Stranding Response and Enhanced Diagnostic Testing	11.439	NA19NMF4300165	\$ 97,125	\$ 32,095
SC Marine Mammal Stranding Network: Final Transition Year	11.439	NA20NMF4390113	\$ 72,967	\$ 22,052
Subtotal for Marine Mammal Data Program				\$ 54,147
<i>Passed thru Synoptic Data Corp</i>				
National Mesonet Program	11.467	S2020-131	\$ 246,206	\$ 96,816
<i>Subrecipient portion with Florida Atlantic University</i>		31-2085	\$ 249,154	\$ 116,088
Use of Satellite Data to Evaluate Connections between Radiation, Cumulus Convection, and Microphysics Parameterization Schemes and their Scale Sensitivity for FV3-GFS	11.468	NA18NWS4680052	\$ 208,345	\$ 41,260
<b>TOTAL FOR DEPARTMENT OF COMMERCE</b>				<b>\$ 308,311</b>
<b>DEPARTMENT OF DEFENSE</b>				
<i>Passed thru Defense Security Cooperation Agency</i>				
Odor-Based Navigation in Turbulent Flow Research Study for the IA	99.999	PO 444/1032139	\$ 110,000	\$ 59,983
<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	\$ 273,187	\$ 71,104
<b>TOTAL FOR DEPARTMENT OF DEFENSE</b>				<b>\$ 131,087</b>
<b>DEPARTMENT OF THE INTERIOR</b>				
<i>Passed thru VA Department of Game and Inland Fisheries</i>				
Quantify Catch and Release Mortality and Determining its Effect on Southern Muskellunge	15.605	EP3092370	\$ 113,749	\$ 42,635
<i>Passed thru NC Wildlife Resources Commission</i>				
Estimate the Population of Catchable Size Muskellunge in Upper French Broad River	15.605	DIF-0042	\$ 10,099	\$ 1,687
Subtotal for Sport Fish Restoration				\$ 44,322
<i>Passed thru SC Department of Natural Resources</i>				
Identification of Environmental and Biological Factors Limiting Occurrence of the Sandhills Chub in SC	15.634	P24019497420	\$ 48,304	\$ 41,933
<i>Passed thru US Geological Survey</i>				
Modeling of Sea Cliff Retreat	15.808	G20AC00005	\$ 30,000	\$ 13,927
<b>TOTAL FOR DEPARTMENT OF INTERIOR</b>				<b>\$ 100,182</b>

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

Federal Grantor/Pass through Grantor/Program Title	CFDA Number	Grant Number	Grant Budget	Total Expenditures
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>				
<i>Passed thru College of Charleston</i>				
Space Grant Campus Director Award	43.008	521179-CD-CO	\$ 4,000	\$ 4,000
<b>TOTAL FOR NATIONAL AERONAUTICS &amp; SPACE ADMIN</b>				<b>\$ 4,000</b>
<b>NATIONAL SCIENCE FOUNDATION</b>				
RAPID: Collaborative Sediment and Contaminant Mobilization by Extreme Flooding Associated with Hurricane Florence	47.050	1901818	\$ 12,000	\$ 4,545
Interactions between Incipient Continental Rifting, Fluvial Systems, and Regional Climate in Southern Africa: Okavango-Makgadikgadi, Botswana	47.050	1714754	\$ 93,625	\$ 6,737
RUI: Traveling Planetary-scale Waves During Major Stratospheric Sudden Warming	47.050	1642232	\$ 354,895	\$ 99,560
Collaborative Research P2C2: Extreme Floods on the Lower Mississippi River in the Context of Late Holocene Climatic Variability	47.050	1804799	\$ 49,704	\$ 15,505
Subtotal for Geosciences				\$ 126,347
<i>Passed thru US-Israel Binational Science Foundation</i>				
Male Moth Mate Preference During Flight	47.070	2013399	\$ 14,211	\$ (172)
RAPID: Sensing & Modeling Infrastructure for Storm Monitoring and Forecasting in Coastal Zones	47.070	1763294	\$ 99,395	\$ 21,198
Subtotal for Computer & Information Science & Engineering				\$ 21,026
RUI: Reprogramming Cellular Processes in Proteasome-Inhibited Plants	47.074	1615318	\$ 205,975	\$ 28,822
Headwater Stream Networks in a Warming World: Predicting Heterotrophic Ecosystem Function Using Theory, Multi-scale Temp. Manipulations and Modeling	47.074	1655797	\$ 357,987	\$ 23,052
EAGER RUI: The Physiology and Nitrogen Assimilatory Pathway of Spanish Moss in Response to Increased Nitrogen	47.074	2040121	\$ 154,089	\$ 16,605
Subtotal for Biological Sciences				\$ 68,479
Research Networking Activities in Support of Sustained Coordinated Observations of Arctic Change	47.078	1936506	\$ 21,768	\$ 153
<b>TOTAL FOR NATIONAL SCIENCE FOUNDATION</b>				<b>\$ 216,005</b>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>				
<i>Passed thru University of Rhode Island</i>				
Integrated Observational and Modeling Approach to Estimation of the Groundwater Contribution to the Water and Nutrient Budgets in Coastal Environments: Case Studies from Narragansett Bay and Southern Rhode Island Coastal Lagoons	66.129	0007338/020419	\$ 111,628	\$ 4,055



## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

Federal Grantor/Pass through Grantor/Program Title	CFDA Number	Grant Number	Grant Budget	Total Expenditures
<i>Passed thru City of North Myrtle Beach</i>				
Hog Inlet Watershed Management Project Oyster	66.460	Phase I of DHEC 319	\$ 15,659	\$ 9,454
<b>TOTAL FOR ENVIRONMENTAL PROTECTION AGENCY</b>				<b>\$ 13,509</b>

### DEPARTMENT OF ENERGY

<i>Passed thru Savannah River Nuclear Solutions LLC</i>				
Sea Breeze Research	99.999	515108	\$ 58,789	\$ 36,521
<i>Passed thru Triad National Security LLC</i>				
HPC Scheduler Resilience Research	81.124	547073	\$ 179,289	\$ 70,234
<b>TOTAL FOR DEPARTMENT OF ENERGY</b>				<b>\$ 106,755</b>

### DEPARTMENT OF HEALTH & HUMAN SERVICES

<i>Passed thru University of South Carolina</i>				
South Carolina IDeA Network of Biomedical Research Excellence	93.859	20-3941 / PO 2000049449	\$ 137,421	\$ 1,604
<i>Passed thru University of South Carolina</i>				
South Carolina IDeA Networks of Biomedical Research Excellence	93.859	21-4213	\$ 189,706	\$ 60,760
<i>Passed thru Xleratehealth, LLC</i>				
Southeast Xlerator Network	93.859	1UT2GM130174-01	\$ 54,460	\$ 1,875
		31-2083 SXN-2-Yr 2	\$ 3,275	\$ 3,275
		31-2083 SXN-3-Yr 2	\$ 3,275	\$ 546
		31-2083 SXN-4-Yr 2	\$ 3,275	\$ -
<b>TOTAL FOR DEPT OF HEALTH &amp; HUMAN SERVICES</b>				<b>\$ 68,060</b>

**TOTAL RESEARCH & DEVELOPMENT CLUSTER** **\$ 947,909**

#### OTHER PROGRAMS:

### DEPARTMENT OF INTERIOR

<i>Passed thru National Park Service</i>				
Preservation of the Sandy Island School	15.904	P17AP00044	\$ 104,798	\$ 56,387
<b>TOTAL FOR DEPARTMENT OF INTERIOR</b>				<b>\$ 56,387</b>

### DEPARTMENT OF JUSTICE

<i>Passed thru SC Department of Public Safety</i>				
COVID-19 CCU DPS Prevention, Preparedness and Response	16.034	1CF20011	\$ 11,276	\$ 859
<i>Passed thru SC Department of Public Safety</i>				
Law Enforcement Victim's Advocate	16.575	1V19026	\$ 74,412	\$ 9,151

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

Federal Grantor/Pass through Grantor/Program Title	CFDA Number	Grant Number	Grant Budget	Total Expenditures
<i>Passed thru SC Department of Public Safety</i>				
Law Enforcement Victim's Advocate	16.575	1V20034	\$ 35,062	\$ 26,297
		Subtotal for Crime Victim Assistance		\$ 35,448
		<b>TOTAL FOR DEPARTMENT OF JUSTICE</b>		<b>\$ 36,307</b>
<b>DEPARTMENT OF THE TREASURY</b>				
<i>Passed thru State of South Carolina</i>				
COVID-19 - Coronavirus Relief Fund	21.019	None	\$ 14,177,500	\$ 14,177,500
		<b>TOTAL FOR DEPARTMENT OF THE TREASURY</b>		<b>\$ 14,177,500</b>
<b>OFFICE OF PERSONNEL MANAGEMENT</b>				
<i>Passed thru National Science Foundation</i>				
Dr. Varavut Limpasuvan's Intergovernmental Personnel Act Assignment	27.011	AGS-1946677	\$ 419,782	\$ 203,458
		<b>TOTAL FOR OFFICE OF PERSONNEL MANAGEMENT</b>		<b>\$ 203,458</b>
<b>NATIONAL AERONAUTICS AND SPACE ADMINISTRATION</b>				
<i>Passed thru College of Charleston</i>				
REAP 2021-22: Opening Astrophysics Career Paths for Under-served Groups at CCU	43.008	521383-RP-CO001	\$ 3,999	\$ 3,999
		<b>TOTAL FOR NASA</b>		<b>\$ 3,999</b>
<b>NATIONAL ENDOWMENT FOR THE ARTS &amp; HUMANITIES</b>				
<i>Passed thru SC Humanities</i>				
COVID-19 Bridge Emergency Relief Edwards College of Humanities	45.129	BER 20-65-6	\$ 5,000	\$ 5,000
<i>Passed thru SC Humanities</i>				
Gullah Geechee Community Day	45.129	19-1937-1	\$ 8,000	\$ 6,050
<i>Passed thru SC Humanities</i>				
Waccamaw Indian People: Past, Present, and Future	45.129	20-2019-2	\$ 1,700	\$ 1,700
<i>Passed thru SC Humanities</i>				
National History Day in South Carolina 2019-2020	45.129	CP-18-874-5	\$ 10,000	\$ 2,622
<i>Passed thru SC Humanities</i>				
National History Day in South Carolina 2020-2021	45.129	CP-20-998-5	\$ 9,987	\$ 9,037
		<b>TOTAL FOR NTL ENDOWMENT FOR THE ARTS &amp; HUMANITIES</b>		<b>\$ 24,409</b>
<b>DEPARTMENT OF EDUCATION</b>				
Building Collaborative Area Studies through an Interdisciplinary Language Resource Center	84.016A	P016A200017	\$ 90,818	\$ 56,022

## Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

Federal Grantor/Pass through Grantor/Program Title	CFDA Number	Grant Number	Grant Budget	Total Expenditures
<i>Passed thru SC Department of Education</i>				
Project CREATE	84.027	Year 18	\$ 58,822	\$ 30,668
<i>Passed thru SC Vocational Rehabilitation Services</i>				
Pre-Employment Transition Services	84.126A	SCVRD # 11570	\$ 104,000	\$ 65,580
<i>Passed thru Richland County School District 2</i>				
Midlands GEAR UP	84.334A	MOA 1	\$ 20,000	\$ 8,456
COVID-19 Higher Education Emergency Relief Fund (HEERF) - Student Portion	84.425E	P425E200602-20A	\$ 5,027,174	\$ 5,027,174
COVID-19 Higher Education Emergency Relief Fund (HEERF) - Institutional Portion	84.425F	P425F200549-20A	\$ 23,882,011	\$ 14,422,731
Subtotal for Higher Education Emergency Relief Fund				\$ 19,449,905
<b>TOTAL FOR DEPARTMENT OF EDUCATION</b>				<b>\$ 19,610,631</b>

### NATIONAL ARCHIVES & RECORDS ADMINISTRATION

Gullah Geechee Digital Project	89.003	RM-102739-19	\$ 270,327	\$ 52,220
<b>TOTAL FOR NATIONAL ARCHIVES &amp; RECORDS ADMIN</b>				<b>\$ 52,220</b>

**TOTAL OTHER PROGRAMS** \$ 34,164,911

### STUDENT FINANCIAL ASSISTANCE CLUSTER:

#### DEPARTMENT OF EDUCATION

Federal Supplemental Educational Opportunity	84.007	Year 20-21		\$ 550,782
Federal Work Study Program	84.033	CWS Year 20-21		\$ 457,636
PERKINS Loans	84.038			\$ 760,324
Federal Pell Grant Programs	84.063	Year 19-20		\$ 468,705
Federal Pell Grant Programs	84.063	Year 20-21		\$ 13,899,098
Federal Pell Grant Programs	84.063	Year 18-19		\$ 65
Federal Direct Student Loans	84.268	Stafford Subsidized & Unsubsidized		\$ 40,316,804
Federal Direct Student Loans	84.268	PLUS Loans		\$ 24,672,226
Federal Direct Student Loans	84.268	UGTCH 20-21		\$ 66,819
Teacher Education Assistance for College and Higher Education	84.379	GRTCH 20-21		\$ 7,532
<b>TOTAL FOR DEPARTMENT OF EDUCATION</b>				<b>\$ 81,199,991</b>

**TOTAL STUDENT FINANCIAL ASSISTANCE CLUSTER** \$ 81,199,991

**TOTAL FEDERAL EXPENDITURES** \$ 116,312,811

## Note to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

### 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, 2021, 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 federal loan program the University participated in from July 1, 2020, through June 30, 2021, is the William D. Ford Federal Direct, which is the umbrella name for the Federal Direct Stafford Student Loan Program and the Federal Direct Parent Loan for Undergraduate Students (PLUS) Program. The Federal Family Education Loan Program (FFELP) ended June 30, 2010 but the Ford title is still used as the umbrella title for all the federal loan programs. The loans are made directly from the federal government; therefore, there is no loan balance recorded at the University. The totals of loans processed for the current fiscal year are:

Stafford Student Loan – Subsidized	\$	17,081,565
Stafford Student Loan – Unsubsidized		23,235,239
PLUS Loans		24,672,226
<b>Total</b>	<b>\$</b>	<b><u>64,989,030</u></b>

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 \$616,257 as of June 30, 2021, with no new loans being disbursed.

## **Summary Schedule of Prior Audit Findings For the Year Ended June 30, 2021**

### 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, 2021

### 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

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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

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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:

CFDA # Various Student Financial Aid Cluster

CFDA #21.019 COVID-19 Coronavirus Relief Fund

CFDA #84.425E COVID-19 Higher Education Emergency Relief Fund (HEERF) - Student Portion

CFDA #84.425F COVID-19 Higher Education Emergency Relief Fund (HEERF) - Institutional Portion

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

\$1,053,385

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Auditee qualified as low-risk auditee?

Yes   x   No \_\_\_\_\_

## **Schedule of Findings and Questioned Costs, Continued**

### **For the Year Ended June 30, 2021**

#### **Summary of Auditor's Results, continued**

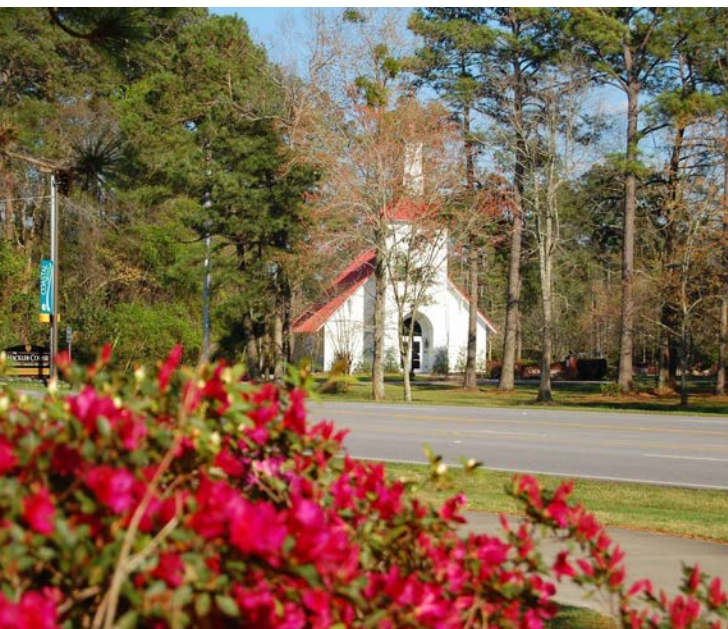
#### **Findings Relating to the Financial Statements:**

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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